THE

BANKERS' MAGAZINE

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CONSOLIDATED

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NOTICE.—The BANKERS' MAGAZINE having been consolidated with RHODES' JOURNAL OF BANKING, the volume number of the former only is retained.

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INDEX.

July to December, 1905.

I. EDITORIAL COMMENT AND LEADING ARTICLES.

II. BANKING AND FINANCIAL LAW AND REPLIES TO QUESTIONS.

LIST OF CASES.

CANADIAN BANKING LAW DECISIONS.

LIST OF CASES.

REPLIES TO LAW AND BANKING QUESTIONS.

III. BANKING MISCELLANY, REPORTS, ETC.

IV. MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

COMPARATIVE PRICES AND QUOTATIONS OF ACTIVE STOCKS, RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

BANKERS' OBITUARY RECORD.

THE

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FIFTY-NINTH YEAR. JULY, 1905. VOLUME LXXI, No. 1.

THE STANDARD OF CONDUCT as applied to business transactions should be, it would seem, as irrevocably fixed by this time as the money standard. It is only a few years since, however, that the latter question was the subject of heated and angry discussion in this country. The result of the controversy was a decisive rejection of the double monetary standard. Just now, while we are not exactly engaged in a campaign for a double standard of conduct in business (since no one, perhaps not even a hired attorney, would dare uphold dishonesty as the proper policy), we are witnessing some remarkable exhibitions of the differing views men take of their duties when acting as individuals and when acting as trustees or officers of corporations.

The man who in his private capacity would scrupulously regard not only the rules of common honesty but the higher ethical principles, as the director of a corporation has been shown to be capable of a total disregard of such rules and principles.

While it has been generally believed that those who are naturally disposed to be dishonest were restrained by fear of the law, the supposition has not been uncommon that most men are either honest from principle or that at least they have sufficient intelligence to perceive that in the long run there is nothing to be gained by dishonest practices. Recent revelations in the financial world, however, would seem to indicate that there are circles where none of these considerations have much weight, so long as the danger of discovery is avoided. With an effective corporation cloak to hide his appropriation of others' property to his personal use, the unfaithful trustee pays but little attention to any moral or legal hindrances to the execution of his plans. Moral restraints may be easily brushed aside by a process of reasoning something like the following:

"This is the twentieth century, and old-fashioned ways of doing things must give way to make room for new ideas; the style of living to which I have been accustomed can not be changed, but constantly makes new demands on my purse—automobiles, European trips, the opera, entertainments, city and country houses—all these and countless other forms of pleasure or dissipation call for increasing expenditures; true, the income I am unjustly receiving may be in part derived from poor people or those in moderate circumstances, who are struggling to accumulate sufficient means to provide for their dependents, but really I can not stop to consider such people as these. They are not used to luxurious living anyway, and so long as I leave something for them they should not complain."

But little heed seems to be paid to legal obstacles by these modern exponents of high finance. A trustee or director can plead ignorance. Furthermore, he is too busy with his yachts, automobiles, etc., to attend to such trifling details as the management of property entrusted to his care. If an officer, directions may be given to subordinates, and if these orders are not obeyed, the delinquency may be ascribed to "a misplaced switch," for which officers, of course, are not responsible.

No doubt the financier whose fortunes have been accumulated by such methods as these actually considers himself, and is considered by others ignorant of his methods, as a very fine type of American. He lives well—even if at the expense of unwilling contributors—liberally supports religious and benevolent enterprises, is a patron of art and literature, and is regarded everywhere as an all-round good fellow.

There is, however, another side to transactions of this sort, and it was well described by GROVER CLEVELAND in his letter accepting appointment as trustee of the Equitable Life Assurance Society. Mr. CLEVELAND, in writing to Mr. RYAN, said:

"While the hope that I might aid in improving the plight of the Equitable Society has led me to accept the trusteeship you tender, I cannot rid myself of the belief that what has overtaken this company is liable to happen to other insurance companies and fiduciary organizations as long as lax ideas of responsibility of trust are tolerated by our people. The high pressure of speculation, the madness of inordinate business scheming, and the chances taken in new and uncertain enterprises, are constantly present temptations, too often successful, in leading managers and directors away from scrupulous loyalty and fidelity to the interests of others confided to their care.

We can better afford to slacken our pace than to abandon our old, simple American standards of honesty, and we shall be safer if we regain our old habit of looking at the appropriation to personal uses of property and interests held in trust in the same light as other forms of stealing."

When the appropriation to personal uses of property and interests held in trust is regarded in the same light as other forms of stealing, the immorality of such proceedings will be established; but something more than that will be necessary to stop further "appropriations" of this character. This remedy, so far as relates to persons acting in their individual capacities, is well known and is frequently applied. A like application will have to be made where corporations are the apparent offenders. As was said by Messrs. JUDSON and HARMON, the Government attorneys in the Atchison rebate cases:

" * * * What we have said is peculiarly true of the great corporations of our day. They cannot be imprisoned, and punishment by fine is not only inadequate but reaches the real culprits only lightly, if at all. The evils with which we are now confronted are corporate in name but individual in fact. Guilt is always personal. So long as officials can hide behind their corporations, no remedy can be effective. When the Government searches out the guilty men and makes corporate wrongdoing mean personal punishment and dishonor, the laws will be obeyed."

An officer or director of a National banking corporation can not use his charter as a screen to protect him from violations of the National Bank Act. If guilty, the "misplaced switch" can not be pleaded in extenuation.

The recent disclosures of corporate mismanagement indicate that some corrective more powerful and convincing than moral suasion is needed to prevent a spread of similar evils. Full restoration of unearned emoluments, and sure and swift punishment of the guilty, will alone prove effectual.

If reckless corporation financiering is not checked it may finally engender a feeling of distrust that will work substantial harm. It is well to bear in mind however, that the so-called "high finance" does not represent the real financial strength of the United States. This lies deeper, and is rooted in the character of the people and the unmatched resources of the country. It is no more disturbed by the present commotion than are the depths of the sea by the agitation of the waves on the surface.

THE ELASTIC CLAUSE OF THE GERMAN BANK ACT was the theme of an interesting address by Mr. HERMANN SCHMIDT before a meeting of the London Institute of Bankers earlier in the year. This address, together with the discussion called forth by it, will be found in another part of this issue of the MAGAZINE.

What might be called the ordinary bank-note circulation in Germany is limited to the cash in hand plus a certain fixed amount (now 541,600,000 marks) for which a fiduciary issue is allowed. But this fiduciary issue does not constitute an absolute limit. What in this country is called an emergency circulation is provided for by Section 9 of the German Bank Act, which reads as follows:

"Banks whose circulation exceeds their cash plus their share in the fixed fiduciary issue have to pay to the Imperial Exchequer on the excess issue a tax of five per cent. per annum. 'Cash' consists of German coins, Imperial paper money, notes of German banks, besides gold and foreign gold coins."

This section constitutes the elastic clause of the German Bank Act. It is well to bear in mind that this excess issue, like all the circulation, is covered by one-third cash and two-thirds by short bills.

On referring to Mr. SCHMIDT's address, and consulting the tables accompanying it, one may see the practical workings of this clause of the law. For Americans who take an interest in such matters, the question of most importance will be, does this device really impart any marked degree of elasticity to the bank-note circulation? This question seems to be answered in the affirmative. It is shown, for example, that the excess circulation declined from a maximum of 205,000,000 marks on September 30, 1897, to a minimum for the year of 7,000,000 marks on November 7. In the following year the excess fluctuated between the lowest point, 6,000,000 marks, on November 23 to the highest point, 282,000,000 marks, on December 31. In 1900 the first figures given are 209,000,000 on January 7. By July 7 the excess had declined to 41,000,000, rising to 355,000,000 at the close of the year.

The suddenness of the changes in the volume of the excess of circulation seem to indicate that the tax really compels a quick retirement of the portion of the circulation which was called into existence to meet temporary stress in the money market.

Regarding the criticism frequently heard that this expedient would be overworked and that the metallic basis for bank issues would grow smaller, Mr. SCHMIDT shows that as a matter of fact the metallic cover for the German note issues has risen from an average of 74.55 per cent. in 1876 to 92.94 per cent. in 1905. Perhaps it ought to be said, however, that in some of the years from 1876 to 1905 the percentage was below the figures for 1876. The total metallic reserves have increased from 501,593,000 marks in 1876 to 1,110,288,000 marks in 1905.

The fear expressed that the workings of the elastic clause would unfavorably affect the foreign exchanges, has proven to be unfounded; and, indeed, the contrary effect has been produced. This is explained by the fact that the Reichsbank having to pay a tax of five per cent. on the excess circulation, raises its rate of discount, which tends to attract gold.

It is stated further, that not a single one of the adverse effects predicted as a result of the action of the elastic clause has materialized. On the other hand, by reason of this provision, Germany has been enabled to conduct a larger business with the gold actually at her disposal than would otherwise have been possible. The elastic clause, it is declared, has been particularly serviceable in enabling the banks to provide for the exceptional payments that must be made at certain seasons of the year.

In concluding his address Mr. SCHMIDT said: "My remarks to-night ate intended to show that a close examination into the workings of the elastic clause fails to bring out a single instance where its effects have been detrimental, while there is a strong presumption that by giving her note issue greater freedom, Germany has added to the defence of her business interest a weapon, modern, progressive, and ingenious, which has probably formed one of the most effective, if less obvious, causes of her remarkable progress in commercial and industrial activity."

THE IMPERIAL BANK OF GERMANY has practical control of the German bank-note issues. Although nominally a private institution, it has a purely State administration. Its powers are exercised by a President, Vice-President and six members of the directorate, officially nominated. The accounts are audited by Imperial officials, and the Empire participates in the profits. The shareholders are represented by a permanent central committee, composed of representatives of leading banks and bankers of Germany, thereby forming a connecting link between the Reichsbank and the outside institutions. This committee seems to possess advisory powers only.

In a country like Germany and with the note issue concentrated to a great extent in a single powerful institution, the problem of a bank circulation is much simpler than it is in the United States. But the problem need not, for that reason, be given up here as being insoluble. Probably through the instrumentality of the clearing-houses, properly organized, our numerous banking units could be substantially coalesced and brought up to a standard of homogenity, as far as relates to note issues, approximating that which exists in Germany.

AN UNLIMITED RESERVE, as stated by Mr. SCHMIDT in the discussion which followed the reading of his paper, is the only sure remedy in times of panic. In England this "unlimited reserve" is practically obtained by the suspension of the Bank Act; but the necessity for anything of this sort is obviated by the elastic clause of the German Bank Act.

Some interesting points were brought out in the discussion. In reply to a question from Mr. FELIX SCHUSTER, Mr. SCHMIDT stated that the obligation of the Reichsbank was simply to pay "in current coin of the realm," which, he explained, included silver thalers. Mr. SCHUSTER said that this constituted an essential difference between the German notes and those of the Bank of England, the holder of a Bank of England note having the right of demanding payment in gold and nothing but gold.

THE BASIS OF THE GERMAN NOTE ISSUES consists of cash and short-bills—the former to the extent of one-third and the latter two-thirds of the notes issued. "Cash" includes not only German coins but Imperial paper money and notes of German banks. It has been proposed in this country to issue notes based on the legal tenders, which would perhaps not be particularly objectionable, as the legal tenders are an obligation of the Government to pay gold on demand. The German Act, however, would seem to permit the issue of notes partly on the security of the notes of other banks. Proposals have been made, in this country, to count National bank notes as a part of the reserves which the National banks are required by law to keep.

The "asset" part of the security is represented by the permissible two-thirds of short bills. Under the wise control of the Reichsbank, the tendency has been to increase the metallic cover of the notes.

THE NATIONAL FINANCES OF GREAT BRITAIN are becoming a subject of much concern to many of the thoughtful men of that country. In an address delivered before the meeting of the London Institute of Bankers, June 7, Mr. EDGAR SPEYER, of the well known banking house of Speyer Brothers, pointed out the tendency toward national, municipal and individual extravagance now existing in Great Britain. A condensed report of Mr. Speyer's address is published elsewhere in this issue of the MAGAZINE, and it will be found worthy of a careful reading.

The national expenditure in the past ten years was £1,440,833,126, compared with £902,209,158 in the previous decade—an increase of £538,000,000 or nearly sixty per cent. Even if the expenditure on account of the South African War be deducted (about £220,000,000, exclusive of interest on the debt) the growth in the normal expenditure for the past ten years will be still over £300,000,000, or about forty-five per cent. If to these figures are added the municipal expenditures, it will be seen that the country's national and municipal outlay has reached a total of £2,710,000,000 in the last ten years, compared with £1,639,-000,000 in the previous decade.

As a result of this extravagance imports have largely increased while exports have remained relatively stationary. The excess of imports over exports in 1903 was £183,000,000 compared with £81,000,000 in the later eighties. A further effect of these liberal expenditures has been a practical stoppage of the investment of capital abroad in recent years. Mr. SPEYER shows the importance of Great Britain's foreign investments by pointing out that the investment of British capital abroad and the income received therefrom maintain about 1,500,000 wage-earners, and, including their families, about 7,000,000 people.

In the United States considerable criticism is heard regarding the tendency toward lavish expenditure on the part of individuals. We have been enjoying a long and practically unbroken period of prosperity since recovering from the low point of depression following the financial crisis of 1893. The people have the money to spend, and are not disposed to be parsimonious. National expenditures, too, are on a rising scale, the outlay for the army and navy especially being very largely increased over the normal figures of a few years ago.

This country is so vast in extent and its resources so great that the people are able to make enormous expenditures with comparative ease. Whether the riches annually taken from our soil bring an equivalent return, however, may be open to question. It is, perhaps, not so much a matter of the sum of the expenditures as the benefits derived therefrom. In Great Britain serious concern has been expressed regarding the growth in the drink traffic, and while it has been asserted that a "wave of sobriety" is sweeping over that country, Mr. SPEYER says the wave is largely froth. A similar wave appears to be sweeping over the United States, the consumption of malt liquors having grown from a total of 526,000,000 gallons in 1882 to 1,494,000,000 gallons in 1904, the per capita consumption increasing in the same time from eleven to eighteen gallons.

The effects of extravagance upon individuals are easily observed; and while in the case of municipalities and nations the ill effects may be hidden for a time, they are liable to come suddenly to light at most inopportune times and in an unpleasant manner.

THE BANK CLERKS' CONVENTION to be held at Minneapolis July 20, 21 and 22 promises to be an interesting and profitable meeting. It will be the third National Convention of the American Institute of Bank Clerks, the first one having been held at Cleveland and the second at St. Louis last year while the World's Fair was in progress.

Suggestions have been made of late that the bank clerks of the country do not share directly in the benefits of the conventions of the American Bankers' Association and those of the various State associations. Delegates to these meetings are almost always made up from among the official staff of the banks; and so far as the American Bankers' Association is concerned only officers, directors or trustees, or members of a banking firm, are admitted as delegates. Clerks, however, could be spectators of the proceedings, even if they were debarred from voting or taking part in the discussions.

It is said that the attendance of clerks at the conventions, either of the American Bankers' Association or of the State associations is very small. Whether this is due to the indifference of the clerks, the apparent lack of welcome, or whether it is because the officers wish to monopolize the privilege of representing their bank on these special occasions, is not stated.

It is conceivable that if the clerks attended the conventions in larger numbers the proceedings might in most cases take on a more practical form. The clerks constitute the less conspicuous, but not less important, part of the working machinery of the bank. The young men comprising the numerous cogs and wheels of this machinery have not yet emerged into the higher realms of finance, and if they were allowed to talk at these conventions they would doubtless talk chiefly about the practical operations of their several departments. Their views might fitly supplement many of the essays now presented at the conventions.

The meetings of the American Institute of Bank Clerks, both in the annual conventions and in the local chapters, afford an opportunity to the bank clerks of the country to discuss their work more freely than would be possible at the conventions of State associations and of the American Bankers' Association.

It might be surmised that bank officers would derive practical advantage from attending the Minneapolis convention. They would see there a large body of young men well trained for the work of to-day, and keenly alive to the opportunities of to-morrow.

Directors of National banks who may have been negligent in the performance of their duties are receiving the attention of the Comptroller of the Currency. The director who is content to be a mere figurehead is not regarded with great favor in the Comptroller's office. Heretofore when attention has been called to irregularities which have finally resulted in failure of the bank, the directors have sought to excuse themselves on the ground that they were wholly unaware of the irregular transactions. In the future they will be obliged to find some other excuse. The Comptroller now, when writing to banks and calling the attention of the officers to violation of the rules and laws established for the regulation of National banks, requires the answer to his letter to be signed by every member of the board of directors. The directors of failed National banks will therefore find a plea of ignorance of little avail in aiding them to escape responsibility. Even the illustrious precedent of the "misplaced switch" will not be an effectual bar to their accountability to the Comptroller.

While this rule may, in some cases, work more or less hardship, it is no doubt justifiable. The stockholders of a bank delegate the management to the board of directors, and these in turn place the immediate control in the hands of officers; but the acts of the latter ought to be the subject of constant scrutiny by the directors. When they fail to exercise the supervision necessary to insure prudent management and the observance of the banking laws, they are justly censurable for neglecting their plain duty. The plea of ignorance, instead of extenuating the offense, aggravates it; for if they did not know what was being done by the officers, they should have known.

It is probable that violations of some of the provisions of the National Bank Act have not been as strictly dealt with by the Comptroller's Bureau as they should have been. Official complaint has been made that the penalty for an infraction of certain of these laws was unnecessarily harsh. Those charged with the enforcement of the law have therefore endeavored to mitigate its severity by withholding the infliction of the penalty and depending upon mild reproofs periodically administered. This executive endeavor to correct the short-sightedness of Congress has, apparently, not produced the happiest result. Authority is not lacking to prove that had these same laws been strictly enforced the failure of many banks—perhaps the greater number of failures—would have been prevented.

While, therefore, the decision of the Comptroller to enforce a stricter compliance with their duties on the part of National bank directors is to be welcomed, it might also be an opportune time to inaugurate a policy of supervision that will compel compliance with the banking law. If the law is unnecessarily harsh, this is the most certain way to obtain reasonable modifications that will assure the results aimed at without resorting to a penalty out of proportion to the offense.

THE SECRETARY OF THE TREASURY recently made an attempt to revive the discussion of matters relating to the currency. In an address delivered before the joint convention of the bankers' associations of Georgia and Florida held at Atlantic Beach, June 9, Mr. SHAW said:

"Suppose the National banks were granted permission to issue a certain volume of currency, either proportioned on the capital of the bank or on the amount of bond-secured currency, and were charged not less than five per cent. interest during the time this currency is out. Certainly additional currency would spring into existence whenever money is scarce, and if the banks were compelled to pay five per cent. interest thereon they would retire it as soon as the pinch is over. It could be retired by a deposit of an equal amount of lawful money at any of the sub-Treasuries. It would not be necessary to redeem each individual bill. The volume of money would be contracted by the deposit as well as by the actual destruction of the bank bills so issued.

The Government should guarantee the redemption of this credit currency, for the interest charged would vastly more than cover all possible loss. I desire to go on record as opposing the issuance of any currency that the Government does not guarantee, and I am equally opposed to the Government guaranteeing bank currency without being first amply secured."

Some difficulty might be experienced in deciding when the five per cent. tax should become effective. At present, with a capital of $782,000,-000, the banks have $430,000,000 outstanding circulation. If they issued to the par of their capital, as the law permits, they could put out $352,000,000 more. Should this limit be the one fixed for the imposition of the tax, or would it become operative at the present limit, if Secretary SHAW's plan should receive the sanction of Congress?

Of course, if the existing bond-secured circulation should be taken as the basis for the emergency issue, the problem would be somewhat different. In the latter case it could be provided that when the total bank-note circulation of the country reached a fixed sum—say, $450,000,000, all beyond that should be taxed five per cent., just as all notes issued by the Bank of England, beyond a prescribed limit, must be secured by an equal amount of gold.

But if our bank-note circulation were circumscribed by taxing all issues above a certain fixed aggregate, it would have some curious results. In the first place, as soon as the limit was reached, new banks would either have to forego the circulation privilege or pay the tax. Another effect would be the limitation of the circulation without regard to the future growth of the country, but this latter would tend to make the increased taxed circulation really available in emergencies.

Perhaps something might be gained by a study of the conditions which engender the emergencies that call for an increased amount of currency. If panics are caused by overtrading, they could be prevented by some device that would automatically check business expansion. Instead of putting a stamp tax on the nostrum for curing the disease, why not tax the cause of the disease?

Suppose all banks were taxed on their loans according to a graduated scale: as business expanded, the tax would finally become so high as to be prohibitive of new loans; but this would at least prove a check to that undue business activity which many believe to be the cause of financial crisis.

It may be that if interest rates were not fixed by legal enactment, something like the above would occur. In seasons of speculative activity, with an enlarged demand for money and banking credits, the interest on loans would advance to an extent that borrowers would cease to make fresh loans when they could no longer profitably use the proceeds of the loans. At present loans are curtailed in time of panic not so much by the inability of the borrower to pay the rate, but by the inability of the bank to lend at the rate the law permits; or, very often, at any rate at all. If lending operations were taxed at all times—the per cent. of tax increasing with the size of the loan—there would be a lending power held in reserve for the seasons of most active demand for money and credits.

So much for theory; in practice it might be otherwise. The same observation would apply to Secretary SHAW's emergency circulation. A tax of five per cent. uniformly imposed would not be uniform in the effects produced. Such a tax might prove no effectual bar to the continued issue of the emergency notes in some parts of the country.

Of course, emergency circulation subject to a tax is not a new device. It exists in Germany and Japan; but in neither of these countries are the conditions at all similar to those that prevail in the United States; although, on this account, it can not be declared with positiveness that an emergency circulation would not afford some relief in times of depression. But it is questionable if the amount that could be issued would be sufficient to alleviate the strain of such a panic as that of 1893.

What would seem to be of more importance is the relief of the banks and the money market from the numerous artificial conditions now imposed by law or custom. If the banks were allowed to issue notes to the full limit of their capital and without the deposit of bonds, they could put out only $782,000,000. This seemingly large sum is comparatively small when placed by the side of the nearly four billions of loans and discounts which the National banks have outstanding. It is in the management of this enormous mass of credit that the true means of elasticity must be sought.

There are some things, apparently, that are deserving of closer study at the present time than an emergency circulation. First, how much is the elasticity of the check and deposit system interfered with by the growing circulation of Government bonds (miscalled bank notes), issued or retired without regard to business conditions? Second, what effect is produced on the money market by the artificial means of regulation of the supply of funds by the Secretary of the Treasury in depositing and withdrawing public moneys and in attempting to exercise partial control over the issue of National bank circulation? Also, what is the effect of the large fixed volume of silver and legal-tender notes?

A GOVERNMENT GUARANTY of the currency is favored by Mr. SHAW. The present guaranty of the National bank notes by the Government is simply an agreement of the Government to redeem its own obligations at par. But if a real bank-note currency should ever be adopted, there is no substantial reason why the banks themselves should not be made the custodians of the guaranty fund. No one can doubt either the honesty or the solvency of the united banking institutions of the country. What the Government should do, however, is to permit the issue of notes only under such regulations as would insure absolute safety. If an adequate redemption fund were provided, it could be entrusted to the banks just as well as to the Treasury. In fact, it is conceivable that aside from insisting on the proper means of current and ultimate redemption of notes, Treasury intermeddling with the currency and the money market, however carefully and skillfully managed, may prove a source of harm. No doubt the Secretary is anxious to do everything in his power to prevent a tension in the money market, but this very anxiety may lead to injudicious measures being taken. And however able any Secretary may be, he can not possess the wisdom of even approximately controlling the money market. So far as that may be controlled at all, it is a function that can be exercised by the banks alone.

THE TREASURY DEFICIT for the fiscal year ending June 30, 1905, is $23,987,752.10, the receipts having been $543,423,859.24 and the expenditures $567,411,611.34. In his last Annual Report Secretary SHAW estimated the deficit at $18,000,000.

As the available cash balance at the end of June was $142,490,322.87, no immediate concern need be felt about the excess of expenditures over receipts for the fiscal year just closed. But, on the other hand, it must be admitted that the difference is not on the right side, and that if this unfavorable balance continues much longer, we shall either have to resort to increased taxation or to borrowing.

With the present restless tendency toward the extension of Governmental activity, it is too much to expect that the equilibrium between income and outgo can be re-established by being more economical. That would be old-fashioned and not in keeping with the progressive spirit of the times. And yet it is a very good way, after all; for it is a policy that tends to keep the national resources free of unnecessary burdens in ordinary times, thus insuring a greater reserve strength for use in emergencies. The present taxation of the people of the United States for Federal purposes is not excessive, but the growth of national expenditures can not be viewed with unconcern. An unchecked tendency toward extravagance, even for a nation as rich as the United States, is fraught with possibilities too serious to be disregarded.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

†ORGANIZATION OF THE WORKING FORCE OF A TRUST COMPANY.

It is difficult to find two trust companies the scope of whose business is exactly the same; and because of this fact, and because these institutions are still in the formative period, the plans under which the working forces of trust companies are organized are nearly as numerous as the companies themselves. There is some variety in the titles given to different officers and employees, and great variety in the duties which such officers and employees are called upon to perform. It is therefore quite out of the question to treat the subject as one might write of banks, where the names given the several workers, and the duties which they perform, are, within certain limits, pretty well defined. The average trust company worker, outside of the banking department, is usually called upon to do service of a more varied nature than that of the average bank employee.

The organization of the working force depends, in the first instance, upon the character and amount of the company's business. If it is practically a bank operating under the name of a trust company, as is often the case, its working force will be organized in a manner differing little from that of an ordinary bank. Its active head, where the President or a Vice-President is not an active official, is apt to be called the Secretary and Treasurer, or the Treasurer, rather than the Cashier; although the latter title is frequently used in the South and in the West. Where the business of the company is large and diversified, requiring a considerable number of officers, the titles most commonly given are President, Vice-Presidents, Treasurer, Secretary (or Secretary and Treasurer), Assistant Secretaries and Assistant Treasurers. Among other titles found are Attorney, Trust Officer, Auditor, Advertising Manager, Manager of the Bond Department, Manager of the Safe-Deposit Department, and Manager of the Real Estate Department.

Duties of the Various Officers.

The titles given trust company officials do not necessarily convey any idea of their duties. While the President is sometimes the active head of the company, he is more often not active, devoting to the company's affairs only so much time as is necessary to preside at directors' meetings, serve on certain committees, and act in an advisory capacity. In such case, the active management devolves sometimes upon a Vice-President, sometimes upon the

* Publication of this series of articles was begun in the January, 1904, issue of the Magazine, page 31.

† The summary of State statutes relating to trust companies was concluded in the June issue of the Magazine. We have since received a copy of the new banking law of Texas, a summary of which will be found at the end of this article.—Editor.

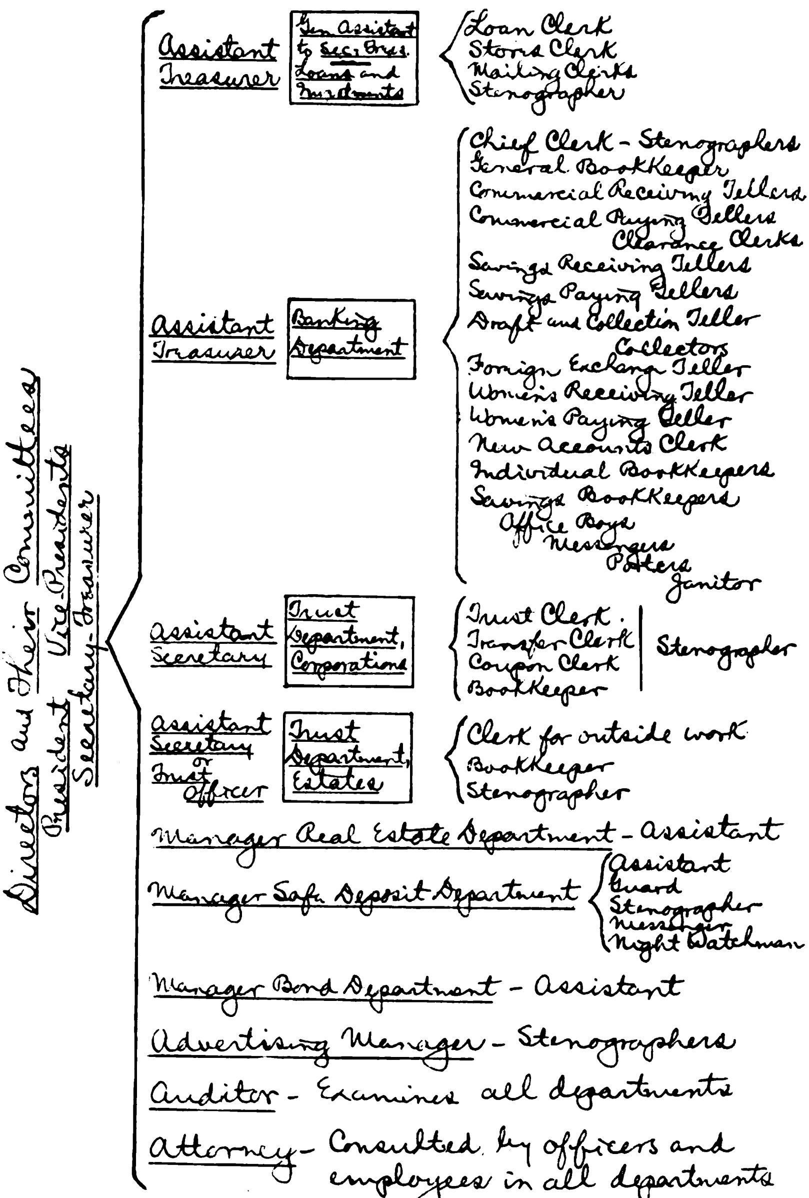

Chart D, showing the organization of the working force of a trust company.

Treasurer, occasionally upon the Secretary, but most often upon the Secretary and Treasurer. Where the Secretary and the Treasurer are not the same man, the duties of the Treasurer are apt to be connected with the banking department, and those of the Secretary with the trust department, but instances are numerous where no attention is paid to titles in the assignment of the duties of the different officers. The titles of other officers, like that of Trust Officer, are more descriptive of their duties.

The accompanying chart is designed to show the general organization of the working force of a trust company doing a considerable business in trust, banking and kindred lines of business. It represents no particular company, but the attempt has been made to incorporate the arrangements most common among a number of companies examined, the type of company represented being that in the large cities of the Middle States. Of course the various lines of work will be combined so as to be done by fewer workers if the company be smaller than the one for which the chart is designed, and will be distributed among more workers if the company be larger. The assignment of responsibilities among the Assistant Secretaries and Treasurers is purely arbitrary, and in a given company may be quite different from that shown in the chart; such assignments usually and properly depending more upon the personal fitness and experience of the various officers than upon their titles. A newly-organized company is apt to pay more attention to the relationship of titles and duties than an old company, where the different men have grown to their titles, their duties having been well established before the titles were given.

Reading horizontally, the arrangement of the chart is designed to show the superior officer to whom each worker is responsible. Reading vertically, no effort has been made to show the relative standing of the officers and employees. Thus, each worker in the column beginning "Assistant Treasurer" is responsible directly to the Secretary and Treasurer. Reading horizontally, one may see the special department of which each officer or worker is in charge, and the various employees who report directly to him. The question as to which of the under officers is in direct line of promotion depends upon the man rather than upon the position.

Whatever title be given the official who has active charge of the company, he is the man who is directly responsible to the directors, and through them to the stockholders, for the general conduct of the institution. Upon his shoulders rests the general supervision of the affairs of the company; to him the lesser officials report, and under his general direction they administer the business of their several departments. Matters of detail are as a rule not brought to his attention, but his strength and time should be reserved for the consideration and determination of general policies. He is, of course, the one upon whom rests the responsibility for the safe and profitable investment of the funds of the company and of the funds which the company holds in trust. Such investments, however, especially those of trust funds, are not usually made upon his sole responsibility, but are determined by an investment committee, of which he is the most influential member. The laws of many of the States prescribe the classes of investments permitted for trust funds, and for the general funds of the trust companies; and within the limits allowed by law, many companies by by-law or resolution of the board of directors prescribe the classes of investments in which their different funds shall be placed. These limitations, if wisely made, tend towards safety and lessen the responsibility of the chief executive of the company. If unwisely made, their effect is quite the reverse. In the matter of loans, the chief executive is usually the man who decides, but the loans made are regularly and frequently reported to the finance committee or executive committee, by whom large loans are ordinarily authorized in advance. This officer keeps the records of the directors' meetings, and of the meetings of the executive committee.

In a large institution the Secretary-Treasurer will hardly have time and strength to look after all the general executive work of the company, and another officer is apt to be named to act as his general assistant. In the chart this officer is an Assistant Treasurer. He decides those matters of general management with which he thinks it unnecessary to trouble the Secretary-Treasurer. He has charge of the general correspondence, himself dictating such letters as he sees fit, and distributing, through an office boy, the other letters to the heads of the various departments. He has general charge of the loans, carrying out the orders of the executive committee, and taking a varying amount of responsibility in decisions on loans of small amounts. He has charge of the collaterals given for loans, and of the investments made by the company; a frequent arrangement being that he shall have access to the latter only in company with another officer or trusted employee. Upon him rests the responsibility of seeing that coupons and other forms of income on investments are collected at maturity. He approves and initials expense vouchers, exercises general supervision over the expenditures of the company, and places orders for supplies needed as such needs are reported to him by the Stores Clerk.

The Loan Clerk has direct charge of the details involved in the handling of loans. Through his window he meets the customers whose applications for loans have been approved, sees that their notes are properly made out, signed, endorsed, etc.; that they are accompanied by the proper collateral, if collateral loans, and that such collateral is correctly transferred to the company; and, if mortgage loans, that the mortgage is in correct form and accompanied by an abstract of title or title insurance policy correctly describing the property and showing clear title, and by insurance policies properly assigned, if needed. He figures interest, sends notices of and collects same. He receives payments on loans, either partial or complete, and endorses same on the notes or cancels and delivers the notes. He keeps records showing all necessary information regarding the loans, including the balance on each loan and the interest payments. He keeps line cards or records, showing the total loaned on each particular collateral, and keeps track of daily quotations on stocks and bonds held as collateral, to notify his superior officer if same decline in price to an extent that makes them poor security for the loans. He receives written applications for loans from those who do not see an officer in person regarding same. Sometimes he is given a limited amount of discretion in making loans to designated parties within specified limits or upon stated collateral. At the close of the day, or at convenient times during the day, his figures are turned over to the General Bookkeeper. In his work he has one or more assistants, including a Stenographer.

If the company handles discounts, there is sometimes a Discount Clerk who looks after the details of such loans, though if the amount be small, such loans can be handled by the Loan Clerk.

The Stores Clerk is in charge of the various supplies, books and stationery needed by the employees and officers of the company. His duty is to see that a sufficient supply of each article is always on hand, which requires, of course, a careful system of keeping track of the amounts on hand of the different articles. Supplies are distributed to the different workers on requisitions initialed by the Assistant Treasurer, by whom also orders for supplies are placed as their need is reported to him by the Stores Clerk. In a large company the value of the supplies handled by this clerk in a year amounts to a good many thousands of dollars. This clerk is sometimes in charge of the expense vouchers, filling out the vouchers after seeing that the bills are correct, handing same to the Assistant Treasurer for his "O K," and sending them to the payees. He keeps an expense book showing the distribution of expenditures.

The Mailing Clerks are charged with the duty of seeing that all outgoing mail is in proper shape: that each letter is signed and placed in the proper envelope correctly addressed, sealed, stamped and placed in the post office. During part of the day they are assigned to special tasks in the different departments of the company.

An Assistant Treasurer has general charge of the banking department, aside from the loans. Save in the matter of loans, his duties are much the same as those of the Cashier of a bank so far as the supervision of the practical work is concerned. He sees that the different workers in the department perform their work satisfactorily; keeps track of the reserve and balances with correspondents; meets customers, oversees the opening of new accounts; adjusts differences; attends to the correspondence of the banking department; signs drafts, decides questions of signatures, overdrafts, identification, etc., and looks after numerous other matters that come up daily. This officer, with the assistance of the Chief Clerk, is usually charged with the duty of detailing men to fill temporary vacancies due to sickness, vacations, etc., both in his own and other departments. The banking department is divided into two parts, one of which handles commercial accounts, and the other savings accounts.

The Chief Clerk acts as general assistant in the banking department. While he has some stated duties, his time is largely occupied in attending to special matters assigned to him from time to time. He is a man of all-around ability and experience, who can step in to fill any position in the department in an emergency. He looks after matters of detail in the relations of the different departments one with another.

The General Bookkeeper keeps the general books of the banking department and the records of investments, and also acts as general bookkeeper for the whole institution to the extent of recording the earnings and expenses of the several departments. Aside from these items, each department keeps its own books. The General Bookkeeper prepares the daily statement and reports based on his books, which together with the reports of the other departments, are laid before the Secretary and Treasurer each morning.

The Commercial Receiving Tellers and the Commercial Paying Tellers perform the duties usually devolving upon such workers, receiving deposits and paying checks for customers, and attending to kindred duties. One of

2

the Paying Tellers has charge of the cash, and locks and unlocks the safes in which it is kept. The Savings Receiving Tellers and the Savings Paying Tellers respectively receive deposits from and make payments to the holders of savings pass-books.

Progressive trust companies have separate tellers to handle the business of women customers. The duties of these tellers are the same as those of the corresponding tellers in the men's department.

The Draft and Collection Teller issues drafts on New York and other correspondents, has charge of collections, and makes remittances for the company. The Collectors work under his direction, receive from him each morning the items to be collected for the day, and after making their rounds hand him the proceeds of paid collections and return those unpaid.

The Foreign Exchange Teller issues foreign drafts, travellers' checks and letters of credit. If the business in this line be small, it is attended to by the Draft Teller; while, on the other hand, some companies have so large a business in this line as to justify the maintenance of a separate department, with several employees.

Many companies have a clerk called the New Accounts Clerk, who attends to the details of opening new accounts, under the direction of the officer in charge of the department.

The Individual Bookkeepers keep the accounts of customers in the commercial department, and the Savings Bookkeepers the accounts of customers in the savings department.

The Clearance Clerks have charge of items for the clearing-house, which they collect from the various tellers, arrange according to the banks on which they are drawn, and take to the clearing-house. They also bring and assist in looking over the incoming clearing. They usually work under the direction of one of the Tellers.

The remaining employees in this department are Stenographers; Messengers, who carry money and securities to and from the bank, to express offices and elsewhere; Office Boys, who run errands, file letters and attend to various duties assigned to them. The Janitor and the Porters, though having to do with the whole institution, are most naturally classed with this department. The Porters stand at the doors to direct customers to the proper offices or windows, keep a watchful eye on persons passing in and out of the bank, and are on hand for any service demanded of them. Frequently the same persons act as Porters and as Messengers.

The Work of the Trust Department.

The trust department—which is semi-legal in the character of its work, and which is the department of specialties—is divided into two sub departments, one of which devotes its attention to trust work involving the affairs of corporations, while the other is engaged in the handling of estates and probate business. Some companies make three departments by putting the work of transfer agent and registrar into the hands of a separate department.

One Assistant Secretary has charge of the corporations division of the trust department. If not a lawyer, he must at least have thorough familiarity with so much of commercial law as concerns his work, and he freely consults the company's attorney as occasion arises. There is great variety in the work of this department, and the duties to be attended to on one day or week may be of a character quite different from those of the succeeding day or week. Now they are the details attendant upon acting as trustee under a bond issue; the next task may be that of acting as assignee for a large concern, mercantile, manufacturing, banking or other; again they may concern the re-financing plans of a corporation, the handling of a bond pool or syndicate, the collection of assessments, or the distribution of proceeds, acting as depository under escrow agreements, the duties of a Receiver, acting as depository for a sinking fund, depository of stocks under voting trust agreements, the payment of coupons, the transfer and registering of stocks or the registering of bonds, and so on. The general direction of these and similar matters rests upon the officer in charge of the department. A Trust Clerk acts as his general assistant, handling the details, figuring assessments and distributions, keeping the department tickler, and so forth.

The Transfer Clerk attends to the transfer and registering of stock certificates, and the registering of bonds, keeps the records of same, furnishes certified lists of stockholders and attends to such other matters as occasion demands.

The Coupon Clerk pays coupons as they mature and are presented, cancels and arranges and keeps a record of them, and returns them with statements at regular intervals to the companies concerned. Sometimes he has charge of all incoming and outgoing registered mail and express matter for the whole institution except the banking department, attending to valuation and insurance on outgoing matter and keeping a record of same.

The Trust Bookkeeper keeps the records of the department and looks after such special duties as are assigned to him.

The Stenographer of this department operates a book typewriter, with which he makes entries, dictated to him by the officer in charge, upon the trust register and other records.

One officer—perhaps the Trust Officer or an Assistant Secretary—has charge of that division of the trust department which handles estates and probate business. Like the officer in charge of the other division of the trust department, he needs to be familiar with the law as it concerns the work of his department. He confers with customers who wish to leave property in trust with the company, or to appoint the company agent or attorney-in-fact, or to name it executor or trustee under will, or trustee under agreements relating to life insurance, or who wish to employ the company to act for them in any capacity. His advice is sought and freely given to customers on various matters of semi-legal character regarding their estates. He has general charge of the estates in the keeping of the company, looking after them as he would after his own property. He confers with heirs and beneficiaries under trusts held by the company. It is largely through this department that the trust company develops that peculiar personal character that distinguishes it from the proverbial "soulless corporation." As guardian of the estates of minors and others, and in other capacities, the officer in charge of this department is often called upon to perform duties that bring him into close personal touch with customers.

It is a part of the duty of this officer to see that trust funds in the department are kept invested in ways that are safe and as profitable as safety will permit. Such investments are made upon the advice, either of a committee existing for the special purpose, or of the executive or finance committee of the company. In some companies the Trust Officer is in charge of the whole trust department, the subdivisions of such department being under the charge of assistant trust officers.

An Outside Man in this department looks after the real property held in trust, rents the property, pays taxes, attends to repairs and improvements, assists in the negotiation of sales, visits courts to look up records and legal matters, and so on.

The Bookkeeper of the department keeps the books, in which a separate set is kept for each trust, as well as general figures showing the entire work of the department. He remits income to the beneficiaries of the various trusts as same is received or at stated intervals, has charge under the Trust Officer of the securities and papers belonging to each trust, collects coupons and other forms of income aside from the rents collected by the Outside Man, collects bonds and mortgages as they mature, keeps the department tickler, renders statements to the courts and to others as required, etc. In this work he is assisted by the department Stenographer, who also takes dictation and attends to the correspondence.

The Manager of the Real Estate Department conducts for the company a general real estate agency business. His duties are similar to those of an ordinary high-grade real estate agent, being the purchase and sale of real estate and the renting of same, acting as agent in the handling of real property, the collection of rents, etc. Sometimes, with the advice of the executive committee, he buys property for the company, for the purpose of turning it over at a profit, either by sale in bulk or in allotments. Much of this business is of the same character as part of that done in the estates division of the trust department, and is frequently handled by that department, extra clerks being employed as needed.

THE SAFE-DEPOSIT DEPARTMENT.

The Safe-Deposit Department is under the direct charge of a Manager. His duties involve the general supervision of his department, but as this does not require all of his time after the department is once established and put in running order, he devotes considerable time to working up new business and to seeing that his department is kept fully up to the times.

An assistant keeps the accounts, makes out the daily reports and assists in the handling of customers. He has charge of setting the time locks and opening the vaults. In the absence of the Manager, he rents boxes and space in the vaults. He keeps record of all visits made by customers to the vaults or boxes.

A guard admits customers to the department, keeps his eye open and gives general assistance.

In large companies, a trusty man is needed to call for and deliver packages. Special wagons, either automobiles or drawn by horses, are provided for this purpose by the most progressive companies.

A Stenographer in the department takes dictation and attends to duties specially assigned.

While the Night Watchman belongs to the whole institution, his most responsible duties are in connection with this department.

The Manager of the Bond Department is engaged in the investigation, purchase and sale of municipal bonds and other high-grade securities, his department conducting practically the same business as a first-class bond house. He needs one or more clerks to assist in the work; but as his department is in close touch with portions of the trust department, the clerks of that department are often detailed to assist him.

The Advertising Manager is, as his title indicates, in charge of the company's advertising. The growth of the idea that banks, and particularly trust companies, may with dignity advertise and "hustle" for business, has been phenomenal, and has already reached the point where these institutions are among the leading advertisers. Accordingly, the Advertising Manager of an enterprising company has an important mission to perform, and must be a man of experience in his line, of ideas and of industry in the pursuit of new and attractive ways of drawing public attention to his company. In his work he has the assistance of several stenographers, who prepare and maintain advertising lists and send out advertising matter.

Many companies now include in their regular force an Auditor, who gives his time to auditing all departments, preventing or detecting defalcations, seeing that the orders of the executive officers as to methods of work are carried out, suggesting to employees improvements in their work and devising improved forms, records and systems. He reports directly to the chief executive at regular intervals and whenever occasion demands.

An indispensable official in a trust company is an attorney, or firm of attorneys. Sometimes he devotes his whole time to the company, but more often there is a working agreement by which his services are at the disposal of any member of the working force, officers or employees, whenever needed. Unless the Trust Officer or other official is an experienced attorney who is capable of passing upon legal or semi-legal questions which are apt to arise at any moment in the work of the trust department, it is of the utmost importance to have a competent attorney within easy reach. The duties of this official are, of course, mainly advisory. CLAY HERRICK.

(To be continued.)

SUMMARY OF THE TEXAS STATE BANK LAW.

(PASSED BY THE TWENTY-NINTH LEGISLATURE. EFFECTIVE AUGUST 14, 1905.)

Five or more persons may incorporate a "banking and trust company." Articles of agreement must be filed with the Secretary of State. The corporation may not continue more than fifty years.

The act authorizes the establishment of banks of deposit or of discount, or both, having trust powers. The powers specified are: to exercise the powers of banks of deposit and discount; to act as fiscal agent of corporations, public and private; to act as transfer agent and registrar; to receive deposits of trust moneys, securities or other personal property; to loan money on real or personal securities; to hold such real estate as is needed in the transaction of the business, and such as is acquired in the satisfaction of debts due the company; but the latter may be retained not more than five years; to act as trustee under any mortgage or bond issue, "and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State;" to accept trusts for married women with respect to their separate property, and to act as agents in the management of same; to act under the appointment of court as guardian, receiver or trustee of the estate of any minor, the annual income of which shall not be less than $100; to act as depository of any moneys paid into court; to execute any legal trusts regarding the management of estates real or personal, from whatever source the trust may be received; to manage estates; "to purchase, invest in, guarantee and sell stocks, bills of exchange, bonds and mortgages and other securities;" to issue its own bonds and obligations; to act as executor, as administrator, as guardian of any infant, insane person, idiot or habitual drunkard, or as trustee for any convict in the penitentiary, under appointment of court; to do a fidelity insurance business; "provided, this act shall never be construed as authorizing the granting of a trust not lawful as between individuals."

The capital shall be not less than $50,000 nor more than $10,000,000. The affairs of the corporation shall be managed by a board of directors not less than five nor more than twenty-five in number; elected annually unless the number exceeds five, in which case they are to be divided into three classes so that each shall serve three years, one-third retiring each year.

The office of Superintendent of Banking is filled by the Commissioner of Agriculture, Insurance, Statistics and History, who is authorized to employ clerks and examiners. It is his duty, either in person or by an examiner, to visit and examine every trust company in the State once per annum, and oftener when he thinks it necessary. The expense of such examinations is borne by the companies examined, according to a schedule of maximum charges outlined in the statute. Detailed provision for procedure to enforce the authority of the Superintendent of Banking is made in the statute. In case he finds a trust company to be in bad condition or to ignore his instructions, he must communicate the facts to the Attorney-General, who shall institute such proceedings as the nature of the case may require. In case of need, the Superintendent of Banking may take immediate charge of the company, pending the appointment of a Receiver. A trust company may place itself in the hands of the Superintendent of Banking by posting notice, and a voluntary general assignment is forbidden.

Reports to the Superintendent, in a form prescribed in the statute and by the Superintendent, must be made upon his call at least twice each year, and oftener at his discretion. Such statements must be published in a local newspaper, and must be posted in the banking house.

Trust companies may not loan to any one individual, company or corporation an amount greater than twenty-five per cent. of the capital stock; or of the capital stock and surplus if the latter is equal to or in excess of fifty per cent. of the capital. The discount of bills of exchange drawn against actually existing values and the discount of paper upon the collateral security of warehouse receipts covering products in store under certain conditions. are not considered as money borrowed. Trust companies may not engage in trade or commerce. The directors may declare dividends, if earned, every six months or oftener, but must first set aside ten per cent. of the net profits to a surplus fund, until the same amounts to fifty per cent. of the capital.

Funds in the charge of trust companies may be invested in loans secured by real estate or other sufficient collateral security, in public bonds of the United States or of this State, in the bonds of any incorporated city or county or independent school district in this State. Such corporations may own only such real estate as is required for the transaction of their business, and such as is acquired in the collection of debts; but the latter may not be retained more than five years. Stockholders are subject to double liability. The books and records of such corporations must be kept open for the inspection of all persons interested. Trust companies having a capital of at least $100,000, and making a deposit of $50,000 with the State Treasurer shall be permitted to qualify as guardian, curator, executor, etc., without giving bond as such. Such deposit shall consist of cash, Treasury notes of the United States, or Government, State, county, municipal or other bond or bonds, notes or debentures, secured by first mortgages or deeds of trust, or mortgages or deeds of trust, or unincumbered real estate in the State worth at least double the amount loaned thereon, or such other first-class securities as the Superintendent of Banking may approve. This deposit shall be primarily liable for the obligations of such company acting in fiduciary capacities, "and shall not be liable for any other debt or obligation of the company until all trust liabilities have been discharged."

Trust companies already in existence may avail themselves of the provisions of this act, provided that they thereby waive the powers granted by their charters and derive their sole powers under the terms of this act. Corporations not organized under this act are forbidden to use the words "trust" or "trust company" in their titles; except that corporations already organized and authorized to use such terms in their titles may retain same by using thereafter the words "without banking privileges." Foreign corporations, other than National banks, are forbidden to do a business of banking and discount in this State.

Every banking corporation is required to maintain a reserve of at least twenty-five per cent. of the aggregate amount of its demand deposits, ten per cent. of which is to be actual cash in the bank. The reserve fund or any part thereof may be kept on hand or on demand deposit in any bank or banking association of the State of Texas or under the laws of the United States approved by the Superintendent of Banking and having a paid-up capital of $50,000 or more; but the deposits in any one bank or trust company shall not exceed twenty per cent. of the total deposits, capital and surplus of said bank.

School Savings Banks.—J. H. Thiry, of Long Island City, N. Y., founder of the School Savings Bank system in the United States sends the Magazine a report of the twentieth anniversary of the introduction of these banks into this country, from which the following is taken:

"The School Savings Bank plan is now in practice in 1,089 schools of 109 cities of twenty-two different States of America, and the sum of $2,782,012.27 has been saved by 191,009 scholars, of which $2,165,072.63 has been withdrawn, leaving a balance of $616,939.64 due little depositors January 1, 1905.

The rapidity with which extreme poverty multiplies its victims is one of the startling facts in social science. The public schools, acting upon every child, must be the great public agency for the arrest of the evil. If every child could be trained to save, as well as given the knowledge and habits which assure his earning power, much would be done towards saving the very poor from temptation and suffering. School Savings Banks have already yielded excellent results in this direction, at the same time that they have helped to check and prevent pauperism, crime, prodigality and various vices, and lead children to the road of thrift and frugality.

The united effect of the practical lessons of thrift and economy is a clearing out of the intellectual avenues which open upon the moral faculties. By the ennobling power of truth revealed to children and by good surroundings, some uplift is given to their thoughts and purposes towards that life of honest industry and rational enjoyment which makes him who lives it a satisfaction to himself and a blessing to society."

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.

LIABILITY OF STOCKHOLDER—CHARACTER OF—STATUTE OF LIMITATIONS.

Supreme Court of the United States, March 6, 1904.

ADOLPHUS F. MCCLAINE *vs.* GEORGE C. RANKIN, AS RECEIVER OF THE FIRST NATIONAL BANK OF SOUTH BEND.

The statutory liability of a stockholder of a National bank for the debts of the bank is not a liability arising upon contract.

Under the statute of limitations of the State of Washington an action to enforce the liability of such a stockholder must be brought within two years after the assessment is made.

In error to the United States Circuit Court of Appeals for the Ninth Circuit to review a judgment affirming, on a second writ of error, a judgment of the Circuit Court for the District of Washington, overruling a demurrer setting up the statute of limitations in an action to enforce the statutory liability of a shareholder in a National bank.

The First National Bank of South Bend, Washington, became insolvent and was closed on August 10, 1895, and on the seventeenth day of the same month one Heim was appointed Receiver, who was succeeded by Aldrich, and Aldrich by George C. Rankin.

August 17, 1896, the acting Comptroller of the Currency levied an assessment against the shareholders of the bank in enforcement of their statutory liability. Adolphus F. McClaine was one of the stockholders, was notified of the levy, and demand was duly made of him to pay the assessment on or before September 17, 1896, and shortly thereafter an action was commenced against him by the Receiver to recover the same. Pending the action, efforts to settle the claim were made. Subsequently, the action was dismissed. Thereupon the Receiver brought an action against McClaine upon an alleged contract of compromise, which went to trial, and the Receiver took a non-suit. The present action was then brought on the assessment, August 15, 1899, and McClaine set up the statute of limitations by demurrer, which the circuit court sustained, and dismissed the action. (98 Fed. 378.) The cause was taken to the circuit court of appeals, and the judgment of the circuit court reversed. (45 C. C. A. 631, 106 Fed. 791.)

The case having been remanded, the circuit court overruled the demurrer, McClaine answered, and a trial was had, resulting in judgment for the Receiver, which was affirmed by the circuit court of appeals. This writ of error was then brought.

Mr. Chief Justice Fuller delivered the opinion of the court:

It is conceded that, in the absence of any provision of the act of Congress creating the liability, fixing a limitation of time for commencing actions to enforce it, the statute of limitations of the particular State is applicable. (Rev. Stat. 721, U. S. Comp. Stat. 1901, p. 581; Campbell vs. Haverhill, 155 U. S. 610, 39 L. ed. 280, 15 Sup. Ct. Rep. 217.)

If, then, this action was barred by the statute of limitations of the State of Washington, that ended it, and both judgments below must be reversed and the cause remanded to the circuit court, with a direction that judgment be entered for defendant.

Reference to the State statutes shows that subd. 2 of § 4798 relates to "an action upon a contract in writing, or liability, express or implied, arising out of a written agreement;" while subd. 3 of § 4800 relates to "an action upon a contract or liability, express or implied, which is not in writing, and does not arise out of any written instrument." The one relates to contracts or liabilities growing out of contracts in writing, and the other to contracts or liabilities growing out of contracts not in writing. The Receiver's contention is that the case falls within subd. 3 of § 4800, imposing the limitation of three years. If it does not, it is not otherwise provided for, and falls within § 4805, which fixes the limitation at two years.

And as this action was commenced within three years, but not within two years, after the assessment became due and payable, the question is whether subd. 3 of § 4800 applies.

It is contended that the meaning of the word "liability" as used in that subdivision is not restricted to contract liabilities, but, reading it with subd. 2 of § 4798, and in view of the enumeration of other actions to enforce liabilities, we think that this cannot be so, and, indeed, the subdivision has been construed by the Supreme Court of Washington as applicable only to contracts. (Suter vs. Wenatchee Water Power Co. 35 Wash. 1; Sargent vs. Tacoma, 10 Wash. 212.)

The circuit court was of that opinion when the case was originally disposed of, and held that the cause of action arose by force of the statute, and did not spring from contract. (98 Fed. 378.) But that judgment was reversed by the circuit court of appeals on the ground that the liability was not only statutory, but contractual as well, and that the limitation of three years applied in the latter aspect. (45 C. C. A. 631, 106 Fed. 791.) Conceding that a statutory liability may be contractual in its nature, or more accurately, quasi-contractual, does it follow that an action given by statute should be regarded as brought on simple contract, or for breach of a simple contract, and, therefore, as coming within the provision in question?

The National Bank Act provides that "the shareholders of every National banking association shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares." (Rev. Stat. § 5151, U. S. Comp. Stat. 1901, p. 3465.)

And under other sections the duty is imposed on the Comptroller of the Currency to give the creditors of an insolvent National bank the benefit of the enforcement of this personal liability, and to decide whether the whole, or a part, and, if only a part, how much, shall be collected, he being also authorized to make more than one assessment, as circumstances may require. (Kennedy vs. Gibson, 8 Wall. 498; Studebaker vs. Perry, 184 U. S. 258; and cases cited.) But even his decision does not determine the liability except as to contracts, debts, and engagements of the bank lawfully incurred. (Schrader vs. Manufacturers' Nat. Bank, 133 U. S. 67.)

The liability is conditional, and statutes of limitation do not commence to run until after assessment has been made. (McDonald vs. Thompson, 184 U. S. 71.)

In the latter case the statute of Nebraska provided (§ 10) that actions must be commenced within five years, "upon a specialty, or any agreement, contract, or promise in writing, or foreign judgment;" and (§ 11) within four years "upon a contract not in writing, express or implied; an action upon a liability created by statute other than a forfeiture or penalty."

The action was brought on an assessment upon the stockholders of a National bank to the amount of the par value of the shares, and not to recover an amount unpaid on the original subscription, and it was held that the five year limitation did not apply, because the cause of action was not upon a written contract, but that the four year limitation applied, "whether the promise raised by the statute was an implied contract not in writing or a liability created by statute," no distinction between them as to the limitation being made by the State statute. And Mr. Justice Brown, speaking for the court, said: "Whether the promise raised by the statute was an implied contract, not in writing, or a liability created by statute, it is immaterial to inquire. For the purposes of this case it may have been both. The statute was the origin of both the right and the remedy, but the contract was the origin of the personal responsibility of the defendant. Did the statute make a distinction between them with reference to the time within which an action must be brought, it might be necessary to make a more exact definition; but, as the action must be brought in any case within four years, it is unnecessary to go farther than to declare what seems entirely clear to us, that it is not a contract in writing within the meaning of § 10 of the Nebraska act." And it was also said: "Granting there was a contract with the creditors to pay a sum equal to the value of the stock taken, in addition to the sum invested in the shares, this was a contract created by the statute, and obligatory upon the stockholders by reason of the statute existing at the time of their subscription; but it was not a contract in writing within the meaning of the Nebraska act, since the writing—that is, the subscription—contained no reference whatever to the statutory obligation, and no promise to respond beyond the amount of the subscription. In none of the numerous cases upon the subject in this court is this obligation treated as an express contract, but as one created by the statute and implied from the express contract of the stockholders to take and pay for shares in the association."

In the present case the limitation imposed on an action upon a statute for penalty or forfeiture, where an action was given, was three years (subd. 6, § 4800), and on any other action to enforce a statutory liability was two years, because not otherwise provided for, and, therefore, the question must be met whether this is an action brought on a contract or not. But it is an action to recover on an assessment levied by the Comptroller of the Currency by virtue of the act of Congress, and although the shareholder, in taking his shares, subjected himself to the liability prescribed by the statute, the question still remains whether that liability constituted a contract within the meaning of the statute of limitations of the State of Washington.

Some statutes imposing individual liability are merely in affirmation of the common law, while others impose an individual liability other than that at common law. If § 5151 had provided that subscribing to stock or taking shares of stock amounted to a promise directly to every creditor, then that liability would have been a liability by contract. But the words of § 5151 do not mean that the stockholder promises the creditor, as surety for the debts of the corporation, but merely impose a liability on him as secondary to those debts, which debts remain distinct, and to which the stockholder is not a party. The liability is a consequence of the breach by the corporation of its contract to pay, and is collateral and statutory. (Brown vs. Eastern Slate Co. 134 Mass. 590; Platt vs. Wilmot, 193 U. S. 602; Matteson vs. Dent, 176 U. S. 521.) The stock still stood in the name of the decedent, and it was decided that the statutory liability was a debt within the State law, but not that it was a true contract.

It is true that in particular cases the liability has been held to be, in its nature, contractual, yet, it is nevertheless conditional, and enforceable only according to the Federal statute, independent of which the cause of action does not exist; so that the remedy at law in effect given by that statute is subject to the limitations imposed by the State statute on such actions.

Cases such as (Carrol vs. Green, 92, U. S. 509, and Metropolitan R. Co. vs. District of Columbia, 132 U. S. 1) are not controlling, for in them the right to recover was direct and immediate, and not secondary and contingent.

In Metropolitan R. Co. vs. District of Columbia, the charter of the company provided "that the said corporation hereby created shall be bound to keep said tracks, and for the space of two feet beyond the outer rail thereof, and also the space between the tracks, at all times well paved and in good order, without expense to the United States or to the city of Washington." The declaration set out a large amount of paving done by the city, which it was averred should have been done by the company. The action was based on the implied obligation on the part of defendant to reimburse plaintiff for moneys expended in performing the duty which the statute imposed on defendant.

In Carrol vs. Green it was said: "According to the statute, the liability of 'each stockholder' arose upon 'the failure of the bank.' The liability gave at once the right to sue; and, by necessary consequence, the period of limitation began at the same time."

But here the right to sue did not obtain until the Comptroller of the Currency had acted, and his order was the basis of the suit. The statute of limitations did not commence to run until assessment made, and then it ran as against an action to enforce the statutory liability, and not an action for breach of contract.

We think that subd. 3 of § 4800 did not apply, and that § 4805 did.

The judgment of the Circuit Court of Appeals is reversed; the judgment of the Circuit Court is also reversed, and the cause remanded to that court with a direction to sustain the demurrer and enter judgment for defendant.

Mr. Justice White, with whom concur Mr. Justice Brown and Mr. Justice McKenna, dissenting.

LOST BANK NOTES—WHEN ACTION MAY NOT BE MAINTAINED.

Supreme Court of Louisiana, January 4, 1905.

PELLETIER *vs.* STATE NATIONAL BANK.

In a suit on bank notes purporting to have been issued in 1856, and which are genuine on their face, mere possession makes out a prima facie case in favor of the holder; and the burden of proof rests on defendant to show, as alleged, that such notes were not issued by its precedessor bank, but were lost or stolen, and that plaintiff acquired the same in bad faith or with notice.

Where the evidence shows that such notes were not issued or put in circulation, but were lost or stolen, and came into plaintiff's possession in 1901, and his own account of how he acquired same is either false, or shows a purchase from an "old woman," not named or identified, for the insignificant price of $25, more or less, for above $10,000 of notes of a solvent bank, plaintiff will be treated as a finder of such notes, or as having acquired the same with notice of all the facts, and subject to all equities.

Where the evidnce shows that plaintiff, through the interposition of third person acting as his secret agents, and prior to the institution of this suit, collected from defendant bank some of the notes so found or acquired by him, and that such payments were made by the officers in ignorance of the facts of the case, plaintiff will be condemned to restore the money thus unduly received by him.

(Syllabus by the court.)

On April 18, 1902, plaintiff filed his petition alleging that the defendant corporation owed him $9,185, with five per cent. interest thereon from March 19, 1902, until paid, as "the holder and owner, bona fide, and for a valuable consideration, acquired in the usual course of business," of certain bank notes issued by the Louisiana State Bank on April 11, 1856. The notes were described in the petition as $5 and $10 bills of certain series, duly signed by the officers of said bank.

The defendant corporation in 1870 became the successor of the Louisiana State Bank, and, as such, bound for its obligations. The latter was authorized in 1856 to issue bank bills. The petition alleged presentment of said bills for payment to defendant bank on March 19, 1902, and its refusal to pay the same.

The bank admitted the execution of the bills sued on, but averred that the plaintiff was not a bona fide holder, having obtained possession "surreptitiously and without legal right or valid consideration."

The defendant charged that plaintiff knew that the notes had not been issued or put in circulation by the bank, and that the party or parties from whom he obtained them were not in lawful possession of the same.

The answer further charged that plaintiff had a few of said notes presented by different persons at different times to the bank for payment, in order not to arouse suspicion, and that such notes for small amounts were paid in error, from time to time, and that the suspicion of the bank officials was not aroused until a demand was made for the payment of notes exceeding $4,000 in the aggregate, whereupon the books of the old bank were examined, and it was then discovered that the notes had never been issued or put in circulation, but had been lost or stolen, and the defendant so averred.

The answer pleaded further the prescription of 10 and 30 years, and alleged that plaintiff had, in bad faith, and through different persons, collected, and defendant had paid, in error, from time to time, similar notes aggregating $1,180, which sum defendant claimed in reconvention, with interest from December 26, 1901.

The case was tried, and there was judgment in favor of the plaintiff, from which defendant prosecuted this appeal.

LAND, *J.*: The judgment of the court *a qua* was based on the following propositions, to wit:

"The defense that the instruments sued on were lost cannot prevail, for the reason that the bank has not conformed to the requirements of the law as contained in Articles 2279, 2280, Civ. Code.

The defense that they were stolen must be shown by affirmative testimony, and that plaintiff had knowledge of the theft at the time he acquired possession of them. This the bank has failed to do."

In his opinion the trial judge said:

"The testimony to show that the bills or notes were never issued is barely sufficient for that purpose, although this fact may be considered here as proved."

It is clear that this case is not one where a lost instrument is made the foundation of a suit or defense, because the instruments sued on were produced and filed in evidence. Hence the articles of the Civil Code cited, permitting the introduction of secondary evidence of the contents of an instrument lost or destroyed, and in the former case requiring advertisement of loss, have no application.

The defense set up in the answer was that the notes sued on were not issued and put in circulation by the bank, but were lost or stolen, and that the plaintiff's possession of the same was in bad faith. Hence the contention that the notes were lost should have been considered as an element in the determination of the case, which seems to have been decided on the theory that plaintiff was entitled to recover, because the defendant had failed to prove affirmatively that the bills were stolen, and plaintiff had knowledge of the theft.

The bills in question were signed by the proper officers of the bank, and were apparently valid on their face.

The bank kept a record of all bills issued during its existence. In this record such bills were denominated "checks," and on the top of each page the denomination is given thus: "Five Dollars Checks." Immediately following appears a statement or proces verbal in form as follows:

"Payable to Bearer and numbered and dated by ——— and signed by ———Pres. and ——— Cashier ——— dated ——— 1856.

Issued per Resolution of ——— 1856."

Beneath such caption, properly filled out, appear the numbers and series of the checks.

The entry on the registry as to the $5 bills sued on is preceded by no caption or proces verbal whatever, and in a number of instances the series is not given.

The entry of the $10 bills or checks is regular in form, but on the margin is written, "Not issued," in the handwriting of the then Cashier of the bank.

In the latter part of the year 1901 a large number of the $10 bills and of the $5 bills referred to, aggregating $10,365, reappeared in the possession of the plaintiff. Thus it is shown that the $10 bills certified on the record as not issued were found in company with the $5 bills, which the record shows were not certified as issued, and plaintiff admits that all were in one and the same trunk when they came into his possession. These bills found in possession of plaintiff more than forty-five years after their date were new, crisp, clean, and the numbers ran in regular sequence, which would not have been the case, had they been put in circulation during the existence of the bank. It is not credible that these bills were issued in globo, and kept in globo for forty-five years by the holder or holders thereof.

We therefore think that the evidence establishes with a reasonable degree of certainty that the bills sued on were never issued and put in circulation by the bank in the year 1856 or subsequently, but were either lost or stolen.

Hence we must consider the law applicable to such a state of facts as against the possessor of such bills.

In Bank vs. Bank, 9 Mart. (O. S.) 398, it was held that possession is prima facie evidence of property in a bank note alleged to have been stolen from the holder, and that the burden of proof was on the defendant bank to show that plaintiff bank received the note in bad faith, and with a knowledge that it was stolen. The note was in circulation, and had been stolen from the holder, and there was no evidence to show how plaintiff had acquired it.

Where a stolen bank note has been acquired for full value, in the usual course of business, and without any notice of the circumstances, the holder will recover; but the finder of a bank note acquires no title as against the owner. (Daniel, Neg. Ins. [5th Ed.] 1674.)

The same author states the American doctrine to be that a holder of a bank note "can rest secure in its possession, as the evidence of his right to recover, until the defendant shows that he was in privity with the fraud, or acquired the note mala fide or with notice." (Id. 1680.)

This distinction between bank notes and other negotiable instruments is not admitted in England, except as to the notes of the Bank of England; and the American doctrine seems to rest on the difficulty, if not impossibility, of a business man proving when or where, or from whom, or for what consideration, he received any particular bank notes in his cash drawer. (Id.)

The sum and substance of all the authorities cited by counsel is that a bank bill stolen from a bank and fraudulently put in circulation is good, as against the bank, in the hands of a bona fide holder for value, and that the mere possession of any holder is sufficient to impose the burden of proof on the bank to show the fraud or bad faith of the plaintiff. The same principle applies to bank bills which have been lost by the bank.

But neither the thief, nor the finder, nor the holder in bad faith, who has good reason to believe that the bill has been stolen or lost, can recover on the instrument.

The crucial question in this case is whether the evidence shows that plaintiff was a holder in bad faith.

The testimony of the plaintiff is so shuffling and evasive that it is difficult to extract therefrom any intelligent statement of how he acquired possession of the bank bills in controversy. He purchased them from an "old woman," but cannot give her name, though he had dealings with her a number of times, and took her receipts, which, however, he failed to produce. When asked to state the residence of this "old woman," he replied, "Somewhere in the city of New Orleans," and, when further questioned, named a particular street, but could not locate the square, though he had been to her house "twelve times." This "old woman" was not produced, nor her absence accounted for. Question after question was asked him in vain, with the view of extracting a statement of the amount he paid for the notes sued on. The following is a sample of his replies:

"Q. How much did you pay her for the $9,190?

A. I bought the whole trunk. I bought some furniture, and there was some books, and some Confederate notes, and some other notes.

Q. How much did you pay for the whole lot?

A. I would have to look for some receipts. I don't know if I got them or not.

Q. How much did you pay for the old trunk, the old notes, the old Confederate money, and the old furniture?

A. I can't remember."

The inquiry was pursued on the same line at great length in order to get some definite answer as to what was paid for the old trunk and contents, including the notes sued on, but the witness could not remember whether the sum paid was less or more than $25. In short, the witness would or could not state any sum whatever.

When the plaintiff obtained possession of these notes, he did not consider them as having any value as money. He caused them to be hawked around through third persons, and offered for sale as curios in the same manner as Confederate notes. Several packages of these notes were offered to Hawkins, the well-known dealer in art antiques. He made three purchases, taking, in all, 13 $5 bills, for which he paid seventy-five cents. Two of these sales were made by two young men, one of whom was the son of plaintiff. Mr. Hawkins testified that the notes were brand new—never had been handled—and the numbers ran equally or in rotation, and that he told the parties selling that the notes were of no value, and could not have been issued or circulated.

Another dealer in antiques declined to purchase on any terms.

According to plaintiff's testimony, he made a number of purchases of bank notes from the "old woman," and, after the bank had paid a few of the notes, he made the deal by which he acquired the notes sued on. If he did so, he committed a fraud on his vendor; paying about $25 for $10,365 of good bank paper. If, however, plaintiff purchased from a person who offered to take that insignificant price, he is chargeable with implied notice that there was something wrong about the transaction; and, if he took the notes without inquiry, he should not be protected. Such conduct "may be regarded as willful or fraudulent blindness, and abstinence from injury, so great as to amount to evidence of bad faith." (Daniel, supra, 777a.)

The same writer says:

"Where the plaintiff, knowing that the maker was able to pay, bought his note for $300 from a third party, paying only $5, and the note had been executed without consideration, it was held the mere nominal price charged him with constructive notice of the defect." (Id. 778.)

Plaintiff, on his own showing, purchased above $10,000 of bank notes from a poor "old woman" for an insignificant price, without making any inquiry whatever. Her possession of such an amount of notes was suspicious, and her willingness to sell for a nominal price was more suspicious. Plaintiff, if blind, was willfully blind, and he cannot be considered otherwise than a purchaser in bad faith and with notice. The bank received no consideration for the notes, and plaintiff cannot be permitted to enrich himself at the expense of defendant corporation.

In our estimation of the facts of this case, plaintiff tried, but failed, to show title by purchase, or how he came into possession of the notes in controversy, and must be considered in no better position than the finder of bank notes never issued, and either lost or stolen.

He did not present the notes for payment, as any holder in good faith would have done, but presented small numbers at different times, through the interposition of third persons, one of whom was a note broker, who received for his services 10 per cent. of the amount collected. The notes so presented appeared to be genuine, and were paid by defendant bank in ignorance of the facts; its officers, however, taking a memorandum of each payment, and of the name of the person receiving the same. Suspicion was not aroused until plaintiff's son claimed that he had a large amount of such notes. The matter was then investigated, and it was ascertained that the bills in question had not been issued by the former bank. It may be here stated that no bills of said bank had been presented for redemption to its successor for a number of years, but that the payments were made on the supposition that some of such bills might be outstanding, in the hands of bona fide holders.

He who receives what is not due him obliges himself to restore it to him from whom he had unduly received it. (Civ. Code, art. 2301.)

It is therefore ordered, adjudged, and decreed that the judgment appealed from be annulled, avoided, and reversed; and it is now ordered and decreed that plaintiff's demand be rejected, and his suit dismissed, with costs; and it is further ordered and decreed that defendant herein, the State National Bank, do have and recover of the plaintiff, J. B. Pelletier, the full sum of $1,180, with 5 per cent. interest thereon from December 26, 1901, until paid, and all costs of said defendant's reconventional demand.

TRUST COMPANY—LIABILITY ON PROMISSORY NOTE—ULTRA VIRES —IRREGULAR INDORSEMENT.

Supreme Court of Missouri, March 16, 1905.

FIRST NATIONAL BANK OF KANSAS CITY *vs.* GUARDIAN TRUST COMPANY.

One who writes his name on the back of a note of which he is neither payee nor indorsee becomes prima facie liable as a co-maker.*

Where a trust company executed a note to enable a corporation it was financing to obtain a loan, and which became co-maker of the note, and the payee advanced the money to such corporation; Held, that the trust company could not set up as a defense that the note was in excess of its powers.

This was an action on a promissory note by the First National Bank of Kansas City against the Guardian Trust Company.

The Kansas City Suburban Belt Railroad Company is a corporation organized under the railroad laws of Missouri on the —— day of January, 1887, for the purpose of building and operating a belt railroad around Kansas City. About two years afterwards, namely, in February, 1889, the Guardian Trust Company was organized under the general trust company law of Missouri, as it then existed, as the Missouri, Kansas and Texas Trust Company. Afterwards this name was changed to its present name, Guardian Trust Company. Mr. E. L. Martin was the president of the Kansas City Suburban Belt Railroad Company from the time of its incorporation continuously until after the time in which the transactions in controversy were had; and soon after the organization of the Guardian Trust Company he became the Vice-President of the trust, company and continued in such position until after the transactions involved in this controversy were had. On September 22, 1899, long after the Kansas City Suburban Belt Railroad was finished and put in operation, Mr. Martin, as president of the railroad company, went to the plaintiff bank, and made application to Mr. Swinney, its President, to borrow $25,000 for the railroad company. Mr. Swinney asked him what collateral he wanted to give, and Mr. Martin replied that he did not have any at that time. Swinney then told him that he could not make the loan or take the note of the railroad company without collateral or security. It was then suggested by Mr. Martin or Swinney that the Guardian Trust Company should go on the paper as surety, and Swinney, for the bank, consented to make the loan to the railroad company if the Guardian Trust Company would become surety on or indorse the paper. In pursuance of this understanding between Martin, representing the railroad company, and Swinney, representing the bank, the following note was made and executed by the railroad company, and indorsed by the Guardian Trust Company, and delivered to the bank, and $25,000 was deposited by the bank to the credit of the Kansas City Suburban Railroad Company. This deposit was made by the plaintiff in its own bank. The note was as follows: "$25,000.00. Kansas City, Mo., Sept. 22, 1899. Ninety days after date, for value received, we promise to pay to the order of the First National Bank, Twenty-five Thousand and no-100 Dollars at its office in Kansas City, Mo., with interest from maturity at the rate of eight per cent. per annum. Kansas City Suburban Belt R. R. Co., by E. L. Martin, Prest." Indorsed: "Guardian Trust Company, by E. L. Martin, Vice-President."

When the note became due, it was not paid, but was renewed by giv-

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* This rule has now been changed in Missouri by the Negotiable Instruments Law, which provides: "Where a person, not otherwise a party to an instrument, places thereon his signature in blank before delivery, he is liable as indorser in accordance with the following rules:

1. If the instrument is payable to the order of a third person, he is liable to the payee and to all subsequent parties.
2. If the instrument is payable to the order of the maker or drawer, or is payable to bearer, he is liable to all parties subsequent to the maker or drawer.
3. If he signs for the accommodation of the payee he is liable to all parties subsequent to the payee."

(Section 114, New York Act.)

ing another like note; the only difference being that the indorsement of the trust company in the latter case was signed by F. B. Wilcox, Assistant Treasurer, instead of E. L. Martin, Vice-President of the trust company When this second note matured it was not paid, but was again renewed by giving another similar note. The last-mentioned note (being the one sued on in this action) differed from either of the two former notes only in that it ran for sixty instead of ninety days, and the name of the Guardian Trust Company was signed by F. B. Wilcox, Manager, and is as follows: "$25,000.00. Kansas City, Mo., Mch. 26, 1900. Sixty days after date, for value received, we promise to pay to the First National Bank or order, Twenty-five Thousand Dollars at First Nat'l Bank, K. C., Mo., with interest after maturity at 7 per cent. per annum until paid. . Kansas City Suburban Belt R. R. Co., by E. L. Martin, Prest. No. 34348. Due May 28, 1900." Indorsed: "Guardian Trust Company, by F. B. Wilcox, Manager."

The $25,000 borrowed by the Belt Railroad Company was deposited to its credit in plaintiff bank, and was all checked out by the railroad company to pay its own obligations. The Guardian Trust Company never received any of the money.

Fox, *J.*: The first proposition presented to our consideration on the record in this cause is embraced in the contention of the appellant that, even if the defendant was liable upon the contract sued on, his liability was that of an accommodation indorser, and he was erroneously held liable as maker under the first count in the petition.

The facts in this case clearly show that defendant's name was indorsed on the back of this note before its delivery to the plaintiff, and there is an absence of any testimony indicating any understanding or stipulation that it should be held simply as an indorser.

The defendant, being neither a payee nor indorser in said note, must be treated prima facie as a co-maker. It was ruled in Kuntz vs. Tempel, 48 Mo., loc. cit. 76, that if a defendant placed his name on the back of a note, and if the act was done to give the note credit with the payee, and before it was accepted by him in satisfaction of the debt due from the maker, he was a surety, and not an indorser, unless he expressly stipulated that he should be held as indorser.

This rule was approved and followed in the case of Boyer vs. Boogher, 11 Mo. App., loc. cit. 131. It was said in that case that "it has long been the settled law in this State that one who writes his name on the back of a note of which he is neither payee nor indorser becomes prima facie liable as a co-maker, and will be held to be such in the absence of extrinsic evidence, and it was the contract or understanding of the parties at that time he so indorsed it that he should be liable only as indorser."

To the same effect is Schmidt Malting Co. vs. Miller, in 38 Mo. App., loc. cit. 254. In that case the court very clearly announced the rule applicable to this proposition. It thus stated the law: "The note offered in evidence made the defendant prima facie liable as maker. (Powell vs. Thomas, 7 Mo. 440 [38 Am. Dec. 465]; Lewis vs. Harvey, 18 Mo. 74 [59 Am. Dec. 286]; Kuntz vs. Tempel, 48 Mo. 71; Boyer vs. Boogher, 11 Mo. App. 130.)

To avoid such a liability, it was incumbent upon him to show that there was a contract or understanding between him and the payee that he should be bound only as technical indorser, or indorser in the technical legal sense, as the use of the word 'indorser' by the parties to the contract does not of itself constitute such proof. (Boyer vs. Boogher, supra.") * * *

This brings us to the consideration of the only remaining and most important proposition involved in this controversy; that is, did defendant have power to execute this note under the circumstances surrounding its execution—in other words, under the testimony as disclosed by the record before us, was the act of the defendant in the execution of this note a valid one, or was it ultra vires and void? While this correctly states the main proposition involved, it embraces also the further proposition—conceding that, in the execution of this note, for the purposes indicated by the testimony, it exceeded its powers conferred upon it by the statute—upon the undisputed facts surrounding the execution of this note, is defendant in a position to avail itself of the defense of ultra vires?

The powers conferred upon the defendant, as applicable to the disputed questions in this case, may be thus stated: Section 1,427, Rev. St. 1,899, provides that: "Corporations may be created under this article for any one or more of the following purposes: * * * 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 as security 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."

Counsel for appellant, as well as respondent, very fully and ably presented the controverted legal propositions involved in this case, not only in their oral arguments, but by exhaustive briefs, fully covering all the questions presented by this record. At the very inception of the investigation of the important questions presented by counsel, we are confronted with at least an apparent conflict in the authorities, but a careful analysis of the cases treating of the subject under discussion demonstrates that the conflict is more apparent than real. The difficulty which has confronted the courts in the treatment of this question as to the exercise of powers by private business corporations conferred upon them has not been in the application of the well-settled general rule that corporations can only exercise such powers as are authorized by their charter, but it has been in the announcement of the exceptions to such general rule made necessary by reason of the particular conditions and circumstances surrounding the transaction in which the power is sought to be exercised. Morawetz, in his work on Private Corporations, fully recognized this difficulty. He says:

"No rule can be framed which would be of any practical value in determining cases of this character. The most that can be done is to state the general principles which have influenced the courts in their decisions, and to illustrate these general principles by examples. The application of the law to individual cases must always remain a matter involving the exercise of sound practical judgment and business experience. Great caution is therefore necessary in treating a decision that a corporation has or has not authority to do a particular act as a precedent to be followed in other cases. Such a decision would not establish an absolute rule which could be applied mechanically, but all the facts and the general principles by which the court was guided in reaching its conclusion must always be considered. It is important also to bear in mind that the fact that a transaction of a corporation has been sustained

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by a court does not necessarily prove that the corporation has a right to enter into it. There are many instances in which the court will disregard the illegality of a transgression by a corporation of its chartered powers in order to do justice between the parties."

The contention so ably presented by counsel for appellant is that the act of the Guardian Trust Company in the execution of the note in suit was unauthorized by the statute under which the trust company was organized, and is therefore void. This leads us to a consideration of the conditions and circumstances surrounding the execution of this note. That the Guardian Trust Company and the Kansas City Belt Railway Company, for whom this money was procured from the bank, the plaintiff, were not strangers, is made apparent from the undisputed facts of this case. The undisputed testimony shows that the Guardian Trust Company was deeply interested in the ultimate success of the purposes of the Kansas City Belt Railway Company. Upon the organization of the Guardian Trust Company, for many years it undertook to successfully promote and finance the Belt Railroad Company. It bought the bonds and considerable of the stock of the railroad company. From time to time it advanced money from its own treasury to put it upon an operating basis. In fact, the testimony indicates that the principal business of the defendant after its organization was the organization and promotion of numerous corporations. The president of the railroad company at the time of the execution of this note was also the vice president of the trust company, and the testimony of this official, as disclosed by the record, clearly indicates the deep interest the defendant had in the success of the railroad company in the accomplishment of the purposes for which it was organized. That the business relations between the defendant and the Belt Railroad Company were close, and that the defendant was a large creditor of said railroad company, and therefore was interested in maintaining it as a going concern, cannot be disputed, in view of the evidence disclosed by the record. In fact, the witnesses, in referring to the railroad company and other corporations that had been financed by the defendant, referred to them as "subcompanies."

The plaintiff, First National Bank, was fully aware of the business relations between the defendant and the railroad company, and of its course of dealing with it, in the way of furnishing the finances for its operation; hence it was natural for the bank to conclude, in the execution of this note, that it was simply in pursuance of a business policy that had been adopted by the trust company in taking care of the financial condition of the Belt Railroad Company.

It was earnestly argued that the plaintiff knew that no part of the money secured upon this note went to the Guardian Trust Company. That may be true, but it is equally true that the bank had a right to presume, in the execution of this note, that the Guardian Trust Company was still pursuing its policy for a long time previously adopted in financing the railroad company. While no part of the consideration embraced in this note was applied to the benefit of the Guardian Trust Company, it does not necessarily follow that it was executed as purely a matter of accommodation. It had the right, under the powers conferred by the statute, to act as agent in the managament and control of the property of the railroad company, and to take such steps in the way of financing the company as it deemed proper and appropriate, and the consideration for the act performed by the defendant in the interest of the railroad company was a matter to be settled between them; and, in view of the relations existing between these two companies, and the policy adopted by the defendant in financing the railroad company, the plaintiff could well rest upon the presumption that the making of this note was in pursuance of the former policy of the defendant, and for such consideration as they may have seen proper to agree upon.

The contract in this case was fully executed on the part of the plaintiff, and its money was parted with by reason of the execution of the note by the defendant. This being true, the question confronts us, should the defense of ultra vires, as interposed by the defendant, be availing under the facts as disclosed by the record? We have reached the conclusion that it should not be. It may be conceded that, under the powers conferred upon the defendant by the statutes under which it was organized, it would not be authorized to simply engage in the business of becoming a purely accommodation maker or indorser of promissory notes.

Upon the facts in this case, this legal principle is not applicable to the questions herein presented. "When acts of corporations are spoken of as ultra vires, it is not intended that they are unlawful, or even such as the corporation cannot perform, but merely those which are not within the powers conferred upon the corporation by the act of its creation, and are in violation of the trust reposed in the managing board by the shareholders; that the affairs shall be managed and the funds applied solely for carrying out the objects for which the corporation was created." (Whitney Arms Co. vs. Barlow et al. 63 N. Y. 62, 20 Am. Rep. 504.)

While the testimony offered does not show that the defendant at the time of this transaction was a stockholder in the Belt Railroad Company, yet it is disclosed by the record that at one time it was a large stockholder, and that it is now a large creditor of that company. The record is silent as to the disposition of the stock owned in the railroad company by the defendant; hence it may be said that this fact of the defendant owning stock having been shown to have once existed, nothing to the contrary appearing, the presumption would be indulged that it still exists. Aside from this, the testimony of the officers rather indicates that at the time of the execution of this note it was a stockholder.

It is apparent that the execution of this note by the defendant was not purely a matter of accommodation, but was induced by reason of the interest in the railroad company, not only as a stockholder, but also as a creditor, and that the procuring of the money upon this note to pay the pressing indebtedness on the part of the railroad company was not only of interest to the defendant as a stockholder, but at least increased the chances of finally realizing from its debts against said company. It was under these circumstances that this note was executed, and the contract on the part of the plaintiff was fully performed upon the faith of such acts by the defendant.

The conclusion reached as indicated herein finds support in a number of well-considered cases in other jurisdictions, and is in keeping with that just rule, as announced by the New York courts, that the plea of ultra vires should not, as a general rule, prevail, whether interposed for or against a corporation, when it would not advance justice, but, on the contrary, would accomplish a legal wrong. Similar views are entertained by the Supreme Court of the United States.

In Ry. Co. vs. McCarty, 96 U. S., 267, it is said that "the doctrine of ultra vires, when invoked for or against a corporation, should not be allowed to prevail where it would defeat the ends of justice or work a legal wrong."

The defendant had been for a number of years financing the Belt Railroad Company. By the execution of this note it had received the benefit from the plaintiff in the performance of an undertaking it had long been engaged in (of furnishing the Belt Railroad Company with finances), and, having received the full consideration from the plaintiff in aid of the performance of a duty it had undertaken to perform in the interest of the Belt Railroad Company, it is in no position now (the contract having been fully executed on the part of the plaintiff) to say that its act was not within the powers conferred upon it by the statute.

The record in this case discloses further that, at a meeting of the stockholders of the defendant corporation, all of the acts of the directors, officers, and executive committee of the company had and taken since the last annual stockholders' meeting were fully ratified.

Upon the subject of acquiescence and ratification of acts performed by a corporation, the Supreme Court of New York in Kent vs. Quicksilver Mining Co., 78 N. Y. 159, clearly states the rule as approved by that court. It was said by the court in that case that, "in the application of the doctrine of ultra vires, it is to be borne in mind that it has two phases—one where the public is concerned; one where the question is between the corporate body and the stockholders in it, or between it and its stockholders, and third parties dealing with it, and through it with them. When the public is concerned to restrain a corporation within the limit of the power given to it by its charter, an assent by the stockholders to the use of unauthorized power by the corporate body will be of no avail. When it is a question of the right of a stockholder to restrain the corporate body within its express or incidental powers, the stockholder may in many cases be denied, on the ground of his express assent, or his intelligent though tacit consent, to the corporate action. If there be a departure from statutory direction, which is to be considered merely a breach of trust to be restrained by a stockholder, it is pertinent to consider what has been his conduct in regard thereto.

A corporation may do acts which affect the public to its harm, inasmuch as they are per se illegal or are malum prohibitum. Then no assent of stockholders can validate them. It may do acts not thus illegal, though there is want of power to do them, which affect only the interest of the stockholders. They may be made good by the assent of the stockholders, so that strangers to the stockholders, dealing in good faith with the corporation, will be protected in a reliance upon those acts."

"The general rules of law relating to contracts and private rights apply to corporations as well as to individuals, and the principles of law agency apply to both alike. The stockholders are the equitable owners of the corporate property, and if the officers or trustees do any unauthorized act, or incur indebtedness which would create a corporate liability, the stockholders may subsequently ratify and validate the original unauthorized transaction." (Martin vs. Niagara Falls Paper Co., 122 N. Y. 165, 25 N. E. 303.)

The conclusions reached in this case, however, do not rest upon the doctrine of ratification, and it is unnecessary to express an opinion as to our approval of this sweeping rule announced in the case cited by the New York court upon that subject. The weight of authority and the better reasons seem to be that, where the corporation has absolutely no authority to perform the act, the ratification by the stockholders would not make it valid. The ratification by the stockholders in the case at bar becomes significant, as indicating their acquiescence in the business policy pursued by the defendant toward the Belt Railroad Company.

We repeat in this case that the defendant had adopted a business policy in respect to the Belt Railroad Company—that of undertaking to finance the company, to the end that it might be successfully operated. The plaintiff in this case, in furnishing the money upon the execution of this note by the Belt Railroad Company, and the defendant, was rendering a benefit and aid to the defendant in carrying out a business policy it had so long pursued; and it would be grossly inequitable to permit the defendant, after fully receiving the assistance of the plaintiff in carrying out this undertaking to finance the Belt Railroad Company, and relieve it of a pressing indebtedness, to now say that it had exceeded its corporate powers, and interpose such want of power as a defense to this action.

As was said in the case of Wright vs. Pipe Line Co., 101 Pa., loc. cit. 207, 47 Am. Rep. 701: "The law never sustains a defense of this nature out of regard for a defendant. It does so only where an imperative wrong of public policy requires it. The instances are rare in which a corporation or individual has been permitted to set up its own wrong in order to retain both the property and its price. It would be difficult to imagine a defense with less merit, and the law would be exceedingly impotent, were it to allow it to succeed." So it may be said as to this case that it would be a humiliating confession as to the inefficiency of our system of jurisprudence in the administration of justice to hold that the defendant could receive the aid, assistance, and benefit from the plaintiff in carrying out an undertaking in which it had long been engaged—financing the Belt Railroad Company—and then, being called upon to answer by a contract for such aid and assistance, it simply says, "We were unauthorized to make the contract."

At this advanced age in our civilization, and the rapidity with which our commercial interests are advancing—methods and occasions for concentrating the efforts of our people in the prosecution of business by forming corporations multiplying from day to day—the time is at hand for the enforcement of the rule as announced by Lord St. Leonards in Eastern County R. Co. vs. Hawks, 5 H. L. C., loc. cit. 370, where it was said that "the safety of men in their daily contracts requires that this doctrine of ultra vires should be confined within narrow bounds."

There are no public interests involved in this case. The stockholders are the equitable owners of the corporate property. The plaintiff, as well as the president and vice president of the defendant corporation, in executing this contract, placed full faith in the power of the corporation to execute it. The stockholders selected their officers, and ratified their acts after the execution of the note; the interests of no third parties have intervened; the State is no party to this proceeding; and there are no principles of public policy or of the administration of justice which demand that the defense of ultra vires, as interposed in this case by the corporation itself, should be availing.

It was said in St. Louis Drug Co. vs. Robinson, 81, Mo., loc. cit. 26, that: "Conceding the facts to be as defendants allege, it is sufficient on this point to say that in a line of decisions of this court, unbroken except in the case of Matthews vs. Skinker, 62 Mo. 329, 21 Am. Rep. 425, it has been held that the question of ultra vires can only be raised in a direct proceeding by the State against the corporation, and not in a collateral proceeding by another, except when the charter of the corporation, not only specifies, and therefore limits it to, the business in which it may engage, but, by express terms, or by a fair implication from its term, invalidates transactions outside of its legitimate corporate business."

Without expressing any opinion as to the correctness of the rule announced in the case last cited, or its application to the facts of this case, it at least indicates very clearly the tendency of this court to follow the line of decisions as herein cited, which supports the conclusion that the defense of ultra vires is never sustained out of regard for a defendant, but only where an imperative rule of public policy requires it.

It is unnecessary to pursue this subject further, or to indulge in a review of the numerous authorities cited by counsel, or to give expression to our views as to the powers which can be lawfully exercised by the defendant, conferred under the statute granting such powers. For it may be conceded that the defendant is not authorized to indorse or execute promissory notes purely as an accommodation maker or indorser, yet, under the facts of this case, as disclosed by the record, the concession can be of no avail to the defendant. We must be content with simply saying that the defendant corporation, in the execution of this note and procuring the money from plaintiff for the railroad company, was simply carrying out a business policy in respect to financing said company which it inaugurated shortly after the organization of the railroad company. That by the execution of this note the defendant was given the aid and assistance of plaintiff in maintaining such policy, and the presumption which could be reasonably indulged by the plaintiff that the defendant received such consideration as was agreed upon between the defendant and the Belt Line Company for its efforts in providing the necessary finances for the conducting of the business of the railroad company. The officers of the respective corporations in good faith consummated this transaction, and, if the defendant can avoid the payment of the note in suit upon the plea that its act was a wrongful one, in excess of its powers, and void, then we confess that the maxim, which is as old as the law itself, that "no person can take advantage of his own wrong," is absolutely shorn of all its force and vitality under our system of jurisprudence.

The judgment of the trial court was right, and should be affirmed, and it is so ordered.

Brace, C. J., and Gantt, Burgess, and Lamm, *JJ*., concur. Marshall and Valliant, *JJ*., not sitting.

PROMISSORY NOTE—HOLDER IN DUE COURSE—RIGHT TO ENFORCE COLLATERAL.

Supreme Judicial Court of Massachusetts, March 3, 1905.

WHITE *vs.* DODGE, *et al.*

Where a negotiable promissory note is obtained by fraud, the title of the holder is voidable only, and a bona fide purchaser for value, who acquires the note before any measure taken to avoid it, is entitled to enforce the same. And in such case he is entitled to enforce security given as collateral, though such collateral security is not itself negotiable.

This was a bill in equity in which the female plaintiff, acting by her guardian, sought to set aside a note of $1,591.65, given by her to the defendant

Dodge, and by him indorsed to the defendant Conant, and also an assignment of a mortgage and note for $9,000, given to her by George B. White, and assigned by her to Dodge as collateral security for the first-mentioned note. The master to whom the case was referred found the facts in favor of the defendants upon nearly all the questions in issue. Exceptions to his report were overruled in the superior court, and a decree was entered for the defendants, from which the plaintiff appealed.

KNOWLTON, *C. J.* (omitting part of the opinion): A careful reading of the very voluminous report of evidence shows no error on the part of the master, material to his decision that "there is no ground for granting the relief prayed for in the plaintiff's bill." There is nothing in the testimony that leads us to doubt the correctness of his finding that "the defendant Conant was a bona fide purchaser of the said two notes and mortgage for value and without notice." The affirmative evidence on this point is clear and convincing. The note of $1,591.65 was payable on time, and was indorsed to the defendant Conant before maturity. The note and mortgage for $9,000, which had been assigned by the plaintiff to Dodge as security when she made the first mentioned note, were assigned by him to Conant as a part of the transaction when he transferred the other note.

The plaintiff's principal claim rests upon the alleged fraud of Dodge in obtaining the execution and delivery to him of these contracts. If he was guilty of fraud, as she alleges, the title which he obtained was voidable by her; but it was sufficient to enable him to give a perfect title to a bona fide purchaser for value, before she took measures to avoid it. (Rev. Laws, Chapter 73, Sections 69-74; Wheeler vs. Guild, 20 Pick. 545; Rowley vs. Bigelow, 12 Pick. 307-312; Hoffman vs. Noble, 6 Metc. 68; Moody vs. Blake, 117 Mass. 23-26.) This elementary proposition of law is a complete answer to the plaintiff's chief contention.

The plaintiff says that the note secured by the mortgage was not negotiable, because there is a provision in the mortgage that the mortgagor may pay it, if he chooses, before its maturity. The note itself contains no such provision, and is, in terms and in law, negotiable. But if, considering both the note and mortgage, a purchaser who takes them together has notice that he does not acquire, under all circumstances, all the rights of a purchaser of ordinary commercial paper (see Strong vs. Jackson, 123 Mass. 60); this is not material in the present case. For as between the maker and the payee, there was no infirmity in the mortgage note or in the mortgage. Together they constitute valuable property. They were assigned to Dodge. If the contract of assignment was voidable for fraud, his conveyance of them to a bona fide purchaser for value transferred a good title, just as such a conveyance, under similar circumstances, would give a good title to a stock of goods which the vendor had obtained by fraud. (See cases above cited. See, also, as to the effect of the previous record of the mortgage, Rev. Laws, Chapter 127, Section 5.)

The purchaser could therefore avail himself of the note and mortgage, and enforce them, without reference to the question whether the mortgage note was negotiable.

CONSOLIDATION OF BANKS—APPRAISEMENT OF STOCK.

Supreme Court of New York, Appellate Division, Second Department, March, 1905.

In the Matter of the Application of HENRY C. ROGERS for the Appointment of Appraisers.

To entitle a person objecting to the merger of one bank with another, to have appraisers appointed under Section 36 of the New York Banking Law, he must show that he is the actual owner of stock; and it is not sufficient that stock stands in his name if it belongs to another.

This was an appeal by the petitioner, Henry C. Rogers, from a judgment of the supreme court, entered in the office of the clerk of the county of Kings on June 1, 1903, upon an order entered in said clerk's office on May 28, 1903, which confirmed the report of a referee, recommending the dismissal of the petitioner's application, and also from the said order upon which the judgment appealed from was entered.

Per Curiam: This is an application by a person claiming to be a stockholder in the Union Bank of Brooklyn, and objecting to the proposed merger thereof with the Kings County Bank of Brooklyn, for the appointment of three persons to appraise the value of his stock under section 36 of the Banking Law (Laws of 1892, chap. 689, added by Laws of 1895, chap. 382). The referee, to whom the proceeding was referred to take proof, found that the petitioner, Henry C. Rogers, was not at the times mentioned in his petition the owner of any stock of the Union Bank. The evidence leaves no doubt of the correctness of this conclusion, for it shows that the 136 shares of stock which he claimed to own were in fact the property of one William H. Ziegler. We agree with the referee that section 36 of the Banking Law refers to the actual ownership of stock and not to shares standing in the name of one but really the property of another. The petitioner, Henry C. Rogers, was shown to have no interest entitling him to maintain this proceeding and it was, therefore, properly dismissed.

The order and judgment should be affirmed.

PROMISSORY NOTE—WHEN OFFICERS OF CORPORATION BOUND INDIVIDUALLY—NEGOTIABLE INSTRUMENTS LAW.

Supreme Court of Washington, April 29, 1905.

Daniel *vs.* Buttner, *et al.*

A note was executed upon a lithographed form bearing the name of a corporation, and was signed by the president and secretary of the corporation, who each affixed his official title to his name. The instrument did not purport to be executed by the corporation, and, though it bore the corporate seal, there was no reference thereto in the note. Held, that under Laws 1899, page 345, Chapter 149, Section 20, providing that the mere addition to one's signature of words describing him as filling a representative capacity, without disclosing his principal, does not exempt him from personal liability, the president and secretary were personally liable on the note.

This suit was brought to recover of the defendants, Buttner and Glidden, for an alleged personal liability upon a written instrument of which the following is a copy: "German American Investment Co., Inc. No. 409. $600.00. Seattle, Wash., Feb. 8, 1902. Received from Herman Daniel $600.00 (Six Hundred Dollars) which we promise to pay six (6) months after date with interest at the rate of eight (8) per cent. per annum. Wm. H. Buttner, President. H. M. Glidden, Secy."

Hadley, *J.* (omitting part of the opinion): It will be observed by reference to the note that, while the signatures are each followed by words indicating a representative character, yet no principal is disclosed. The words "German American Investment Co., Inc.," at the top constitute no material part of the instrument. The original is before us, and it shows that the above words were merely lithographed upon a blank form of receipt which was used as a paper upon which to write the note. Appellant's name is followed by the following, "Secy."

Assuming that the letters designate him in the representative character of secretary, yet they disclose no principal. What purports to be the seal of the German American Investment Company is impressed upon the paper, but by no reference is it made a part of the note itself. There are no apt words used in the note showing that the corporation is obligated. Therefore, although appellant's signature is followed by an abbreviated word indicating a representative capacity, yet, no obligated principal being disclosed, he cannot escape personal liability under our Negotiable Instruments Law. Section 20 of that statute, c. 149, p. 345, Laws 1899, is as follows: "Where the instrument contains or a person adds to his signature words indicating that he signs for or on behalf of a principal, or in a representative capacity, he is not liable on the instrument if he was duly authorized; but the mere addition of words describing him as an agent, or as filling a representative character, without disclosing his principal, does not exempt him from personal liability."

The signatures to this instrument come squarely within the terms of the above section, and the signers are personally liable.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

PROMISSORY NOTE—CONSIDERATION—DONATION—ARTICLE 762 OF THE CIVIL CODE.

BRULE vs. BRULE (Quebec Reports 27, Superior Court, page 77).

The facts of the case appear sufficiently in the judgment given below.

JUDGMENT (LORANGER, *J.*): This was an action on a promissory note signed by the defendant in September, 1897, engaging to pay $200 on September 13 each year for ten years from date. The plaintiff was the sister of the defendant, and the latter had signed the note at the request of their father who, at the time of making the request, was on his deathbed. The father had previously given about $20,000 to his son, and in consideration of this required the son to sign the note in question. The sum of $200 falling due in September, 1898, had been paid, but the payments due for the following four years were in arrears, and the note had been given by the sister to her brother under compulsion.

The defendant admitted signing the note, but alleged that it was without consideration and had been signed only to prevent disturbing his father in his dying hours and that the gift of the note to the daughter under the circumstances was *donatio mortis causa* and therefore null.

The words on the note are as follows: "I, the undersigned, undertake to pay to my sister, Flore Brule, the sum of $2000, payable $200 per annum; and this obligation has been contracted freely and voluntarily on my part."

Under the circumstances I am of the opinion that the consideration of this note does not consist in the gift of the sum of money made by the father to his daughter, the plaintiff, but on the contrary this note is the evidence of an obligation freely contracted by the defendant in favor of his sister and is supported by the benefits which the defendant had received previously from his father by reason of which his sister was reduced to poverty except for the provision made for her by this note. I, therefore, am of the opinion that the defendant has not sustained his defence of want of consideration, and direct the payment by him to the plaintiff of the sum of $800.

PROMISSORY NOTE—AGREEMENT SET UP IN ANSWER TO CLAIM—EVIDENCE TO VARY THE NOTE IS NOT ADMISSIBLE.

MCNEIL vs. CULLEN (Novia Scotia Reports, 37 Supreme Court, page 13).

STATEMENT OF FACTS: This action involved a number of points and issues, but the one of interest here was the claim by the plaintiff on a promissory note for $150, payable on demand, made by the defendant. In answer to the claim the defendant alleged an agreement that the demand note should not be payable unless a certain event happened within a given period. The trial judge refused to receive evidence of this agreement, stating: "Counsel for the plaintiff at the trial objected to the admissibility of that portion of the testimony of the defendant directed to show that this note, although payable on demand, was subject to certain conditions deferring payment. As a matter of law I must sustain the objection and exclude such testimony. No oral evidence can be admitted to vary the terms of the written contract contained in the note."

From this judgment an appeal was taken and it was argued on behalf of the defendant that the Bills of Exchange Act permitted the conditional delivery of a note; that oral evidence was necessary to show the condition on which delivery was made, and that in this case the alleged agreement was not a variation of the terms of the note but a collateral agreement attaching a condition to its delivery.

JUDGMENT (TOWNSHEND, WEATHERBE and RITCHIE, *JJ.*): We are of the opinion that the trial judge was correct in his decision as to the note for $150 for the reasons stated by him. The note being absolute on its face, no oral evidence could be received to vary its terms, and there is nothing in the evidence to warrant contention that it was given on a condition or only to be treated as a note upon the happening of a certain event; this view of the law was laid down by Lord Justice Mellish in Hill vs. Wilson L.R. 8 Chancery Appeals. We therefore dismiss the appeal and confirm the judgment of the trial judge.

CHECK—PAYMENT STOPPED—HOLDER IN DUE COURSE—BILLS OF EXCHANGE ACT, SECTIONS 29 AND 74.

GAUTHIER VS. REINHERDT, et al. (Quebec Reports, 26 Superior Court, page 134).

STATEMENT OF FACTS: The defendant Reinherdt gave his check for the sum of $491.25 to the defendant Dussurault, who in turn endorsed it to the order of the defendant Gelinas. This latter defendant deposited the check in her own bank and immediately drew in cash $450 on account of it. When the check in the ordinary course of business was presented at the Dominion Bank, upon which it was drawn, payment was refused because the drawer, Reinherdt, had stopped payment of it the day after it was drawn.

In receiving the check and allowing the sum of $450 to be drawn on account of it without the check having been accepted by the bank upon which it was drawn, the teller of the bank in which the defendant Gelinas had deposited the check had committed a breach of its regulation. He was therefore required to make good this amount to his bank and was subrogated to their rights with respect to this check. He thereupon brought this action against the drawer and the two endorsers of the check.

At the trial Taschereau, *J.*, dismissed the plaintiff's action on the ground that the plaintiff had not become the holder of the check until after its dishonor and was not therefore a holder in due course. Sections 29 and 36 of the Bills of Exchange Act were relied upon in support of this decision. Section 29 provides: "A holder in due course is a holder who has taken a bill complete and regular on the face of it under the following conditions, namely: (a) that he became the holder of it before it was overdue and without notice that it had been previously dishonored, if such was the fact." Section 36, sub-section five, reads:—"Where a bill which is not over-due has been dishonored, any person who takes it with notice of the dishonor takes it subject to any defect of title attaching thereto at the time of dishonor; but nothing in this sub-section shall affect the rights of a holder in due course."

The trial judge, being of the view that the plaintiff was not the holder in due course, held that his position was no better than that of the endorser Gelinas, and as the latter could not, for reasons not stated in the report, recover on the check, the plaintiff's action must be dismissed.

On appeal this judgment was set aside.

JUDGMENT (PAGNUELO, DOHERTY, of St. Pierre, *JJ.*): The check in question was given for valuable consideration and is a debt not only of the maker but also of the endorsers who have received proper notice of protest for non-payment. The endorsers are not entitled to raise the question whether or not the plaintiff is a holder in due course, because the check is absolutely regular and not affected with any defect as regards the plaintiff. The person who deposited the check became the holder of it before it could reasonably have been presented for payment, and the plaintiff having paid the amount of the check to the bank, stands in the position with respect to drawer and endorsee in which that depositor stood; that is to say, he has all the rights of a holder in due course by virtue of sub-section 3 of section 29 of the Bills of Exchange Act, which provides: "A holder, whether for value or not, who derives his title to a bill through a holder in due course and who is not himself a party to any fraud or illegality affecting it, has all the rights of that holder in due course as regards the acceptor and all parties to the bill prior to that holder."

Although the bank retained the balance over $450, the maker and endorsers are nevertheless liable for the whole amount of the check. On paying the whole amount of the check they are entitled to have it delivered up to them. That the depositor did not receive the full amount of the check is a personal matter between her and the bank with which the defendants have nothing to do.

We therefore order that the judgment of the trial judge be set aside and direct the three defendants jointly and severally to pay to the plaintiff the sum of $494.83 with interest and costs.

DEMAND NOTE—PRESCRIPTION—ARTICLE 2,231—CIVIL CODE—ACTS SUFFICIENT TO INTERRUPT PRESCRIPTION.

Bank of Ottawa vs. McLean (Quebec Reports, Volume 26, Superior Court, page 27).

Head Notes: 1. Prescription of five years, and not thirty, applies to a note, notwithstanding that part thereof was for money loaned and for securing which hypothec was given.

2. Interest on demand note runs from the date thereof.

3. Prescription begins to run from date thereof and not from date of demand of payment.

4. Acknowledgments made by one party to a note, interrupts prescription as to the others.

5. Acknowledgments can be proved by the oath of one of the parties defendant.

6. A transfer of property by one defendant to the plaintiff, though signed by defendant before consideration was filled in, and imperfect in form, when coupled with the admission of said defendant, that the consideration, whatever it was, was to be placed to the credit of the said note, is a "reconnaissance per ecrit" at the date of the transfer, and sufficient to interrupt prescription.

7. The oath alone of one defendant is in itself enough to interrupt prescription.

8. While it requires a new promise to pay, clearly expressed, to renounce a prescription acquired, the sole acknowledgment of a debt is sufficient to interrupt prescription, while running.

Statement of Facts: This was an action commenced July 17, 1901, by the Bank of Ottawa against H. M. McLean and A. McLean on a demand note made by them jointly and severally, dated January 4, 1896, for $21,524.98. The bank alleged that a demand of payment was made on June 1, 1901, and refused. The defendants contended that the note had been outlawed by the expiration of five years from its date under provision of the Civil Code.

Judgment: (Rochon, *J.*): The prescription of a note made payable on demand commences to run from the date of the note and not from the date upon which a demand of payment is made, and it therefore follows that interest upon a demand note commences to run from the date of the note.

The note in question would have been outlawed on July 17, 1901, if there had been no interruption of the prescription during five years from the date of the note. In November, 1897, H. McLean sold some land and authorized the purchaser to pay in the purchase money to the bank, and this payment was relied upon by the bank as an acknowledgment of the debt and a new starting point from which the period of prescription should run; but it was shown that this money was appropriated by the bank to an individual indebtedness of H. McLean, and it therefore can be no interruption of the prescription of the note made by H. and A. McLean jointly and severally.

In the same month the defendant H. McLean sold to the Bank of Ottawa, the plaintiffs, certain property for $2,500, which sum was credited by the bank in reduction of the note now sued upon. This payment was admitted by Hector McLean under oath as a part payment on account of the note, and consequently had the effect of interrupting the prescription and giving a new starting point.

There were also letters written by H. McLean in June, 1901, to the advocates for the bank which admitted the debt in writing and constitute an interruption. There was no act by the other defendant A. McLean which amounted to the acknowledgment or payment on account, but he is bound by the act and admission of his co-maker under article 2,231 of the Civil Code, which provides that any acknowledgment or payment on account by one co-maker shall have the effect of interrupting the prescription against all the makers of the note.

Interest, however, can only be collected for the five years immediately prior to the issue of the writ. There will therefore be judgment against both defendants for the amount of the note after crediting the $2,500 referred to and for interest for five years preceeding the date of the commencing of the action.

EDITOR'S NOTE.—This case well illustrates the difference in the law with respect to prescription in Quebec and in the other provinces of the Dominion. In the June number of the MAGAZINE, page 737, is reported the case of Harris vs. Greenwood in the Ontario Courts, where it was held that payment by one of two or more joint makers will not interrupt prescription against any of the others. This is the law in every province but Quebec where, as this case shows, payment by one of two or more joint makers will operate against all the makers of the note.

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 promptly sent by mail.

Editor Bankers' Magazine: Waseca, Minn., June 24, 1905.

Sir: A borrows $100 from the bank, and C signs and endorses the note with A; the note matures June 1 and the next day A calls at the bank and wants to renew his note; the bank consents on condition that C will endorse the new note, and the new note is made and signed by A and the old note is held awaiting the signature of C, and in the meantime, for convenience, the bank carries the new note on their books instead of the old. Does this release endorser C?

Subscriber.

Answer.—As the agreement to renew is upon the condition that C shall place his signature upon the new note, the old note is not discharged until that condition is fulfilled, and in the meantime remains in force against all the parties thereto, just as effectively as if there had been no arrangement for renewal. The fact that the new note is carried on the books of the bank is material only so far as it is evidence bearing upon the question of what the arrangement was; and if the other evidence clearly shows that the agreement was conditional, this fact is not important.

Editor Bankers' Magazine: Stamps, Arkansas, May 20, 1905.

Sir: We forward a draft for collection to U & P Bank, drawn on M & Co by B Bros. The draft is returned to us protested, but has written on back "have sent check to B Bros," signed by the President of M & Co. Should the draft have been protested, and are we compelled to pay the protest fees?

Cashier.

Answer.—The duty of the U. & P. Bank as collecting agent required that, if the draft was not paid, no matter for what reason, proper steps should be taken to fix the liability of the parties thereto. That bank could not know whether the remittance of the check would be satisfactory to the holder. It had only the draft to deal with, and it was not at liberty to assume that the statement that the check had been sent was true, or that such remittance would be accepted in discharge of the draft. Of course, if the draft remained the property of the drawers, there was no necessity for protest; but the U. & P. bank could not know but what the draft had been negotiated to the remitting bank. We think, therefore, that the U. & P. bank acted properly in protesting the paper, and is entitled to be reimbursed the fees therefor.

Editor Bankers' Magazine: West Mansfield, O., May 20, 1905.

Sir: Please answer through the columns of your Magazine the following: Mr. A has time certificate of deposit on Bank No. 4, which is not due for thirteen days. He (Mr. A) presents same at Bank No. 1 to be cashed. The Cashier of Bank No. 1 will not allow interest on the certificate, but suggests to Mr. A to telephone to Cashier of Bank No. 4 and ask him what interest he will allow on certificate, which Mr. A consents to do, but requests Cashier of Bank No. 1 to talk for him, which he does. Cashier's answer of Bank No. 4 is: "Tell Mr. A I will make it right with him when he comes down"; which proposition was accepted by Mr. A. Cashier of Bank No. 1 cashed certificate for Mr. A at face value with the understanding that Mr. A was to receive interest from Bank No. 4. Bank No. 1 sends certificate to Bank No. 2, their correspondent, at face value; Bank No. 2 sends certificate to Bank No. 3 at face value; Bank No. 3 holds certificate for thirteen days and then sends to Bank No. 4 and collects face and interest for full time.

From which bank could Mr. A collect interest? Assistant Cashier.

Answer.—Under the law of Ohio, Bank No. 3 would be regarded as the agent of Bank No. 1, and not the subagent of A. (Reeves vs. State Bank, 8 Ohio St. 465; Exchange National Bank vs. Third National Bank, 112 U. S. 176.) Bank No. 1, therefore, as principal, is liable for any sums collected by its agent, and A, if he should see fit to do so, may make a claim therefor upon No. 1 for the interest collected by No. 3. In the same way, No. 1 may look to No. 2 for any sum it has to pay A. This is the legal situation of the parties, though they may agree upon any other mode of adjustment.

Editor Bankers' Magazine: Albany, N. Y., June 10, 1905.

Sir: If a customer has a check certified, and does not use it, but brings it back to the bank, to place it to his credit again, what is the legal course for the bank to take? The check is not endorsed by the party to whom it is payable, but is in the hands of the person to whose account it was charged.

Teller.

Answer.—The Negotiable Instruments Law provides that "every contract on a negotiable instrument is incomplete and revocable until delivery of the instrument for the purpose of giving effect thereto." (Sec. N. Y. Act.) When, therefore, the check is never delivered to the payee, the drawer and the bank have the right to cancel the check or destroy it or make any disposition of it that they may mutually agree. But the usual course adopted in such cases is not to cancel the certification or destroy the check, but for the drawer to deposit it to his own account. The bank then gives him credit for the amount, and treats the check as paid. Such a transaction is perfectly legal, and a complete protection to the bank.

Effect of the Gold Standard on Mexican Trade.—From information furnished this office by bankers, importers, and leading commercial houses of this consular district, the recent adoption of the gold standard by the Mexican Government has served to stimulate the inauguration of new business enterprises, as well as to strengthen confidence and credits. With a fixed rate of foreign exchange, the logical sequence of an unvarying monetary standard, importers are making lower prices, and many exporting firms in the United States and Europe who had withdrawn their traveling salesmen have notified old customers that the sending of these agents for the promotion of business will be resumed at once.

Business on the American side of the Rio Grande has also exhibited a more healthful and confident tone since the establishment of a fixed monetary standard by Mexico. This was to have been anticipated, as Mexican money is largely used on the American side, and its daily fluctuations in value could only have the effect of depressing trade and preventing that regularity desirable in commercial transactions.—*From United States Consul Griffith, Matamoros, Mexico.*

A PRACTICAL TREATISE ON BANKING AND COMMERCE.

THE SUCCESSFUL MERCHANT.

Before a banker can do a successful business, there must be successful merchants, manufacturers, or farmers in the community. It is for this reason that the consideration of their business comes first.

Some years ago there was published in England a very readable book entitled, "The Successful Merchant," in which was described the career of a Bristol trader who was not only a successful man himself, but the founder of successful firms that bear his name to this day. The success of this merchant, it is evident, was not due to speculative ventures by which some men seek to acquire a fortune rapidly, but to perfect knowledge of his own line of business, combined with industry, shrewdness and rectitude. It becomes evident, too, that this is the reason why the business he founded has continued to flourish in the hands of his successors.

It is essential to the success of a banker, that the mercantile customers with whom he deals shall be on the whole successful men; otherwise they will cause him loss and embarrassment, even though he holds what is called "security." For security in many instances fails to secure.

It is equally essential to a merchant that *his* customers shall be also successful. If they are not, their failure will result in even a larger proportion of loss, seeing that generally the merchant gives credit without security at all.

The losses of both banker and merchant may be, and, indeed, not seldom have been, serious enough to bring both into embarrassment, in fact, they continually act and react on each other. The study of the causes of success and failure is therefore one that practically comes home to both.

Let us first consider the conditions and causes of success. When a person enters upon any line of commercial business, as distinct from mere speculation,* he will find that the first element of success is knowledge of goods: that is, what goods are, where they are to be bought to advantage, what is the right time to buy them and how to place them to advantage.

As he progresses he will discover that the second element of success is knowledge of men; that is, whom to employ, what to give them to do, to whom to give credit and whom to avoid. The first is to be acquired only in the warehouse, the second can be learned best in the office or "on the road." When, with these two, is combined a reasonable capital, together with common sense, enterprise and integrity, success may be said to be not problematical but reasonably certain.

A young man who enters a mercantile warehouse, will be employed for some time in learning how to *handle* the goods dealt in; how to sort and arrange them for sale, how to receive and dispatch them with expedition, and generally to become so familiar with the stock as to know where any particular article is to be found and how much of it there is in the warehouse. While doing this, the head of the business will have opportunities of judging the young man's capacity, intelligence and character; also whether he is more likely to be useful in the warehouse or in the office. A young man whose mind is in the business will desire to find out not only how much

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*The difference between the merchant and the speculator is that the merchant handles the goods he deals in, and therefore requires to be a judge of their quality and suitability; while the speculator rarely handles the merchandise in which he speculates, and could not tell good cotton or grain from bad. His business is simply to watch the markets, and to buy or sell on change. For his operations he needs neither a warehouse nor stock.

goods sell for, but how much they cost; also where goods are bought, and from whom. If the goods he handles are not bought strictly from manufacturers, then he will find out who *did* manufacture them, and where. An intelligent warehouse clerk will try to gather information from young men not in the same house, and will, at times, be able to communicate to his principals something to their advantage.

There are, of course, other elements of success in a junior, such as civility, readiness to assist, quickness to obey orders, punctuality in attendance. A good junior will also avoid what mars the usefulness of many a clever employee, viz., an impatience of work, and eagerness to rush away at the earliest moment when work appears to be finished.

Supposing that a young employee has proved himself capable so far, the next step will be to trust him with the responsibility of *selling*. Here his knowledge of goods comes into play. For many of the customers of a wholesale house have only a vague idea of what they want, and expect to be told what goods are in the market; to be shown them and have their merits pointed out by one who knows and can describe them accurately.

If, for example, the warehouse is that of a dry-goods merchant, the salesman will have some knowledge of the person he is speaking to, where he comes from, and what is the nature of his business. It would be absurd to show the store-keeper of a backwoods village the goods suitable for a leading town or city store. *The seller must know both his goods and his men.* If the young clerk performs the duty of a seller satisfactorily, in the warehouse, he has taken another step towards ultimate success.*

It may not be possible in a large establishment for every salesman to ascertain what is the net cost of the goods he is handling, and to a majority of those engaged in selling, a principal would scarcely think it prudent to give such information. But as a salesman grows in experience he will be sure to exercise himself in this direction. And it is desirable he should; for in the case of salesmen and travellers of experience, they may sometimes be allowed discretion in the selling price of goods. It would obviously be of advantage to a salesman, in using this liberty, to know what things cost, so as to ensure that no mistake was made in reducing the price unreasonably.

A successful salesman or traveller will exercise a good deal of tact in dealing with the peculiarities of customers, and a large amount of patience and perseverance also. Experience shows that a stubborn "no" may be changed into a complacent "yes" by quiet and intelligent persistence. Above all things he will be civil; ready to anticipate a customer's wishes, ready also with suggestions as to what would be satisfactory in case the party does not see the article he wants. But it is a mistake for a salesman to push off undesirable goods on a customer by brag and volubility. The customer who has been overreached in this way will avoid the place in future.

In the life of George Moore, of the great house of Groucock and Co., of London, who used to be called "The Napoleon of the Road" because of his wonderful quickness and energy, there is an excellent story of his success with a retail storekeeper who, after repeated refusals such as would have damped the energy of most men, was at last induced to make a purchase

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*It is sometimes supposed that to be able to sell goods successfully, an employee must not be too scrupulous; must, in fact, be willing to tell lies about them. But quite apart from the immorality of this, experience demonstrates that to deceive customers is not to the seller's advantage. The deceived buyer will avoid the warehouse in which he has been deceived. Even if he does not go so far as this, he will certainly make a complaint. If he has been deceived by an employee, he will complain to the principal, and the employee will suffer. If he has been deceived by the principal himself, he will probably be more outspoken. In either case he will want redress.

It was said of the late A. T. Stewart, whose retail store used to be one of the wonders of New York, that one element of his success was this, "He always turned the rotten side of the melon up"; a very homely phrase, but highly expressive, as indicating that, if there were anything defective about his goods, he never concealed it. It thus came about that people had implicit confidence in Stewart's goods and consequently flocked to his store to buy them. There are manufacturing firms in England that have built up a reputation by the invariable rule of never stamping their name on an inferior article. They have found the advantage of this in the fact that the name came to have a distinct mercantile value; such, for example, as that of Rodgers of Sheffield, for fine cutlery.

of some insignificant article and thereby open an account. The door once opened, the young traveller took care it should be kept open; with the result that the casual buyer became a valuable customer of the house. The responsibility of a traveller is, of course, much more than that of a salesman in the warehouse. He needs much more tact, more knowledge of human nature, more patience, more perseverance. And, it needs to be added, he will need to be more watchful of his own conduct. Living in hotels, he will be in the way of temptation that does not meet those whose duties are at home.

Pursuing the future successful merchant through his course of preparation, and supposing him to have achieved success as a salesman and a traveller, the next question will be, whether he can be trusted with the responsibile function of *buying*.

It is a maxim of trade that "*goods well bought are half sold.*" Though the most difficult functions of a buyer are exercised in lines of business where taste and fashion come into play, yet his skill, if he has it, will find ample scope even in dealing with raw materials and great staples. Judgment and special knowledge are required even to buy grain, cheese, timber or iron to advantage.

Passing, however, by these for the present, let us look at the characteristics of a successful buyer of dry goods and fancy goods. Here an essential difference must be noted. While the buyer of grain or any other like commodity may make mistakes, it is certain that the goods he buys can be sold at *some* price. But the buyer of dry goods can never be sure that what he buys (unless it be simple staples) can ever be sold at all. The buyer then will naturally be one who has had experience as a salesman or traveller, and has learned by experience what the taste and fancy of customers are likely to be when new goods are offered them. There is a difference in this respect, between the customers of one house and another, between the people of one city and another, and between one period and another. A class of goods can be safely imported by a merchant in New York that it would be unwise to bring into a smaller city. As to the difference between one time and another it is a fact that in the inflation that prevailed in the early days of Manitoba, there were goods to be found in the Hudson Bay Company's store at Winnipeg, of so costly a character that no merchant in Montreal and scarcely even in New York, would have dared to import them. Such goods could be sold in Winnipeg at that time. Two years afterwards a heavy reaction set in, and no such articles have been seen there since.*

The buyer then will consider the customers of the house, as to their taste and capacity, as well as the time. An intelligent buyer after some experience develops a sort of intuitive apprehension of goods. He could not explain it if he tried, but it exists, and it will lead him to say of some new patterns, "Our house could never sell them," and of others, "These will suit us exactly." Judging thus intuitively he judges promptly; and in a majority of cases he will be right.

A buyer's judgment, however, is not only exercised as to what goods to buy, but how much. This, sometimes, is a more difficult matter to determine than the other, for if he buys too much, even of an article that takes the fancy of customers, the extra quantity will be carried past the time when the fancy of customers favors it. On the other hand, if he buys too little, a feeling of vexation is generated in the warehouse at op-

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*During this inflation a rough looking fellow entered a crockery store in Winnipeg and asked to be shown a dinner set. The proprietor, wondering somewhat what such a man wanted with a dinner set, reached down one of a common character. The man, however, said at once, "That won't do." Other sets were then shown him of a better kind, but none of them suited him. They were not good enough. The man then said, "I've had a big stroke of luck; made $50,000 out of a piece of property, and I want to give my wife something really tip-top; something extra, you know." The storekeeper then brought out a set he had specially imported for customers of the nouveau riche order; a set of such rarity and beauty that it would have graced the table of an English nobleman. The man said, "That will do;" and it was bought and paid for on the spot. The merchant showed his knowledge of the time by ordering a single set like this. But a year or two afterwards, no such goods, or goods of a quality even many grades lower, were ever seen on his shelves.

portunities of profit being missed. The latter error, however, is the safer of the two. If the goods are evidently going off well a repeat order can be cabled.

Buying too much is a foible of some otherwise capable men, and sometimes a cause even of financial embarrassment. The amount to be bought is a matter for the principal to judge of. He will look over his stock, consider his average sales, and give his buyer instructions accordingly. But cases may arise in which an experienced buyer may take the risk of varying from instructions. He may learn things about the market when abroad that make it desirable rather to hold off than to buy. Or, what he learns may lead him to buy more heavily than was arranged. This, however, he will do at his own peril. A young buyer entering this difficult field will do well to err on the side of caution rather than otherwise. Better for him to cable for instructions and pay the cost himself, than to make such large purchases as, to the writer's knowledge, have not only caused loss to his principals, but deranged the whole market.

There are fields of mercantile enterprise in which the functions both of buyer and seller would appear to be far more easy than the foregoing, seeing that prices are quoted day by day, and that all a man has to do, apparently, is to follow the market. A plausible theory, but utterly fallacious. For in all staple articles, such as grain, cheese, wool or timber, there is a remarkable range of *quality*. The grades, certainly, are indicated by market quotations. But even in such apparently simple matters as grain and flour, there are shades of difference that none but experts can appreciate.

Yet it is often on a correct appreciation of these that the profit or loss of a given line of operations consists. The same remark applies to imported articles in other trades, such as groceries, fruit, wines, raw sugar; not to speak of hardware, iron and steel, in all of which there is room for the finest exercise of judgment on the part of the buyer as to the quality of goods. It may indeed be laid down as an absolute rule with regard to every variety of staple goods, that none but a man of experience can safely venture on the operation of buying. If he does, he will infallibly "burn his fingers," and if he continues, he will ruin himself.

The Office.

Passing now from the warehouse to the office, let us consider what is done therein as bearing on the conduct of a successful business. Here are kept the records which show whether the business is or is not on a proper foundation, and whether it is being conducted profitably from time to time. It is in the office that the merchant ascertains whether credit is being given judiciously, who and what the customers of the firm are; whether prompt in payment or otherwise; whether profits are being made, and what are the drawbacks in the shape of losses.

The important matter of *insurance* will here come before him, also the financial management of the house. Above all, it is here he will ascertain whether he is keeping on a right footing with his banker. That all these are vital elements in the success of a business, every merchant knows; indeed, the trend of experience shows that business failures are more frequently traceable to defective management in the office than in the warehouse. For one merchant who fails by reason of not understanding his goods, ten fail because of injudicious crediting, too easy collecting, neglect of insurance, an incorrect style of stock taking, too small capital, too heavy drawings of partners, too heavy borrowing, and general lack of economy. All these are matters for the office. It is not so essential for the principal to have passed through the grades of *office* work, as that he should have had a thorough training in handling goods. But every principal should have had so much experience as to understand office records, and to see whether office work is properly done, and if the statements rendered to him from time to time can be depended upon.

In large mercantile firms a judicious combination of talent is desirable, so that while one partner shall be particularly conversant with goods, another shall be familiar with finance and office work; each giving, as a rule, undivided attention to his own department, yet being able at times to take an oversight of the other in case of need. But where there is only one partner, and one who has a thorough familiarity with goods, it is desirable that he should have at the head of his office, not a mere bookeeper, however efficient, but a reliable man to whom he can entrust the *management* of the finances and accounts of the house. To such a man he will pay such a liberal salary as will make him as much attached to the business as if he were a partner. Such a person will save his salary many times over by attention to credits, prompt collecting, sufficient insurance, attention to economic details, keeping stock within due bounds; and last, but not least, keeping the borrowings and discounts of the house within such limits that their cost will not be a drain on the business.

The foregoing may be called the elementary foundations of success in business as now carried on. They may not all have been necessary in the earlier days of the country. Many a man then succeeded who conducted his business by rule or thumb. But competition is now too keen and its methods too developed to permit any man to succeed who is not equipped at all points.

But this is not all that is necessary to success.

There have been men who could sell and buy goods, and know how to keep accounts, too, who have entirely failed in the attempt to carry on business for themselves.

It was said that at one time a considerable number of the salesmen in the employ of Mr. A. T. Stewart, of New York, (who has been already referred to) were men who had failed in business. They were expert salesmen; and perhaps some of them expert buyers, but were deficient in other qualities essential to success. They could serve an employer and be depended upon to follow instructions. But experience had proved that they could not succeed when they had no guidance but their own judgment.

What, then, are the other and final conditions of business success, permanent success, let us say, in addition to the technical knowledge and skill before referred to? The consideration of these is of sufficient importance to form the subject of further treatment.

G. H.
Ex-Gen. Manager Merchants' Bank of Canada.

Dutch Foreign Investments.—The people of the Netherlands are thrifty and economical, excellent merchants, and, in proportion to population, their nation is one of the richest in the world. They are cosmopolitan, and large minded in the investment of their capital. They were the first and most extensive foreign buyers of United States bonds of 1861-65, but did not touch the Confederate issues. According to estimates of official statistical and financial sources, Dutch capital to the amount of $544,500,000 is invested in American bonds and shares, and $400,000,000 in Russian bonds and shares. Very large sums of Dutch capital are invested in Mexican Government bonds and in bonds and shares of Mexican railroad and industrial companies; also in the Government and railroad bonds of Austria-Hungary, Portugal, and numerous other countries, and a large amount is working profitably in the Dutch Indian colonies in sugar, tobacco, and rubber plantations, the mining of tin and other metals, petroleum wells, etc. A financial book of reference places the capital of all Dutch joint-stock companies at $744,164,000, but this does not embrace the numerous Dutch companies which have their headquarters in the colonies and in foreign countries. The Netherlands, possessing neither coal nor iron, is not a manufacturing country of note, and in this respect is even surpassed by little Switzerland, also having neither coal nor iron. The Dutch are full of the commercial spirit and have a large merchant marine. The rural inhabitants are given to dairying, cattle raising, and horticulture, in which branches they excel.—*Richard Guenther, Consul-General, Frankfort, Germany.*

Gold Standard in Korea.—On June 7 an ordinance became effective establishing the gold standard in Korea and providing for the exchange of the old nickel coins for the new coinage.

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THE WORKING OF THE ELASTIC CLAUSE OF THE GERMAN BANK ACT.*

[Read before the London Institute of Bankers by HERMANN SCHMIDT, ESQ., March 1, 1905.]

When the German Empire was founded, one of its primary tasks was to bring order into the chaos of the different German currency and banking systems. At that time there existed within the boundaries of the new Empire 140 kinds of paper money and 33 issuing banks. Two economic schools claimed the right to undertake the task—the English and the French—and both had accomplished champions.

In the Currency question the English gold-monometallism scored an early victory over the French bimetallic system. The German Act of 1873 dethroned silver and inaugurated the reign of gold, thereby conferring growing economic advantages on the two great Anglo-Saxon Powers, who, since the annexation of the Transvaal by Great Britain, practically control the gold supply of the world.

In banking the decision took a longer time. On the one hand were the champions of the French State Bank system, with its banknote monopoly and an issue practically untrammelled by legislative restrictions. On the other hand were the partisans of a central bank on the English model, legally and administratively a private corporation, with its note-issue strictly limited under statute, but with semi-public functions and prerogatives.

For a long time it seemed as if, in banking, Germany would as closely adhere to the English model as it had done in currency, but, in deference to able critics, notably Mr. Ernest Seyd, a Fellow of this Institute, it was decided to modify the cast-iron English system, and the law of March, 1875, introduced what has since become known as the Elastic Clause.

Let me first give a few details about the German banking system. The thirty-three issuing banks which existed in Germany at the date of the Bank Act, had been established under charters granted by the authority of individual German States. The new Act conferred on them an Imperial status. Only if they declined to accept its provisions was their activity to be limited to the State of their origin. Thirty-two of the existing banks accepted the Empire's terms, the exception being the Brunswick Bank, which, consequently, will remain a local institution till its charter expires in 1952. Under the Imperial law all issuing banks have to renew their charter every ten years.

The leading and ever-growing position among these issuing banks is held by the Reichsbank. This bank took the succession of the former Prussian Bank. The latter having been a private institution, the Reichsbank was nominally constituted as a private limited liability company. But its organization is of special character. It has a purely State administration. Its chief is the Imperial Chancellor. Its powers are exercised by a President, a Vice-President, and six members of the directorate, officially nominated. The accounts are audited by Imperial officials, and the Empire participates in the profits. The shareholders are represented by a permanent central committee. It consists of fifteen members and fifteen alternates, whose office is honorary. As a matter of fact, this committee is composed of the representatives of the leading banks and bankers of Germany, and forms thereby a connecting link between the great Central Bank and the outside institutions which has worked very beneficially in Germany. This committee meets once a month the directors of the Reichsbank, when it receives the weekly returns, with details of the discount and advance business, of the circulation, and of the reserves. It has only a consultative

* From the Journal of the Institute of Bankers, London.

voice, but its advice is asked on different questions, such as raising or lowering the bank rate, selecting the securities admitted as cover for advances, etc.

The capital of the Reichsbank was originally M. 120,000,000, but has, by the Act of June, 1899, been raised to M. 180,000,000.

The Imperial regulations of the note-issue provided that all bank notes must be covered as to one-third by cash, and as to the remaining two-thirds by bills of exchange with a maximum currency of three months. The total note-issue is limited to the cash in hand *plus* a certain fixed amount, for which a fiduciary issue is allowed, the "cash in hand" in this connection meaning gold in any form, current German coins, Imperial paper money, and notes of other German banks. The fiduciary issue of the thirty-three German "Note-Banks" was originally fixed at M. 385,000,000. Here is the list of the different banks and their quota in the fiduciary issue.

1.	Reichsbank	M. 250,000,000
2.	Ritterschaftliche Privatbank (Stettin)	1,222,000
3.	Städtische Bank, Breslau	1,283,000
4.	Bank des Berliner Kassenvereins	963,000
5.	Kölnische Bank	1,251,000
6.	Magdeburger Privatbank	1,173,000
7.	Danziger Privat Actienbank	1,272,000
8.	Provincial Actienbank, Posen	1,206,000
9.	Kommunalständische Bank, Görlitz	1,307,000
10.	Hannoversche Bank	6,000,000
11.	Landgräflich Hessische Landesbank	159,000
12.	Frankfurter Bank	10,000,000
13.	Bayerische Bank	32,000,000
14.	Sächsische Bank	16,771,000
15.	Leipziger Bank	5,348,000
16.	Leipziger Kassenverein	1,440,000
17.	Chemnitzer Stadtbank	441,000
18.	Württembergische Notenbank	10,000,000
19.	Badische Bank	10,000,000
20.	Bank für Süddeutschland	10,000,000
21.	Rostocker Bank	1,155,000
22.	Weimarische Bank	1,971,000
23.	Oldenburgische Landesbank	1,881,000
24.	Braunschweigische Bank	2,829,000
25.	Mitteldeutsche Kreditbank	3,187,000
26.	Privatbank Gotha	1,344,000
27.	Anhalt Dessau Landesbank	935,000
28.	Thüringische Bank	1,658,000
29.	Geraer Bank	1,651,000
30.	Niedersächsische Bank	594,000
31.	Lübecker Privatbank	500,000
32.	Kommerzbank, Lübeck	959,000
33.	Bremer Bank	4,500,000
		M. 385,000,000

Almost immediately after the Imperial Bank Act, came into force in 1875, thirteen banks (viz., Nos. 2, 4, 9. 15, 22, 23, 25, 26, 27, 28. 29, 30, and 31 of the above list) relinquished their right of issue which, together, amounted to M. 22,561,000. The Act provided that should any of the issuing banks abandon or lose their note privilege, its fiduciary issue should be added to that of the Reichsbank. The latter's privilege was, therefore, almost from the start, raised to M. 272,561,000. During subsequent years twelve more banks (viz., Nos. 3, 5, 6, 7, 8, 10, 11, 16, 17, 21, 32, and 33 of the above list) abandoned their note privileges, which added another M. 20,839,000 to the total of the Reichsbank. This amounted then to M. 293,400,000, and, at that figure, it stood for a number of years. The fiduciary list of the German banks had thus been reduced to the following number.

1.	Reichsbank	M. 293,400,000
2.	Frankfort Bank	10,000,000
3.	Bavarian Bank	32,000,000
4.	Saxon Bank	16,771,000
5.	Württemberg Bank	10,000,000
6.	Baden Bank	10,000,000
7.	Bank für Süddeutschland	10,000,000
8.	Brunswick Bank	2,829,000
		M. 385,000,000

In course of time the progress of business in Germany made it clear that the figures fixed for the fiduciary issue had to be reconsidered, and the Act of June, 1899, raised the note privilege of the Reichsbank to M. 450,000,000. The Government had proposed only M. 400,000,000, but the Reichstag raised the sum to M. 450,000,000. The total fiduciary issue of Germany was thus fixed at M. 541,600,000. This figure became statutory in January, 1901. In March, 1901, the Frankfort Bank abandoned its M. 10,000,000 note privilege, and in June, 1902, the Bank für Süddeutschland followed with its M. 10,000,000. This leaves to-day six issuing banks in Germany, dividing the fiduciary issue of M. 541,600,000. The Reichsbank has M. 470,000,000, the remaining five banks M. 71,600,000, including the Brunswick Bank with its local M. 2,829,000 issue.

As stated above, however, the German fiduciary issue does not constitute an absolute limit. Section 9 of the German Bank Act reads as follows: "Banks whose circulation exceeds their cash *plus* their share in the fixed fiduciary issue have to pay to the Imperial Exchequer on the excess issue a tax of five per cent. per annum. 'Cash' consists of German coins, Imperial paper money, notes of German banks, besides gold and foreign gold coins calculated at M. 1,392 per lb. fine."

This section constitutes the renowned Elastic Clause of the German Bank Act. It has enriched the disputed ground of Banking Theory by an important additional controversy. It has added a new feature to German banking policy, viz., the "tax-free note reserve," *i.e.*, the excess of the cash *plus* the fiduciary amount over the circulation. We recognize easily in this "tax-free note reserve" the equivalent to the "Reserve" in the banking department of the Bank of England. But we have no equivalent in England for the "*minus* reserve," which appears in the German bank statements whenever the circulation is subject to the tax, *i.e.*, when the provisions of this elastic clause become operative.

It is not my province to-night to enter into a theoretical discussion of the merits of this clause. I shall content myself by examining its working.

The first bank to take advantage of this clause was the Bank of Saxony, which has paid tax under Section 9 every year since the Act came into force. The Bank of Würtemberg followed in 1889, and has since paid tax every year. In 1890 the Bank of Bavaria and the Bank of Baden began to pay tax, and have intermittently done so since. But these are details of local interest. General attention has only been directed to the effect of the Elastic Clause on the policy and position of the Reichsbank. The following is the table of dates and amounts of the over-issues of banknotes by the Reichsbank. It shows growing recourse to the provisions of Section 9, interrupted in 1901, when the fiduciary issue was revised:—

		Excess circulation.	*Tax.*
1881.	31st December	M. 26,092,200	M. 27,179·34
1882.	30th September	19,224,000	32,718·06
	7th October	12,184,300	
1884.	31st December	32,678,500	34,040·32
1885.	7th January	2,615,300	2,724·30
1886.	31st December	34,161,300	35,584·73
1889.	30th September	71,824,200	235,966·28
	7th October	45,225,900	
	31st December	109,477,500	
1890.	7th January	50,399,200	338,627·71
	30th September	91,450,800	
	7th October	104,204,800	
	15th October	33,849,300	
	31st October	18,931,000	
	31st December	26,247,300	
1893.	30th September	38,517,690	40,122·61
1895.	30th September	46,086,301	224,041·66
	7th October	20,709,895	
	31st December	148,283,795	
1896.	7th January	35,811,520	464,801·22
	31st March	44,008,225	
	30th June	34,328,672	
	30th September	119,558,581	
	7th October	78,352,771	
	31st December	134,149,422	

		Excess circulation.	*Tax.*
1897.	7th January	M. 31,291,117	
	31st March	12,189,540	
	30th June	28,197,149	
	30th September	205,829,552	
	7th October	171,036,711	M. 767,915·89
	15th October	70,265,650	
	31st October	39,024,022	
	7th November	7,083,688	
	31st December	172,281,834	
1898.	7th January	60,504,833	
	31st March	70,478,234	
	7th April	20,899,051	
	30th June	129,523,423	
	7th July	65,723,356	
	30th September	276,496,927	
	7th October	241,841,460	
	15th October	167,037,390	
	23rd October	101,371,201	1,927,401·14
	31st October	155,284,568	
	7th November	130,369,434	
	15th November	74,459,906	
	23rd November	6,062,750	
	30th November	36,654,865	
	23rd December	30,582,426	
	31st December	282,955,278	
1899.	7th January	147,096,243	
	15th January	34,083,149	
	31st March	109,905,732	
	7th April	52,620,554	
	30th June	138,704,569	
	7th July	95,253,262	
	23rd September	520,780	
	30th September	371,233,061	
	7th October	283,610,564	
	15th October	204,255,633	
	23rd October	125,111,446	2,847,294·14
	31st October	187,683,462	
	7th November	146,267,057	
	15th November	101,185,206	
	23rd November	52,393,473	
	30th November	89,212,815	
	7th December	70,191,970	
	15th December	50,372,058	
	23rd December	136,076,334	
	31st December	337,615,993	
1900.	7th January	209,076,165	
	15th January	47,700,377	
	31st March	238,259,329	
	7th April	134,419,833	
	15th April	42,215,214	
	30th April	33,184,581	
	30th June	158,643,308	
	7th July	41,048,095	
	30th September	292,531,250	
	7th October	248 799 646	
	15th October	131,739,013	2,517,852·97
	23rd October	66,979,521	
	31st October	138,674,040	
	7th November	116,142,019	
	15th November	54,922,497	
	30th November	23,072,976	
	7th December	2,211,704	
	15th December	9,533,638	
	23rd December	72,108,240	
	31st December	355,917,412	
1901.	7th January	65,995,930	
	31st March	16,347,335	
	30th September	108,601,148	352,684·62
	7th October	39,176,396	
	31st December	108,456,421	
1902.	30th September	151,015,199	
	7th October	76,503,876	478,289·49
	31st December	231,638,836	
1903.	7th January	72,628,154	
	31st March	125,514,615	
	7th April	27,068,533	
	30th June	44,587,518	805,267·44
	30th September	153,987,512	
	7th October	74,321,008	
	31st December	274,949,389	

		Excess circulation.	*Tax.*
1904.	7th January	M. 99,861,153	M. 1,118,373·21
	31st March	166,126,902	
	7th April	16,222,874	
	30th June	105,400,518	
	30th September	305,038,527	
	7th October	179,169,568	
	18th October	28,298,848	
	31st December	173,519,879	

The above table shows that the excess of note-issues is coincident with certain periods of the year when the internal movements of the currency are greatly increased. Such periods are the end of June, the end of September, and the end of the year, when enormous payments for salaries, rents, dividends, interest on mortgages, etc., have to be made. How large the increase of internal circulation is on these dates may be shown by the following instances, supplied by the returns of the Reichsbank:—

			Increase over previous week.
30th September, 1903.	Circulation	M. 1,515,581,000	M. 302,804,000
31st December, 1903.	Circulation	M. 1,565,490,000	M. 260,800,000
30th September, 1904.	Circulation	M. 1,599,067,000	M. 311,991,000
31st December, 1904.	Circulation	M. 1,599,784,000	M. 257,637,000

This explanation deprives the excess note-issue of any adverse significance, for it proves it to be a purely internal concern. It also justifies a recurrent readjustment of the fiduciary issue. The proper method of fixing the later is by a reference to the average circulation, to which it should bear a businesslike proportion. In Germany the average circulation of the Reichsbank has risen from.

M. 684,866,000 in 1876
to M. 802,178,000 in 1886
M. 1,083,497,000 in 1896
and M. 1,248,718,000 in 1903

The question which naturally suggests itself is whether Germany has derived any advantages from the working of the Elastic Clause. Have there been any beneficial effects?

The reply to this question is necessarily still somewhat controversial. Before answering, it may be of advantage to state the effects which have *not* resulted from the Elastic Clause. Here we are on a firmer basis of facts. Expressed in a single sentence, I may state that the clause has not caused a single one of the anticipated evils confidently predicted by nervous and apprehensive critics.

The most obvious, and, therefore, the most frequent criticism was that an elastic Bank Act would lead to a gradual reliance of the bank-note on the fiduciary rather than the metallic basis. The underlying assumption was that, because a commercial community had become possessed of a superior weapon for the defence of its monetary and financial position, it would gradually become careless, and cease to bestow that vigilance which a more exposed financial position renders imperative. The following figures totally disprove this assumption, as far as Germany is concerned. They prove conclusively that the existence of an elastic clause has weakened neither the absolute nor the relative metallic cover of the German note-issue, and been no impediment to a continuous and rather remarkable growth of the total of the reserves.

		Metallic Reserves.	Reichsbank Total Reserves.	Metallic cover of Note Issue.
1876 ..	(Average)	M.501,593,000	M.564,850,000	74.55 Per cent.
1886 ..	"	693,105,000	724,487,000	86.40 "
1896 ..	"	891,988,000	925,306,000	82.32 "
1900 ..	"	817,137,000	853,849,000	71.77 "
1901 ..	"	911,411,000	947,189,000	76.57 "
1902 ..	"	982,202,000	1,018,180,000	79.88 "
1903 ..	"	904,947,000	942,508,000	72.47 "
1904 ..	"	926,669,000	972,063,000	71.92 "
14th Feb. 1905 ..	"	1,110,288,000	1,159,657,000	92.94 "

A second objection to the clause was that it would adversely affect the foreign exchanges, and thus lead to gold exports from the country. Here, again, experience has proved that nothing of the kind need be apprehended. Where the clause had any effect whatever on the foreign exchanges, it was to make them more favorable. For the Reichsbank, having to pay 5 per cent. interest, under Section 9, generally raised its rates of discount when the note-issue became subject to the tax, and dear money, in Germany as elsewhere, has tended to lower exchanges, and, ultimately, to cause an influx of gold. As proof, I need only refer to the experience of last year. In the middle of October the German bank rate was raised to 5 per cent. Just prior to this measure the Reichsbank's reserves had amounted to M. 833,181,000, its metallic reserve to M. 789,444,000, while its note reserve was M. 179,169,000 "*minus*." Three months later, when the German bank rate was lowered to 4 per cent., the total reserves had risen to M. 1,005,791,000, the metallic reserve to M. 968,299,000, while there was a "positive" note reserve of M. 31,085,000. In the Reichsbank returns of the 23rd of last month this note reserve reached M. 508,970,000, a record total.

The last objection was that, by favoring a greater reliance on a fiduciary issue, by raising foreign exchanges and producing gold exports, the Elastic Clause would finally create distrust in the German bank note, and thereby depreciate the German currency. Again, nothing of the kind has occurred. Once or twice since the establishment of the Reichsbank the exchange on London has temporarily exceeded the orthodox "Specie Point," but this passing phase has no more affected the status of the German currency than the value of a Bank of England note was affected when bar gold rose to 78s. 0½d. in open market, though this price also implied a "theoretical" depreciation of sterling by over 2 per mille.

Not a single predicted adverse effect has therefore materialized by the action of the Elastic Clause in Germany. Let us now consider whether the country has derived any positive advantages from the clause. Here we tread on ground where proof is more difficult. Yet there are one or two points so obvious and self-evident that they may be pronounced as practically settled by experience.

The first is that the Elastic Clause has enabled Germany to conduct her business with less gold than would otherwise have been necessary, or, put differently, has enabled Germany to conduct a larger business with the gold actually at her disposal. The German gold reserves have always been sufficient for the ordinary requirements. But, as we have seen, at certain periods of the year, exceptional payments—payments which increase every year with the growth of population and wealth—have to be made, causing the internal circulation to largely exceed the average. Without the Elastic Clause, these transactions could not be carried out without considerable changes in business. Either a further very large and, generally useless, amount of gold would have to be stored, or the Bank Act would have to be periodically suspended, or a new system of payment would have to be popularised. No such system would prove as acceptable to the Germans as their present method of paying in bank notes, which are largely the substitute of the cheque in Germany. By the quiet and almost unobserved action of the Elastic Clause, Germany is tiding over all these periods of increased home circulation without a single hitch, nay, without the bulk of the population ever becoming aware that any important change has taken place in the character of the banking reserves. How important this point is will be seen from the following figures:—

1890.	Reserve.	Other Securities.	Circulation.
Sept. 23rd	M. 803,577,000	M. 635,533,000	M. 991,563,000
" 30th	752,260,000	780,506,000	1,131,733,000
	decrease M. 51,317,000	increase M. 144,973,000	increase M. 140,170,000
1895.			
Sept. 23rd	M. 1,010,697,000	M. 679,239,000	M. 1,079,823,000
" 30th	943,276,000	882,422,000	1,282,764,000
	decrease M. 67,421,000	increase M. 203,183,000	increase M. 202,941,000
1900.			
Sept. 23rd	M. 865,082,000	M. 848,953,000	M. 1,112,509,000
" 30th	758,035,000	1,080,728,000	1,343,962,000
	decrease M. 107,047,000	increase M. 231,775,000	increase M. 231,453,000
1904.			
Sept. 23rd	M. 977,459,000	M. 844,064,000	M. 1,287,076,000
" 30th	824,023,000	1,211,956,000	1,599,067,000
	decrease M. 153,436,000	increase M. 367,892,000	increase M. 311,991,000

This little table shows the growing nature of these periodical demands for currency in Germany at the end of the third quarter of the year. Other quarters would give similar results.

It may be remarked that the genius of the business world of Germany would have found other solutions for the difficulties here presented if the Elastic Clause had not existed. But there is one advantage of this clause which it would be impossible to obtain from any substitute. I refer to the elimination of apprehension, sometimes of panic, which the knowledge of the existence of an absolute limit to the power of note-issue creates in times of difficulty. The City knows, by painful experience, the reality of this danger—the general scramble and struggle for accommodation once that a doubt as to the sufficiency of the existing reserves is spreading. From this apprehension the German business community has been delivered by the Elastic Clause. Some observers go further, and maintain that Germany has been saved, by this clause, from financial and commercial crises. They assert that more than once since 1876 such crises were predicted by competent critics—we all remember the confident assertions in the English Press to that effect—but they never came to pass, being averted by the liberal supply of credit. Probably these statements go beyond warrant. But it cannot be denied that, in the crucial times which followed the industrial collapse of 1901, and the later suspension of the Leipziger Bank, the Reichsbank, thanks to its freedom of action, was enabled to grant accommodation on the largest possible scale, and thereby saved every sound business. History supplies no more striking instance of immense national services rendered by a single bank.

One obvious reflection seems to suggest itself in this connection. If an elastic clause, with its greater freedom of action, confers the benefits here recorded, the French system of a practically unfettered note-issue should prove still more advantageous. Practice, however, fails to confirm this conclusion. In the first instance, the Bank of France is limited in a most important respect, viz., as regards its total note-issue. This total has been fixed so high that the limitation is without practical significance, nay, more, in case of need it will undoubtedly be raised, as on former occasions. But, eliminating this objection, there is another drawback attached to the French system. It fails to bring into relief the full significance of the bank's figures. Let us take the Bank of France's returns of 3d November, 1904, and compare it with that of the middle of February.

3rd November, 1904—			
Gold	Fr. 2,596,461,500	Circulation........	Fr. 4,445,367,300
Total Cash	3,693,488,500		
16th February, 1904—			
Gold	Fr. 2,813,082,500	Circulation........	Fr. 4,341,327,705
Total Cash	3,915,512,300		

In about three months, therefore, the Bank of France shows a decrease in circulation of £4,161,700 and an increase in gold of £8,664,900. In Germany, as in England, this would constitute an increase in the bank's reserve of £12,826,000. In France these figures are not brought out in their full significance, and the country fails to obtain the stimulus to business which such enormous accession of strength ought to produce.

Before concluding it may be expected that I should touch upon a question sometimes discussed in the Press, viz., whether the addition of an elastic clause to the Peel Act is desirable. Already, some thirty years ago, a Chancellor of the Exchequer proposed such an addition, though under provisions which would have rendered the alteration practically useless. With regard to this question, I may at once state that the business conditions of this country do not demand the same elasticity of the note-issue as in Germany. The Bank of England, it is true, experiences several times a year an increased demand for accommodation. But the bulk of the money then borrowed is not taken into circulation in the shape of notes, but reappears on the other side of the Bank Returns in the "deposits." The transactions, in fact, constitute only "book entries." That is why they are frequently described as "window dressing," a most imperfect designation. The following table shows that, while the total of the displacements at the Bank, at the quarter's end, is growing, the loss in reserve is little altered, and therefore does not call for any special legislation.

	Other Securities.	Other Deposits.	Reserve.
1890.			
17th September	£21,342,288	£27,790,345	£13,672,750
1st October	26,089,629	29,042,970	11,221,867
	increase £4,747,341	increase £1,252,625	loss £2,450,883
1900.			
12th September	£25,012,180	£38,895,220	£24,628,637
3rd October	29,617,307	43,574,947	22,218,582
	increase £4,605,127	increase £4,679,727	loss £2,410,055
1904.			
24th December	£28,613,258	£40,453,192	£22,003,362
28th December	35,463,898	44,321,197	20,173,062
	increase £6,850,640	increase £3,868,005	loss £1,830,300

Another remarkable feature which must be considered in this connection is the more or less stationary character of the total bank-note circulation in this country. We have seen above the constant and great rise of circulation in Germany. In England we have the following figures:—

	Circulation.
1st week, January, 1880	£27,867,782
" " 1890	24,673,490
" " 1900	28,327,820
" " 1905	28,607,725

Where the circulation is showing such comparatively small changes, the necessity for a reconsideration of the fiduciary issue does not impose itself.

But although the technical position of business conditions in England makes it comparatively easy to dispense with an elastic clause, there is little doubt that, in several directions, the latter would prove of advantage also in this country. It certainly would entirely dissipate all apprehensions as to the sufficiency of our banking reserves. These reserves are, to-day, on the whole, larger than formerly, and the outlook is for their further increase. Yet there is, in certain organs in the Press, a constant wail for more and more gold. To the student this cry must appear a sign of weakness. Banking is not hoarding, nor is the larger reserve a proof of greater safety. The art of banking consists in combining the remunerative employment of the largest proportion of the funds in hand with absolute liquidity. Any office-boy can conduct a bank by holding excessive gold reserves. Among nations, we find the most backward requiring the largest "visible" reserves to maintain their credit. But so persistent has, of late, been the cry for larger and ever larger gold reserves that few bankers have had the courage to point to the retrograde nature of this advice. Thus, to-day, it is difficult to say where to draw the line. For there seems no finality in the demands of these critics. Their appetite grows with the feast. Probably 100 per cent. cover in gold would satisfy them. There is only one excuse for all this reactionary writing, the theoretical possibility of a temporary breakdown in our credit system. Against such a possibility an elastic clause would be an absolute guarantee. If it did nothing else it would free England from this nightmare.

But Germany need not trouble how far the Elastic Clause would suit other nations. Its adoption in Austria and some minor countries has caused her no emotion. For her it suffices if her own business is furthered and facilitated. My remarks to-night are intended to show that a close examination into the workings of the Elastic Clause fails to bring out a single instance where its effects have been detrimental, while there is strong presumption that, by giving her note-issue greater freedom, Germany has added to the defence of her business interests a weapon, modern, progressive, and ingenious, which has probably formed one of the most effective, if less obvious, causes of her remarkable progress in commercial and industrial activity.

Discussion on Mr. Schmidt's Paper.

Mr. D. M. Mason: Mr. President and gentlemen, I think that we all owe a very deep debt of gratitude to Mr. Schmidt for the very able and excellent paper he has favored us with to-night. I would only advert to one or two of the matters raised in the paper which have struck me as being particularly interesting, and these are contained more or less on the last page, and which refer to our own Act, the Peel Act of 1844. I think, if my memory serves me right, the French Government, in 1866, held an inquiry into the causes governing currency and banking, and it was there maintained that, so far as the issue of notes was concerned, absolute freedom might be given in the issue of notes, provided the notes were made payable in gold on demand. That, to my mind, is the fundamental principle of a note issue. If the note issues are made payable in gold on demand, I do not think we need have any fears of an inadequate gold reserve, because it is evident if these notes are thrown back on the banks they would automatically provide a gold reserve to provide for their conversion. Mr. Schmidt points out, very pertinently, that the fact of holding or keeping a large gold reserve is very largely overdrawn, and its importance largely overestimated, owing to a lack of appreciation of what he considers sound and legitimate banking. It seems to me, with regard to this question of an elastic clause being added to the Peel Act, although I apprehend a five per cent. tax is intended to meet the fear that exists of inflation or excessive issue of notes, theoretically I must agree with the solution which was evolved in the French inquiry that there need be no fear, but possibly it might be advisable to have such a restriction. I quite agree with Mr. Schmidt and Mr. Hansard,* that if such a clause were added to our own Act it would unquestionably be of immense value in removing that fear of panic when accommodation cannot be secured. In addition to that, I think members will agree that it is rather a barbarous system we have in this country when we feel, as bankers know, that in times of panic we can only achieve the tiding over of that trouble by breaking the law of the land. Surely, it is evident that a law, which only takes effect by breaking it, is antiquated, and therefore one worthy to be looked into and brought up to date, so that we may be on a par with Germany and other nations. I may point out also, possibly what may appeal to many, that we do know in this country that just because of the lack of such a clause, we have a system—twice a year in Scotland more particularly —of transference of gold to Scotland, at the two terms of the year, spring and autumn, owing to the Act which compels these banks to increase their gold reserves. Gold is sent up there in boxes and brought back again never opened; so we see a very eloquent example of our rather antiquated system in this country. I think, therefore, that is an added proof of the need of some reform to bring us more up to date with present-day methods. I do not know there is any other point in the paper which appeals to me personally, but I would only like, in conclusion, to congratulate Mr. Schmidt on his lucid paper and its very interesting nature from beginning to end.

Mr. SCHUSTER: Let me first say that our President had to leave, and he asked me to occupy his place temporarily to-night. Perhaps I ought to be speaking from the other side of the table instead of from this chair, therefore, you must not take my remarks as coming from the chairman of the meeting, but simply as from a private member of this institution. I wish—and I am sure you all agree—to tender our very hearty thanks to Mr. Schmidt for his very interesting and valuable paper. Before commenting on the subject of the paper, I should like to congratulate him also on this, that he has kept it within very reasonable limits, and kept very strictly to the point, so that it gives us an opportunity for discussion. I am sorry there is not a greater number here who are willing to take part in the discussion, but I always feel it would be desirable if the papers that are read here were a little shorter, that is to say, confined themselves, as Mr. Schmidt has done, to one point only, so that we could discuss it freely without having to look forward to the black looks of the hosts of the evening who may be expecting us to dinner, and whom we may be keeping waiting. Well, this paper is extremely interesting and valuable. We have so often heard reference made at our meetings to the Elastic Clause that I am sure it is of the greatest interest and benefit to us to know exactly what it means, and how it has worked, and this is what Mr. Schmidt has very clearly brought out to us. One interesting feature he brought out. It is not immediately connected with this Elastic

*See letter at end of this discussion.

Clause, but it refers to the constitution of the Imperial Bank. This central committee, to which attention is drawn—an honorary committee—consists of representatives of the leading banks and bankers of Germany, gentlemen who form a connecting link between the great central bank and outside institutions and the commerce of the country generally. I think that is one of the most interesting and most satisfactory features of the constitution of the Reichsbank, and I must confess I do not know whether it would be possible or practicable to introduce such a committee here in London; but what is felt here—and I think we all have felt it—is that there is a lack of touch between the central institution and the outside banks and commercial community generally. Through such a committee the central institution might convey information which would be valuable to other representatives of banking and commerce. On the other hand, the private banks, outside banks, joint stock banks, may have information—I have maintained that often they do have information—which may be valuable for the central institution to possess; yet there is no recognised means for confidential communication of that kind, and a committee of this sort, even though an informal and unofficial one, would be, I think, most useful if it could be introduced here. As to the next paragraph, I should like to ask Mr. Schmidt one question, which, perhaps, he will be kind enough to answer at once. I take it one-third of the note issue has to be covered in cash and two-thirds always by bills of exchange?

Mr. SCHMIDT: That is right.

Mr. SCHUSTER: Well then, now when you come to the fiduciary issue, is that covered by bills of exchange also?

Mr. SCHMIDT: One-third in cash and two-thirds in short bills.

Mr. SCHUSTER: Where does the fiduciary character of that come in?

Mr. SCHMIDT: Because the total may exceed the total cash in hand. You mean the excess fiduciary?

Mr. SCHUSTER: Yes.

Mr. SCHMIDT: You see one-third must always be in cash and two-thirds in short bills. That is never altered. In addition to that, if the issue, the total issue, exceeds the fiduciary issue plus all the cash in hand, then comes the excess issue.

Mr. SCHUSTER: But how is that excess covered?

Mr. SCHMIDT: Also covered by one-third in cash, and two-thirds in bills.

Mr. SCHUSTER: So it is really an extension of the limit to the issue, and the actual character of the cover remains entirely unchanged?

Mr. SCHMIDT: Always.

Mr. SCHUSTER: Mr. Schmidt refers to the periods of the year when the excess of note issue is coincident with the internal movements of the currency, which always increase them. Well, has it struck you that these periods are coincident with those periods when, in this country, all the papers talk about "window-dressing"? It is exactly the same thing that occurs here when great demands, at these stated periods, are made on the banks, when the banks have to meet certain demands. When these demands are made on the banks, the banks have to take in large amounts from the market, and, naturally, these demands disturb the whole of Lombard Street, and they call it "window-dressing." In Germany it is done by excess issue, but the point I want to make is what Mr. Schmidt particularly explains as to what happens at certain periods of the year, whether it is in Germany, or London, or elsewhere, where demands for rent, interest payments, etc., have to be met, that is, recurring demands on the banks at fixed periods.

Now, I am afraid I am going on to much more debatable ground—and as I notice the expression "nervous and apprehensive critics," I will at once admit myself to belong to that class. As to whether it would be possible to have the Elastic Clause here, or whether it would be useful, of course, it would be useful to have it; I do not think there can be any difference of opinion on that at all. I think it would be most useful if such a clause could be introduced in our Bank Charter, but I do not think it would simply do to tack it on to the Bank Charter as it stands at present. A great many more precautions would be necessary, and I would confine the working of such a clause only to such cases which would now compel the Chancellor of the Exchequer to interfere by suspending the Bank Charters altogether. The conditions are totally different in London from what they are in Germany. One more question I would like to ask Mr. Schmidt, and that is as to the convertibility of the bank note. What is the actual obligation of the Reichsbank?

Mr. SCHMIDT: To pay them in current coin of the realm.

Mr. SCHUSTER: What I wish to know is, can the holder of that note go to the Reichsbank and say, "I want so much gold for that "note"?

Mr. SCHMIDT: No, he could be paid in silver thalers.

Mr. SCHUSTER: Here you have the difference; the holder of a Bank of England note has the right of demanding payment in gold, and nothing but gold. In Germany the note is paid in legal tender or the current coin of the nation, whatever that may be. You see what a vast difference it is, and how much more necessary it is for us to keep a sufficient gold reserve in London to meet those possible demands, where the obligation exists, and where the necessity exists, when we are the only country in the world to pay notes in gold.

I come to a paragraph which I have marked with an emphatic "No;" that is Mr. Schmidt's reference to book entries, which is part of his argument that our gold reserves are quite large enough—I think he goes so far as to say they are entirely excessive. I am quite of another opinion, and will say they are not nearly large enough. We all know that at various periods of the year there is a very large amount of borrowing from the Bank of England. The amount is, say, £15,000,000—it has reached £15,000,000. I do not think that an excessive figure to name. It has a constantly growing tendency, and, in ordinary times, as Mr. Schmidt has said, this is only a book entry—it goes from one ledger into another; so long as times are quiet and peaceful, and everything goes well, that will always be so, but the essence of a reserve is to be available for times when things are not so quiet, and it does not follow—it is not a natural law—that those amounts which are borrowed from the Bank of England will be placed to the deposit account on the other side. Not at all. A case may arise when they have to be taken out of the Bank, either in notes or in gold. We have not had such a thing as a gold crisis, or a gold panic, for many years, but still it is not without the range of possibility that one should come, and for such times we should be prepared. That is the very essence of reserve; and quite recently, when the foreign exchanges were all against us, it was quite possible that just during one of these periods a very large amount might have been taken out of the Bank—many millions. Again, it is the last remark on the matter I have to make—is Mr. Schmidt's reference to the sufficiency of our bank reserves. Now, I hope Mr. Schmidt will forgive me—I think there is a little confusion of thought here. The ordinary banking reserves have really nothing to do with the question we are discussing to-night at all. You are discussing the currency of a country, and the conditions which are imposed on the leading State Institution which has to regulate that currency. The question of the outside banking reserves is quite a different one. It behooves every bank so to conduct its business—I am taking the outside banks, not the State bank, that has a note issue, but the banks to which Mr. Schmidt refers as keeping too large reserves, and who have got nothing to do with the currency of the country; to keep such reserves in hand in legal tender as may enable them to satisfy, not only the ordinary demands, but the exceptional demands that may arise from time to time. Each bank must judge according to its own accounts, and must judge the probabilities according to what may be their own experience as to possible requirements. But a reserve means, to my mind, something which should be there, and always there, beyond your daily requirements, beyond your till money, and whether this reserve, bank reserves which happen to be held by the Bank of England—which question is purely coincident and has nothing to do with the currency of the country at all—whether these reserves are too large, as Mr. Schmidt seems to maintain, I think that is a question on which I am not disposed to agree with him at all; because, take the average of the published accounts, that is fifteen per cent.—I think the London Clearing House banks that publish their accounts show, on the whole, an average of 15 per cent. in cash; in New York it is necessary that the banks should hold a reserve of 25 per cent.—but 15 per cent. has been found quite sufficient for the ordinary demands, which may arise at any time. I do not think that amount is excessive; if anything, to my mind, it is rather below the mark than above it, and if Mr. Schmidt will find me that office boy who can conduct business with an excessive gold reserve, and yet be able to earn a dividend for the bank——

Mr. Schmidt: I did not say that.

Mr. Schuster: I think he will be worthy of a very large salary indeed. Therefore, I am not at one with him here, and with his general conclusions —"But so persistent have, of late, been the requirements for larger and ever larger gold reserves that few bankers have had the courage to point to the retrograde nature of this advice." I maintain that the advice is not retrograde at all; it is progressive, and the stronger the banks keep themselves, surely, the greater the benefit to the commerce of the country all round. The question of the gold reserve in the Bank of England has nothing to do with this part of the subject. We have been discussing it here from time to time. I am certainly one of those hysterical people who believe there ought to be a larger gold reserve in the Bank of England, considering the huge liabilities which may at any time become due, and the huge liabilities which may at any time suddenly arise. Do not compare those figures of the German Reichsbank with those of the Bank of England. The Bank of England figures must be considered together with the deposits of all the joint stock banks of the country, deposits which amount to something like £800,000,000 taking it all round. Such a thing does not exist in Germany; the whole business of that country, as has been pointed out in this paper, is carried on, or the greater part of it is carried on, by means of the bank notes. Here it is the banks themselves that replace the bank note by issuing their cheque-books to their customers. Each individual makes his own bank note to any amount, and eventually that bank note is payable in gold. In Germany they have a different system altogether, a different currency, and it is our pride and boast that we are the only country that has a real gold standard—that is to say, a currency which must always be payable in gold, and for that it is our duty to maintain proper and reasonable reserves, and, considering the huge amount of the liability I think the reserves in the Bank of England cannot be called excessive at all. There is only one remark which I omitted, and that is that Mr. Schmidt has pointed out how the note circulation in Germany has grown compared with ours, which has been stationary. That is again explained by the fact that the banks here do all the business that is done by the bank note in Germany, and you have a much larger growth in the banking deposits; much larger in proportion than the growth of the note issue in Germany, so that the conclusion which might be arrived at from this paper, that our business is stationary, would be entirely erroneous. I do not mean to suggest that the inference was intentional at all, but I mean without considering the growth of the bank deposits, which, as we all know, has not only been constant, but astonishingly rapid and very large indeed, one might be tempted to arrive at erroneous conclusions from this part of the paper. I am afraid my remarks have been very lengthy, but I wish once more seriously to protest against the tendency of relaxing all precautions which have been thought necessary, especially as both Mr. Hansard and Mr. Mason were inclined to follow the reader of the paper in his argument that we are doing too much in the way of reserves. I think, on reflection, perhaps, you will agree that we are not really erring in that direction at all.

Mr. Mason: Pardon me, my point was that if a note is made payable in gold on demand, that would automatically compel us to maintain the reserves. That is my point.

Mr. Schuster: I did not quite follow that.

Mr. Mason: My point is—if I may take up the time of the meeting—to my mind, the essence of sound banking consists in the very point you referred to, of making the note payable in gold on demand, and if other bankers in this country were allowed a continuous issue, and the issues were made payable in gold on demand, that would automatically compel them to maintain their reserve against these notes, and the currency would then obtain an elasticity which it lacks at present, because, as the notes went out of circulation, the bankers automatically would increase their reserves to meet these notes if they were thrown back upon them. The mere holding of a huge gold reserve does not constitute sound banking. There is more than that in sound banking—there is the question, as Mr. Schuster will agree with me, of advances, etc., but if we had a more free issue of notes payable in gold on demand we would automatically hold large gold reserves, whereas, under our present system, the mere keeping of large gold reserves would indicate an inelastic currency as at present.

Mr. Steele: I should like to point out that the argument that the mere fact of endowing notes with the quality of convertibility will automatically provide gold to meet them, is a pure fallacy. I am unable to follow the argument that the mere endowing of a note with the right of payment on demand will create a gold reserve.

Mr. Schuster: I think Mr. Mason has explained that. I was also puzzled by the statement he referred to, but what he had in his mind, as I understand it, was the possibility of other bankers being given power to issue notes, and holding against those notes a proper reserve which, of course, in that case, would increase the total holding of a stock of gold throughout the country, but I am afraid we have got off the line altogether, because, so far as I can see, we need hardly discuss such a possibility.

Mr. Mason: My point was that when a banker knew he had a considerable note issue outside he would naturally, in view of that liability, create his own gold reserve.

Mr. Steele: It comes to this—instead of automatically, Mr. Mason means naturally, which is a very different thing.

Mr. R. Dobson: Perhaps I might be permitted to make one remark with regard to the question which has arisen, and that is that the teaching of English bank history is that when bankers can freely issue their own notes they do not provide sufficient gold reserve. There we have the testimony of historical fact. I should like to ask Mr. Schmidt are all the German bank notes, whether issued by the Reichsbank or by others, legal tender?

Mr. Schmidt: No, not one.

Mr. Dobson: I do not want to act upon it; I only want to know it as a matter of fact. Mr. Schmidt remarked at the end of his paper that, among nations, we find the most backward requiring the largest possible reserves to maintain their credit. I do not know whether Mr. Schmidt wished to imply that the smaller the reserves the nation held the more advanced it was.

Mr. Schmidt: That is the case.

Mr. Dobson: Well, that being so, it will be rather dangerous for those nations to accept this as a principle and push it to its logical conclusion. If Mr. Schmidt really means that the most advanced nation will be able safely to work with a smaller reserve than the more backward nations, I quite agree with him, but I would ask whether it is not a fact that, at the present time, this country works with a smaller gold reserve than any other nation, if we consider it relatively to the liabilities of which it is the basis; and, in considering these liabilities, as has already been pointed out by the chairman, he must consider the total deposits of this country, which amount to about £800,000,000.

Mr. Schmidt (in reply): I am afraid there is not much for me to answer. The discussion has mostly travelled beyond the scope of my paper. However, I should like to say that with regard to the sufficiency of our gold reserves our chairman and I look upon this subject from different standpoints. I quite agree that, under present conditions, banks are hardly safe with the existing reserves. Nay, I go further. Should a real credit crisis arise, these reserves may not be sufficient unless they amount to full 100 per cent. The only thing that will stop a panic is the knowledge that there is an unlimited reserve. In other words, the suspension of the Bank Act. An elastic clause would do away with that necessity. It would remove the cause for apprehension, and, under then existing conditions, we need not trouble about the sufficiency of our gold reserves. They would take care of themselves, provided the assets of our banks are solid, and only require the Bank of England to possess the power of issuing notes in order to be made liquid. The question is, which is better for the country—to modify the Statute, now over 50 years old, and dating back to a period of quite different business conditions, or to go to the expense of accumulating reserves which, when really wanted, will never be efficient unless covering 100 per cent. of the liabilities? It is on the answer to this question that I, unfortunately for me, differ from our chairman. I emphasise the statement that I am no advocate of insufficient reserves, with or without the Elastic Clause, but I think there are important points in banking besides the mere holding of gold. The power and the control of the foreign exchanges is of such importance. It is probably even a more important factor than the mere display of gold. If the latter were the essential, Russia would be the strongest financial power in the world to-day. We know that she is not. The ability of foreign nations to protect their reserves by declining to part with gold has really nothing to do with our subject. For, at any rate in Germany, this power has never been used. Witness her foreign exchanges. Moreover it could only be used to the extent of her limited stock of thalers. But if this facility is used as an argument, it tells in favor, and not against, an elastic clause in this country. For, if such a clause was salutary in Germany, which possesses another line of defence, how much more salutary should it prove with us, unprotected as we are against sudden withdrawals of gold.

The following extract from a letter from Mr. L. Hansard to Mr. Schmidt was read to the meeting at the commencement of the discussion:—

"Without commenting on the figures and statistics you have given, I may say that personally I am a believer in the efficacy of the German system, and I think it would be a distinct advantage to us if we had some such clause as the one that is known in the German Bank Act as the Elastic Clause, tacked on to our Act of 1844. Although we have not had any actual suspension of the Bank Act since 1857, I believe that some such system for the automatic suspension of the limit of issue would be most beneficial to us, and would remove what you mildly term 'apprehension,' but which is often panic caused by unreasoning fear that borrowers will not be able to obtain accommodation.

"Speaking from a long experience I may say that I have never known a time when borrowers with really good security could not obtain loans, although they might have to pay a high interest, and might have some difficulty in selling their securities at a fair price.

"As regards your last paragraph on page 210, I am very glad you allude to what seems to me the hyper-sensitiveness of our critics, and even some of our bankers, on the subject of gold reserves. I think many of us attach far too much importance to this gold question, and I think one may fairly ask, as you do, where the limit of gold reserve is to stop. To judge from some of our Press critics and others, one would imagine that there was no gold in the world except at the Bank of England. This is too narrow a view to take, and leaves out of account altogether the international money markets, which, owing to the telegraph and otherwise, respond much more quickly than they did in former times; and independently of this the foreign money markets have far more power nowadays than formerly. It should be remembered that at the time of the panic of 1857, which was caused by financial weakness in the United States, the cable between Europe and the Western Hemisphere did not exist. I agree with you that the outcry for gold on the part of some of our critics has been overdone. What is necessary, as you state, is that a banker should look to his securities being absolutely liquid and convertible.

"I hope some good will come of your paper.

"I am, yours very faithfully,

"LUKE HANSARD.

"Hermann Schmidt, Esq."

LABOR AND WAGES IN CHINESE COTTON FACTORIES.—German papers state that a working day in the Chinese cotton factories is thirteen and one-half in ordinary daily business transactions, the need of clearing-houses has been agitated, with the result that only a few mills now run day and night. Many cotton factories at Shanghai still pay by the piece, and the workingmen earn the equivalent of but 12 cents American per day.—*Richard Guenther, Consul-General, Frankfort, Germany.*

A CREDIT LEDGER.

Resuming our argument setting forth features of operation in banks, necessary to tabulate, analyze and compare, we will now take up borrowers' statements, the item of main importance in the commercial lending end of the business. Presentation of an analyzed statement will be deferred for a later article.

That part of the article which deals with the legal aspect of statements is based upon information courteously extended to the writer by Thomas B. Paton, Editor of the "Banking Law Journal," New York.

Figs. one and two represent a form of borrower's statement suitable for an individual; Figs. one and three answer for a firm; and Figs. four and five for a corporation. The latter form is filled in to illustrate a statement as it would appear upon receipt from a prospective borrower.

After analysis and to permit at all times thereafter immediate reference and comparisons, the statements received by a bank would be filed away alphabetically and consecutively in a Rand loose-leaf ledger binder. Its capacity is from one hundred to twelve hundred sheets. Small banks, handling a moderate amount of statements, need devote but one section of their credit ledger to statement filing. Large institutions, receiving many, should use a separate binder for that feature alone.

Explanation of the Form.

In general the statement shown is considered complete and definite. The rulings for the schedules on the face side of the sheet set forth:

REAL ESTATE ....LIENS
QUICK ASSETS...........................FLOATING INDEBTEDNESS
SECURED ASSETS OR LIABILITIES..........CONTINGENT INDEBTEDNESS

These have been arranged so as to present these items in a comprehensive manner, permitting immediate and satisfactory analysis.

Real Estate.

Real estate is an item that usually figures in borrowers' statements. It is invariably overestimated and generally contributes more than a desired share of the total assets. Notwithstanding these facts, in many forms of borrowers' statements in daily use by bankers, this item, frequently consisting of many pieces, is only asked for in gross amounts with no clew as to the location, identity or stability. On an item of credit that can be so specifically recorded, why the necessity, obligation or hazard of the lender being expected to guess by the amounts given, as to whether the borrower owns his dwelling, or his place of business, or but the unmortgagable part of all? For this last conclusion, the mind ofttimes must needs be in a very receptive mood, when the eye, stumbling upon the amount of gross liens, notes how strongly they appear to be holding their own. I am not unmindful of the theory that note loans are assumed to be made only against quick assets and not against real estate; nevertheless the extent to which a concern owns its tools of trade and equipment or is interested in, or has funds invested in its plant, and an acquaintance with its part-plant-owner (first to be paid therefrom, and at best a steady fixed charge), the mortgagee, are items so pertinent to the question of continuance in business that they should be especially inquired into. That a man is not temporarily claiming or believing he owns all the property titled among the family circle, even though we may concede he paid for it, is likewise a matter suggesting reasonable safeguards. Hence, the definiteness of our real estate list. With a complete schedule, equipment can be thoroughly analyzed that

OFFICIAL STATEMENT.

INDIVIDUAL.

List each piece of real estate separately, filling out this schedule and all schedules carefully and as called for, using words "none" or "don't know" where figures asked you do not supply. Specify every asset and liability you have, using the blank spaces where printed form does not answer.

ASSETS				AMOUNT	LIABILITIES	AMOUNT
Street	Title to the property is in name of	Brief Description, giving size of lot—kind of building—purpose used for			Mortgage to	
					Taxes due and unpaid on all Real Estate	
Mortgaged Real Estate taken from detail description above schedule			Total value		Interest accrued unpaid on mortgages to date	
Clear Real Estate taken from detail description above schedule			Total value		Mortgages—Taxes due—interest accrued—Total	
Cash on hand in office and in bank			Total			
Merchandise on hand inventoried at cost	Raw materials					
	Finished Merchandise				Notes given to this bank	
	Unfinished Merchandise					
Customer's Notes (good and collectable) on hand in office						
Customer's Accounts (good and collectable)						
					Owe on notes given for merchandise	
Machinery					Owe on accounts for merchandise	
Fixtures					Owe on accounts for	
					Owe on notes for	
Total Assets ☞					Net worth—(Excess of assets over liabilities)	
Specify any of above assets or liabilities pledged as, or secured by, collateral, and state collateral					Total ☞	
					Customer's Notes endorsed, discounted with this bank	
					Accommodation endorsements for	
					Total contingent liabilities ☞	

FIG. 1.

To the...Bank of ....State of...

Started in present Business...

Business...Location...Branches...

Amount of gross sales ....gross earnings...expenses...
Amount charged off for bad debts...Amount recovered during same period...
Amount charged off for depreciations of plant, real estate and fixtures...
} For year preceding date of this statement.

Insurance carried on merchandise...real estate...

Are any Mortgages above stated a first lien on all the assets?...Regular times of taking inventory...

Give basis of statement, whether actual inventory, by whom taken and date, or if estimate, by whom made and date { ....

What amount, if any, of Accounts and Bills Receivable in statement is past due, extended or renewed?...

State last date of taking trial balance and if same proved...Regular times of balancing books...

Number of bank accounts and where kept...Do you discount all your purchases?...

Checks on bank accounts must be signed by...

Notes of customers must be endorsed by...

Accommodation notes must be signed by...

The undersigned for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the above facts and preceding statement, which fully and truly sets forth the financial condition of the undersigned on the...day of...190... which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agrees to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit, the undersigned agrees that if the undersigned at any time fails or becomes insolvent, or commits an Act of Bankruptcy, or if any of the representations made in this statement prove to be untrue, or if the *undersigned's financial responsibility be reduced*; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all or any of the obligations of the undersigned held by you, and the liabilities or indebtedness hereby secured and intended to be secured includes all or any liability or indebtedness, either as maker, endorser, acceptor, surety or guarantor for others as well as for the undersigned

Signed...

Date Signed...19.........

City...

State...

FIG. 2.

after the post mortem of the statement, its appearance joined to the total quick assets, should quickly determine whether the borrower gets the loan.

Contingent Liabilities.

The contingent indebtedness of a concern is an item demanding careful dissection as not infrequently a condition disclosing too great a line of credit extended on notes and open accounts or other risks in the way of endorsements, guarantees, contracts and otherwise, is uncovered.

Signing Statements.

The reader will notice that the forms shown provide that each member of a firm, and at least two officers of a corporation, shall be obliged to authenticate their statements. As a preventive of chicanery among themselves, as a matter of recourse, and as an equitable and safer method all around, this idea seems to be meritorious. The optional "please sign here," per "anybody," permitted generally, invites and assists optimism (?).

Advantage of Signed Statements.

The necessity of a lender having something tangible to investigate and upon which to rest judgment of a borrower's ability to meet demands, suggests the primary advantage in requiring signed statements of condition. As to a bank's redress thereon, it is offered as a matter of law that a signed statement is evidence in black and white for immediate use and remedy; whereas, without it, it might be difficult in many instances to make out a case of fraudulent representation, or it might take considerable time to procure the evidence necessary to substantiate the fraud. Of course, contracts based on fraud are rescindable, and without a statement sometimes the facts proving false pretences might easily be demonstrated; but on general principles acts are more apt to be provable from the basis of signed statements than otherwise, and at all events they furnish a safer basis from which to fix valuations or from which to prosecute. The reader is doubtless aware that upon a provably false statement a borrower can be prosecuted. But do not permit reliance on that fact to assist a borrower to a loan. Criminal prosecution to recover civil damages is invariably unsatisfactory and distasteful.

Attention is called to the agreement upon which the loans are based (see Figs. two, three and five). The clause permitting, under certain conditions, a bank's maturing paper and charging it up to a depositor's account, is a needful one. In the State of New York a bank is not entitled, in the absence of a prior agreement to that effect, to set off the deposit of a failed depositor against unmatured notes. The New York Court of Appeals in Fera vs. Wickham, 135 New York, 223, said:

"The principle to which we should adhere is this: When a party asks to have set off against a demand upon him held by an assignee for the benefit of creditors, a claim against the insolvent estate, it will be allowed, provided his was a claim upon the estate due when the assignment was made; upon the ground that by reason of the existence of cross demands at the time of the assignment which were due (or might have become due at the creditor's election) an equitable adjustment by set off is made without interfering with the equities of others. But after the estate has passed to an assignee upon a trust to hold for and to distribute among creditors, the former and natural equity disappears in the superior equities vesting in the general body of creditors. They are then interested in having equality of distribution, and if a creditor who, when the assignment was made, had no right to any offset, may be allowed it afterwards he gains a preference. By the intervention of the rights of third persons, under the assignment, the equities change with the change in the situation of the original parties; to the misfortune of the creditor holding a demand against the insolvent estate, but, nevertheless, in accordance with equitable principles."

However, that a bank, by agreement with a borrower, can acquire a lien upon a shifting deposit for any indebtedness of the latter, as well as the right to mature his debt upon the latter's insolvency, is shown by

To the .... Bank of .... State of ....

Business .... Location .... Branches ....

Names in full of all General Partners { ....

Names in full of Special Partners with amounts contributed by each, and until when. { ....

Date of organization and expiration of partnership ....

Amount of gross sales .... gross earnings .... expenses ....

Amount charged off for bad debts .... Amount recovered during same period ....

Amount charged off for depreciations of plant, real estate and fixtures .... } For year preceding date of this statement.

Insurance carried on merchandise .... on real estate ....

Are any Mortgages above stated a first lien on all the assets? .... Regular times of taking inventory ....

Give basis of statement, whether actual inventory, by whom taken and date, or if estimate, by whom made and date } ....

What amount, if any, of accounts and bills receivable in statement is past due, extended or renewed? ....

State last date of taking trial balance and if same proved .... Regular times of balancing books ....

Number of bank accounts and where kept .... Do you discount all your purchases? ....

Checks on bank accounts must be signed by ....

Notes of customers must be endorsed by ....

Accommodation notes must be signed by ....

The undersigned for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the above facts and preceding statement, which fully and truly sets forth the financial condition of the undersigned on the .... day of .... 190.. which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit, the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made in this statement prove to be untrue, or if the undersigned's financial responsibility be reduced; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account of the undersigned kept with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all or any of the obligations of the undersigned held by you, and the liabilities or indebtedness hereby secured and intended to be secured includes all or any liability or indebtedness, either as maker, endorser, acceptor, surety or guarantor for others as well as for ourselves.

Signed { Firm name ....
Each member of firm sign own name ....

Date Signed .... 19......

City ....

State ....

FIG. 3.

OFFICIAL STATEMENT. The Stillbaker Mfg. Co., Syracuse, N. Y. CORPORATION

List each piece of real estate separately, filling out this schedule and all schedules carefully and as called for, using words "none" or "don't know" where figures asked you do not supply. Specify every asset and liability you have, using the blank spaces where printed form does not answer.

ASSETS

No.	Street.	Title to the property is in name of	Brief Description, giving size of lot—kind of building—purpose used for	AMOUNT		
[illegible]	Canal	The Co.	100-150 brick furniture factory	75	000	
	Canal	The Co.	Vacant lot opp. factory 50x150 ft.	4	500	
Mortgaged Real Estate taken from detail description above schedule			Total value	75	000	
Clear Real Estate taken from detail description above schedule			Total value	4	500	
Cash on hand in office and in bank			Total	1	899	
Merchandise on hand inventoried at cost	Raw materials				100	
	Finished Merchandise			28	597	20
	Unfinished Merchandise			4	000	
Customer's Notes (good and collectable) on hand in office				1	353	27
Customer's Accounts (good and collectable)				58	814	36
Machinery				8	800	
Fixtures				2	142	
Total Assets ☞				185	205	83
Specify any of above assets or liabilities pledged as, or secured by, collateral, and state collateral			none			

LIABILITIES

	AMOUNT		
Mortgage to Dollar Savings Bank	32	000	
and 2d to Mabel Deveraux, New York City	4	000	
Taxes due and unpaid on all Real Estate		0	
Interest accrued unpaid on mortgages to date		300	
Mortgages—Taxes due—interest accrued—Total	36	300	
Notes given to this Bank		0	
Owe on notes given for merchandise	24	259	22
Owe on accounts for merchandise	9	814	61
Owe on accounts for		0	
Owe on notes for to 2d National	10	000	
Net worth—(Excess of assets over liabilities)	104	832	
Total ☞	185	205	83
Customer's Notes endorsed, discounted with this bank		0	
Accommodation endorsements for		0	
Customers Notes discounted at 2d National	13	242	09
Total contingent liabilities ☞	13	242	09

FIG. 4.

Capital authorized ......*$75,000*...... Subscribed ......*$60,000*...... Paid in ......*$60,000*...... Held by Company as Treasury Stock ......*$15,000*......

How paid in: Cash ......*$15,000*...... Other property ......*$45,000*...... Description of other property and how valued ......*The real estate now in Company name including plant and fixtures*......

What portion of real estate, if any, has been acquired through bad debts ......*none*......

Incorporated in what State and under what general Law or Special Act ....

Date of Charter ......*July 1, 1903*...... Commenced Business ......*Nov. 1, 1903*...... Are stockholders liable beyond amount of stock subscribed ...... If so, to what extent ......

When was last dividend declared ......*none*...... Rate ...... Total dividends paid since organization ......*none*...... Insurance carried on merchandise ......*$12,000*...... Real Estate ......*$10,000*......

Are any Mortgages above stated a first lien on all the assets ......*No*...... Regular times of taking inventory ......*Dec. 31*......

Give basis of statement, whether actual inventory, by whom taken and date, or if estimate, by whom made and date } ......*Inventory at cost*......

What amount, if any, of Accounts and Bills Receivable in statement are past due, extended or renewed ......*none*......

Amount of gross sales ......*$275,000*...... Gross earnings ......*$25,000*...... Expense ......*$20,000*......

Amount charged off for bad debts ......*none*...... Amount recovered during same period ......*none*......

Amount charged off for depreciation of plant, real estate and fixtures ......*nothing*......

} For year preceding date of this statement.

State last date of taking trial balance and if same proved ......*March 31, '05*...... Regular time of balancing books ......*monthly*......

Number of bank accounts and where kept ......*now only at 3d National*...... Do you discount all your purchases? ......*not all*......

Checks on bank accounts must be signed by ......*Co. per Treas.*...... Notes of customers must be endorsed by ......

Accommodation notes must be signed by " " Countersigned (yes or no and by whom) ......*yes by Pres. or V. Pres.*......

OFFICERS.

	NAME IN FULL	ADDRESS
President	*J. H. Stillbaker*	*100 Lenox Ave., City*
Vice-President	*Harold J. Stillbaker*	" "
Secretary	*Samuel Johnson*	*Yates Hotel* "
Treasurer	" "	" "
Attorney	*Ruland A. Van Etten*	*309 Waverly Ave.*

DIRECTORS.

NAME IN FULL	ADDRESS
J. H. Stillbaker	*Syracuse*
H. J. Stillbaker	"
Barbara Stillbaker	"
S. Johnson	"
F. T. Lambert	*New York*

To the ......*Fourth National*...... Bank of ......*Syracuse*...... State of ......*New York*......

Borrowers Name (Corporate style under charter) ......*The Stillbaker Mfg. Co.*......

Business ......*Cabinets and Special Furniture*...... Location ......*700-800 Canal St.*...... Branches ......*none*......

For the purpose of procuring credit from time to time from you for our negotiable paper or otherwise, we furnish you with the above facts and preceding statement which fully and truly sets forth our financial condition on the ......*First*...... day of ......*April*...... 190*5*; which statement you can consider as continuing to be full and accurate unless notice of change is given you. We agree to notify you promptly of any change that materially reduces our pecuniary responsibility.

In consideration of the granting of such credit, we agree that if we at any time stop payment or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made in this statement prove to be untrue, or if ~~our~~ financial responsibility be reduced; then and in either such case all our obligations held by you shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account kept by us with you. we hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all or any of our obligations held by you and the liabilities or indebtedness hereby secured and intended to be secured includes all or any liability or indebtedness, either as maker, endorser, acceptor, surety or guarantor for others as well as for ourselves.

Sign Company's Name here ......*The Stillbaker Mfg. Co.*...... By ......*J. H. Stillbaker, Prest.*...... By ......*Samuel Johnson*, ... *Treas.*

Date Signed ......*April 1*...... 190*5*...... City ......*Syracuse*...... State ......*N. Y.*......

FIG. 5.

the case of Coats vs. Donnell, 94 New York 168, wherein a bank was held justified in appropriating a deposit balance in payment of unmatured paper in conformity with an agreement with the borrower when it learned that the latter was in difficulties.

It was held that the agreement was not invalid as against public policy and that the lien was effectual though upon a deposit balance which was constantly fluctuating in amount. It would seem, therefore, that a clause giving a bank a lien upon the deposit balance and a right to mature paper under certain conditions is one necessary to its protection.

To state the matter in another way. In the event of bankruptcy, the creditor must either elect to retain the benefits of the agreement and be barred from sharing the proceeds of bankruptcy, or elect to go into bankruptcy and share ratably with the other creditors, being barred from retaining to himself any benefits arising from the agreement. A creditor sharing in bankruptcy can retain no property of a debtor coming into his possession within four months next preceding the date when the debtor is adjudicated a bankrupt. The agreement, while the bankrupt law stands, simply grants the creditor two methods of settlement, and if repealed (about time) it would permit any proceedings that the lender could desire.

Procuring Statements.

Competition, in weakening insistence, has of course considerably retarded the matter of educating borrowers up to an appreciation of the benefits accruing to them from properly setting forth their condition before their financial medicus.

A helpful stimulant for reluctant statement-givers is to acquaint them with the fact that they alone handle their assets, and if a portion of your depositors' dollars is to pass from your control and invest itself among these assets, you, as guarantor of the return of these dollars, are entitled to know, at all times, upon what basis the borrower is operating his business and upon what he predicates his ability to pay.

With borrowers in the moderate credit grades, have no hesitancy in permitting them to see that their periodical ailments can and will be more readily diagnosed and the doses prescribed apt to be more ample, when based upon straightforward signed statements.

When tardy in responding to requests for statements, remind them, when the trade inquires as to their business health, suggesting your ability and willingness to serve them, but preferably from a definite basis—the statement already asked for and not given.

If, after careful and courteous nursing, the patient is still unreasonable and fractious, permit your non-statement-asking competitor to steal the business. For, "The day has gone by for wasting too much time on the would-be-customer who endeavors to hide rather than disclose the true condition of his affairs—the gentleman whose most conspicuous assets are cheek and bluff—who claims credit on his fine appearance and standing in the community, concerning both of which no one can be found to entertain quite so exalted an opinion as himself."

To properly handle borrowers in the higher credit grades, tact of a superior order is required at all times. It must find an inoffensive and successful way of procuring sufficient information upon which to base their requirements. Usually the loans asked for are of but the temporary variety and modest in proportion to the apparent wealth. When otherwise reasonably complete statements should be insisted upon.

George L. Tickner,

Syracuse, N. Y.

(To be continued.)

Circumventing the Law.—A great lawyer who employs his talents and his learning in the highly remunerative task of enabling a very wealthy client to override or circumvent the law, is doing all that in him lies to encourage the growth in this country of a spirit of dumb anger against all laws and of disbelief in their efficacy.—*President Roosevelt.*

THE NATIONAL FINANCES OF GREAT BRITAIN.

At the Institute of Bankers (London) on Wednesday, June 7, Mr. Edgar Speyer, of the well-known banking house of Messrs. Speyer Brothers, speaking to an influential gathering of bankers, gave an important address upon "Some Aspects of National Finance." A condensed report of the address follows.

On January 1, 1904, when in New York, said Mr. Speyer, I was questioned with regard to the financial condition and outlook in this country, and I then ventured to express the view that the root of our troubles, and one of the main reasons for the growing excess of imports over exports, was general extravagance—national, municipal, individual; that retrenchment was necessary all round, and that it would have to come eventually through the stress of hard times, if through nothing else. Since that time, about fifteen months ago, many momentous events have happened in the world, and great changes have taken place. The heat of fiscal discussion has cooled, but the central fact of the situation as it has existed for some time—the fact of general extravagance—still exists, and it is this fact and the consequence arising therefrom that I wish to examine a little more closely to-day.

Particular emphasis has been laid on the extravagance of our municipalities. I am the last to defend or ignore the enormous increase in municipal expenditure; the growth has been enormous, and merits the most careful consideration of the nation.

I do not propose, however, to discuss municipal finance to-night, not only because it has been exhaustively dealt with by Lord Avebury, but because the time at my disposal obliges me to limit myself to national finance; that is, a review of the financial position and the financial policy of the country.

Growth of National Expenditure.

Let us now look at the picture which presents itself to us when we consider the sums expended by the nation and to be expended in the ten years from 1896 to 1906.

In the past ten years the country has expended a sum of £1,440,833,126 in contrast with £902,209,158 in the previous ten years, a difference of no less than £538,000,000 or nearly 60 per cent. These figures are more eloquent than any comment of mine.

Expenditure such as this was bound to seriously affect our capital fund and our savings; but this is not all. With the figures I have just mentioned our expenditure is not by any means fully stated. In the past ten years an additional extraordinary expenditure of about £45,000,000 has, on balance, been charged to capital, chiefly for unproductive works, whereas in the previous ten years all expenditure other than about £3,000,000 has been charged to revenue. The national expenditure has in the past ten years exceeded that of the previous decade by about £581,000,000. Portions of these expenditures have been incurred for the Post Office, the telegraphs, and the steam-packet service. To ascertain the growth of the expenditure for what may be termed unproductive purposes it is necessary to eliminate these reproductive outlays. In the decade ended with March, 1886, the net expenditure for purposes not reproductive was £728,000,000. In the ten years ended 1893 it was only £754,000,000. In the past ten years it was no less than £1,291,000,000. In other words, whereas in the 1886-96 decade the growth was only 3·6 per cent. compared with the previous decade, in the ten years which will terminate on March 31, 1906, the increase of unproductive expenditure will be no less than 71 per cent. compared with the previous decade. We must, of course, remember that a good part of this huge expenditure has been caused by the war. But even if we deduct war expenditure, which amounts to about £220,000,000, excluding interest on debt, the growth in the normal expenditure for the past ten years will be still over £300,000,000, or about 45 per cent., in comparison with the previous ten years.

We are not here concerned with the question whether this huge expenditure was justified or not, but I only want to point to the fact, already stated, that these enormous outlays have very seriously encroached upon the income which the nation would have received had these moneys been invested in reproductive works.

At five per cent. interest the annual loss at simple interest would be £26,000,000 per annum, and were allowance made for a normal growth in expenses, arising from increased population and additional expenditure upon education, the net loss of income to the nation from the excessive growth of the national expenditure is about £24,000,000 per annum.

But this is not nearly the whole story. The loss of income per annum is much greater, for, in addition to the Government expenditure, both municipalities and individuals have incurred very large expenditures which have swelled those figures considerably. As regards municipal expenditure I will only quote one or two figures. For the last ten years, up to 1905-06, the aggregate expenditure, capital and income, has been approximately £1,270,000,000, compared to £737,000,000 in the previous ten years. Therefore this country's national and municipal outlay has reached the enormous total of £2,710,000,000 in the last ten years, compared to £1,639,000,000 in the previous decade. The consequence of this general extravagance, which I ventured to point out a year ago, has been that our imports have been very largely increased, while our exports have remained relatively stationary. The result has been that the balance of our imports over our exports has more than doubled since the later eighties. I do not think we need go to our fiscal system, or find any other scapegoat, for this state of things. The reason seems to me perfectly obvious. We have been spending too much money. To use a well-known expression, we have been burning the candle at both ends.

Let us now examine the effects of this extravagance on our trade. We all know that exports of capital from this country take place in two ways. Firstly, capital is sent away by exporting British goods and produce; and, secondly, capital is sent out by reducing our purchases of foreign goods and produce; or, to express it a little more circumstantially, foreign nations which owe us interest, dividends, commisions, etc., send us, in the ordinary course of events, produce to pay for these items; but it also happens that they retain at home for themselves a larger portion of their produce than really belongs to them, and they do so by borrowing in this country the money they need for interest, commissions, freights, etc. In the decades before the present—that is, in the sixties, seventies, and eighties—the quantity of capital invested in foreign countries by Great Britain was very large. It is, of course, difficult to give exact figures for these periods, but we have certain data which enable us to form a fairly good opinion of the effect on our foreign trade balance of our exports of capital in the eighties, and by its relative absence in the nineties. The income-tax returns furnish these data, and show the amount of our income from certain sections of our foreign investments in the two periods, but these statements by the Inland Revenue Commissioners showing the income from colonial and foreign investments are not complete, as they do not include a very large amount of income received by companies, bankers, and firms from their foreign agents and branches.

For all that the Inland Revenue Commissioners' statements are instructive; they show the income from our Indian, colonial, and foreign investments, in periods of five years, from 1890 to 1900. Our income from certain of our colonial and foreign investments were:—

	Annual Income. £
1900-01	60,331,000
1890-91	55,488,000
1880-81	29,951,000

Capitalized at twenty years' purchase the amount of investments represented by the above would be £598,000,000 in 1880-81, £1,110,000,000 in 1890-91, and £1,206,000,000 in 1900-01. That is to say, in the ten years from

1881 to 1891 we have invested a sum of £512,000,000, whereas in the ten years to 1901 we only invested £96,000,000. Some small portion of the apparent increase in our income from foreign investments in the eighties was due to the greater care taken by the Inland Revenue Commissioners to earmark the various sources of income assessed to income tax. But these figures do not by any means represent our total investments. I do not think it is in any way reckless to say that in the eighties decade this country invested abroad over £600,000,000, or at the rate of £60,000,000 a year; and in the nineties £250,000,000, or at the rate of £25,000,000 a year. These figures give a natural explanation of the great changes in the balance of trade in these two periods. In the eighties decade the average excess of imports over exports was about £98,000,000 per annum. In the nineties this average excess amounted to £148,000,000 per annum. If we allow for the investment of about £60,000,000 per annum capital abroad during the eighties, we arrive at a net excess of imports over exports of about £158,000,000 per annum. Similarly, if we allow for the investment abroad of £25,000,000 per annum in the nineties, we arrive at an excess of imports over exports in that period of about £173,000,000 per annum. The increase of £15,000,000 is accounted for by the additional interest on our foreign investments in the past ten years compared with the previous ten years.

These capital investments abroad have of late years practically stopped altogether, because we have spent all our money at home. Our exports, therefore, have been relatively small, and our imports have increased. The excess of imports over exports in 1903 reached the enormous total of £183,000,000, compared to £81,000,000 in the later eighties. It will be seen, therefore, that the large excess of imports over exports in recent years is due not so much, if at all, to our fiscal policy, but to great extravagance, and to the comparatively small amount of savings devoted to investments in foreign and colonial securities. It is here that reform should come in, for the comparative absence of reproductive savings available for investment in our Colonies, in India, and elsewhere, is a very serious factor in the situation, and cannot be too clearly recognized. Our population increases about one per cent. per annum—that is, about ten per cent. in ten years—and our ability to maintain this growing population depends to some extent on the income from our reproductive savings, of which our foreign and colonial savings form so important a portion. I do not think we realize sufficiently the importance of our colonial and foreign investments, or the great part they have played in bringing about the great prosperity of this country. We could not maintain a population of about 43,000,000 of people in the comfort in which they now live were it not for our colonial and foreign investments. Now what do these investments do for us? In the first place, they give much employment to our working classes. The capital we invest in Colonies and in foreign countries is largely sent in the form of British produce, rails, bridges, and rolling-stock for the railways we build abroad, clothes for the workmen to wear, often food for them to eat. If we do not send out goods directly to the countries in which we are investing money, we do so indirectly. The capital we have invested in foreign countries at the present has been estimated at about £2,500,000,000. This estimate seems conservative if we bear in mind the figures given by Sir Robert Giffen in 1889 in his book "The Growth of Capital." Of this sum we have invested in the last half a century about £2,000,000,000. It is further estimated that of this sum probably £1,500,000,000 has been sent out in the form of British exports, and the remaining £500,000,000 has probably been sent in the form of imports, which, but for our exports of capital, would have come to us. In other words, over the past fifty years about £30,000,000 per annum of our exports have been sent out because we have employed capital abroad. This sum has been sufficient to pay £100 per annum to 300,000 persons for fifty years. But beyond this we are receiving an income from our foreign investments of upwards of £110,000,000 per annum, which is equal to an income of £100 a year to 1,110,000 persons. Therefore the investment of our capital abroad and the income we receive are maintaining about 1,500,000 wage-earners, and, including their families, about 7,000,000 of our people.

If these facts are realized, the Government should make it their first duty to encourage thrift in every possible way, and should be the first themselves to give an example in this direction. Great stress is rightly laid on the importance of having an efficient Army and Navy. Very large sums have been expended, and the country has not grudged any outlay that it has been asked to make to insure this most desirable object. We only hope that we have got value for our money. It should not be forgotten, however, that in order to be successful we should be equally prepared for the great commercial struggle which we are engaged in. We should be alive to the fact that commerce, in order to be successful and progressive, requires adequate capital and reserves just as much as the Navy wants battleships, or the Army wants guns, and both want competent leadership. The finance of the country should, therefore, be so conducted that English sovereigns or their equivalent should be available for employment in any direction at any time that trade requires them to go. To you, bankers of the City of London, I need not affirm that in recent years we have not had that adequate supply of capital which in the past so greatly assisted the development of our export trade to our Colonies and to foreign countries. On the other hand, the Continent and the United States have taken advantage of our extravagance to export capital to the new countries—Canada, South Africa, South America, China, Cuba, the Philippines, and elsewhere—and have, in consequence, enjoyed a much larger share of the trade of these countries than they could possibly have secured had we been as thrifty as of yore. Our extravagance was their opportunity.

Let us now examine whether the interests of trade have been of late sufficiently safeguarded in other directions.

The Issue of Treasury Bills.

Since the beginning of the war the Chancellor of the Exchequer has issued a very large amount of Treasury bills and other forms of floating debt, which, at one time and another, reached the large sum of £35,000,000. Such an amount naturally absorbed what should have been at the disposal of the banking funds, and it interfered with the facilities which bankers are expected and accustomed to grant to private customers, whose prosperity is intimately bound up with active trade. Instead of assisting trade, therefore, the Government, by pursuing a policy which necessitates the issue of such a large amount of Treasury bills, is actually competing with the traders, and absorbing the bank balances which should go to finance trade. But there is one other point that should be mentioned in this connection, and to which I have already referred at the beginning of my address. In recent years the ordinary Budget has been supplemented by an extraordinary Budget—that is; a Budget containing expenditures which are provided for out of capital. In the past year these expenditures have amounted to £8,114,000, and to complete the works an additional sum of over £25,000,000 has yet to be borrowed. This capital expenditure, as has been pointed out by the "Economist" and "The Statist," means nothing less than that the sinking funds provided for the redemption of debt have not been used for that purpose at all, but have in reality, in recent years, been used for providing expenditure upon naval and military works, etc. The continuance of these capital outlays, if they are financed by fresh borrowings, will prevent any reduction of the debt of the country for several years.

Before examining how these enormous outlays have been and are being met by fresh taxation, allow me to recapitulate the conclusions reached so far. They are, firstly, that general extravagance has affected the annual additions to the capital fund of the nation, has curtailed, and is now curtailing, trade. Secondly, the lack of capital available for investment in colonial and foreign countries has had the effect of doubling the excess of imports compared to exports. Thirdly, the large amount of Treasury bills has further injured trade. Fourthly, extraordinary Budgets have been allowed to exist and nullify the beneficial action of the Sinking Fund in reducing the National Debt, which, in reality, has not been reduced at all since the war. It speaks for the vitality of British trade that it has not suffered greater injury from these regrettable conditions than it has, conditions which are due to what I believe to be a mistaken diagnosis of the case. We have been drifting along without recognizing the evils that beset us. This will become more evident if we look at the way in which the large expenditure of the country has been provided for by new taxation. One should have thought that, as we have been so extravagant, the wisest and most natural thing would have been to tax articles which constitute extravagance—that is, luxuries—in the first instance. A policy was, and is, needed which tends to discourage spendthrifts. That this has not been done a few figures will show.

In 1896-97, when the expenditure of the country had not reached such huge proportions, the duty on spirits was 10*s.* 6*d.* per gallon.
only 11*s.* per gallon.

Although it is predicted in some quarters that a higher tax would yield no greater revenue, I venture to think that it would be worth trying. Let me say here, in parenthesis, that the "wave of sobriety" which the Chancellor of the Exchequer has discerned when watching the huge sea of drink consumed in this country is like some *fata morgana.* If you come closer the seductive picture disappears from view. Figures are like dogs—you can make them do many tricks; and Talleyrand has said: "Le chiffre c'est un grand mensonge." Since 1896-97 there has been a very large increase in the annual consumption of spirits. The total amount of spirits consumed in recent years has been hidden in some measure by the enormous clearance of spirits out of bond when the war broke out, and the then Chancellor of the Exchequer, by delaying his war Budget, gave the spirit merchants and consumers a splendid opportunity for several months to anticipate increased taxation. I personally, therefore, do not much believe, and the figures do not prove, that the nation's sobriety is greater. Of the "wave of sobriety" only the froth remains.

When we come to tobacco, there seems no reason why this duty should not have been materially increased. The additions that have been made to the duty in recent years immediately followed a corresponding reduction of tax in 1898, and on balance tobacco has borne no increase in duty in the last ten years. The vast growth in consumption of tobacco shows that a higher duty could have been borne without materially affecting a demand for this luxury.

The absence of any increase in the inhabited house duty is also matter for surprise. One of the most striking characteristics of the recent period of luxury has been the vast sums of money spent upon expensive houses, and while I am the last to say anything in disparagement of fine houses, it must be nevertheless recognized that the enormous expenditures on the houses of the well-to-do do not altogether make for efficiency.

Rather than let the income tax stand at such a high figure as 1*s.* in the £, the inhabited house duty could have been materially increased without much hardship, and the principle of such change would have been sound and logical. It would have discouraged extravagance. Those who are able to pay an increased rental for their houses should also be easily able to make an increased contribution to the Exchequer to meet the enormous national expenditure.

To sum up the case, I have shown that the taxation has not, to any appreciable extent, been placed upon those who are in a measure wasting their resources, and failing to add their quota to the capital fund of the country. The result has been that the growth of the capital fund of the nation is unsatisfactory, and that the banking funds at the service of trade are inadequate.

Our financial policy, therefore, is responsible to a great extent for the check that trade has received owing to the scarcity of capital, and our policy will be in a large measure responsible for the reduction in the income of the nation in the future, in proportion to the population, in consequence of an inadequate portion of our capital funds having in recent years been placed in reproductive enterprises.

The growth in rates and taxes handicaps trade, and this at a time when our traders and our railways are endeavoring to reduce cost of production by introducing improved appliances and methods. It is therefore essential that these efforts of the traders and of our railways, which are necessary in order to keep pace with the competitors of other countries, should be seconded by the Government by refraining from abnormal and wasteful expenditures.

I have before referred to the practice of having an extraordinary Budget. Miscellaneous extraordinary expenditure should not come out of capital, but should be charged to revenue, so that the Sinking Funds become effective again. The practice is altogether indefensible, and no well-managed commercial house would consider itself justified in creating an account of this character. Why should a State act differently from any commercial concern that is conducted on sound lines? If these extra expenditures for unproductive purposes are absolutely necessary, the country should be told, and the Government of the day should come forward boldly and raise taxation accordingly. It is all the more necessary because, if we look at our National Debt, the war, combined with the creation of debt for miscellaneous purposes, has destroyed all the advantages derived from the previous 33 years' Sinking Fund payments and debt redemption. The debt in 1866 was about £800,000,000, and so it is to-day.

Under the circumstances which I have ventured to describe, it seems obvious that a reorganization of the finances of the country is imperative, and if we recognize that extravagance has been at the bottom of the present unsatisfactory situation, the guiding principle of such reorganization should be to check extravagance by higher taxation of luxuries, to diminish our debt, and to reduce our expenditure.

We have it on the authority of the Secretary of State for War and of the late First Lord of the Admiralty that economies can be introduced into both naval and military expenditure.

If we could reduce our Army and Navy expenditure by, say, £5,000,000 a year without impairing their efficiency, this would materially assist the carrying through of such a policy. Such a reduction would make it possible to pay the naval and military works now under construction out of revenue, without increasing taxation to any great extent, and without creating fresh debt. This would set the Sinking Fund free to redeem debt of about £8,000,000 per annum, and the effect would soon be felt.

The income tax should be reduced as soon as possible. It is as a rule paid out of the year's savings, and therefore comes from the fund available for savings accruing to capital, and this capital fund should be kept for emergencies. The income tax is a war tax, and a certain reserve of this tax should always be kept.

In summing up, the conclusions reached are: "First, that economies should be effected in the existing expenditure large enough to allow of extraordinary capital expenditure being made out of revenue. These extraordinary capital expenditures at the moment are at the rate of £7,000,000 to £9,000,000 a year. It may not be possible to effect economies of £8,000,000, but it is to be hoped to reduce this capital expenditure from £8,000,000 to £5,000,000, and thereby enable these capital outlays to be made by the economies effected in ordinary expenditure. Second, that the income tax should be reduced and additional duties be put on tobacco, spirits, and inhabited houses. Third, that the floating debt should be funded or paid off out of the Transvaal indemnity, if that is received, in order that, at the end of each fiscal year, there should be no Treasury bills outstanding to be carried through the next year, so that by this means the bankers' fund might be free to finance trade."

The result of such a policy would be that there would be no further extraordinary expenditure paid out of capital, that the Sinking Fund would be made effective, that the National Debt to the extent of £8,500,000 per annum would be redeemed, that the credit of the country would be speedily raised, that a larger amount of money would be available for the trade, and the savings of the nation would be protected; whilst extravagance, through additional taxation of luxuries, would be checked. In three or four years, when the extraordinary expenditures are completed, expenditure would be reduced £5,000,000 and £5,000,000 of taxation would be repealed. This policy is so obviously in the interest of the nation that I cannot but think that the views on which it is based are shared by many people who have watched with some anxiety the course events have lately been taking. With proper guidance there cannot be any doubt that the splendid and unequalled qualities and opportunities of the British people are bound to triumph, but let us recognize that mistakes have been made, and that the time has arrived to repair them.

THE CLEAN MONEY BILL.

A very important measure of legislation to the bankers of the country will come before the next session of Congress in the form of the "Clean Money Bill" introduced by Representative Gaines of Tennessee.

While the passage of such a measure is important to the people in general, it is especially important to the bankers, because they are the ones who most often come into contact with dirty money and are thereby oftener subjected to its disease-bearing germs. The bankers are forced to accept without question all and any kind of money presented to them. It matters not whether it has long been stored away in some fever-ridden district or kept on the person of some tubercular victim.

The bacteriologist's report shows that there is an average of 73,000 bacteria on every dirty bill and 2,250 on every moderately clean one. On dirty pennies and dimes there are twenty-six and forty living bacteria respectively. Great doctors have often traced death to diseased money. Mr. Gaines has received many letters in which cases were cited where people had lost hands, eyes and even whole arms from diseased money. One man from Boston recites how he lost his thumb and came very near losing his life because of bacteria received in a pin scratch while handling dirty money. Doubtless disease is often given to little children by the hands of their parents after touching such money.

The reason that dirty money is not now returned to the Government for reissuance is because the rates are practically prohibitory, as it costs from sixty cents to $1.20 per hundred each way to send it to and from Washington. Then it is claimed that under the present arrangement one cannot afford to do without the use of the money for the time being. Congressman Gaines's bill provides a remedy for these evils by cutting the bills in two pieces and sending the halves in different packages to the nearest sub-Treasury at the Governor's expense. In this way it would go as paper, with the rate very low, and be returned as money. With these provisions it could not well be intercepted, for should it be, the party would have to get the exact halves together, which would then have to be identified before it could be claimed.

The bill provides for the official mutilation of dirty money and its return and reissuance by the Government at the latter's expense. The banks of the country will be the principal ones that will have to make this change, as they are the ones that have the money in the greatest quantities and have it long enough to make the transformation.

The Government sends its paper money into all quarters of the globe and returns it to its people. It may come from the plague-ridden district of the East bearing the germs of the cholera and yellow fever, or from our own islands of the Philippines; but wherever it comes from, it is still legal tender which the people have to accept and the Government should therefore make provision to keep it as clean as possible.

The consideration of Mr. Gaines's bill will be taken up by the Banking and Currency Committee of the House at the next session of Congress, and the prospects are good for its passage. There is no opposition to the proposed measure in Congress, its necessity being so apparent. Dr. Thomas Darlington, Health Commissioner of New York city, appeared twice before the Congressional committee last session and each time was given a vote of thanks. His last argument was just before adjournment, and had it not been so late in the session, it would doubtless have been recommended for passage by the committee and some clean money legislation would have been enacted

Many of the State bankers' associations have already taken the matter up and passed resolutions endorsing the measure. I wish to urge through your MAGAZINE that those that have not already done so, do so at their next convention. If they will do this and communicate the fact to their Congressmen, it is believed that it will be a step towards securing some much-needed legislation along this line.

FRANK K. HOUSTON,
Assistant Secretary Tennessee Bankers' Association.
NASHVILLE, Tenn.

OLD AGE PENSION FOR BANK EMPLOYES.—Frank H. Vanderlip, Vice-President of the National City Bank of New York, in an address at the annual banquet of the St. Paul Chapter of the American Institute of Bank Clerks, on the evening of May 8 spoke in favor of an old-age pension for bank employes. Mr. Vanderlip said in part:

"I believe that as a body the bank clerks of this country should be made secure in the assurance that a lifetime of faithfulness, industry and integrity should be followed by an old age free from want. My suggestion is that the American Institute take up this subject, study it in the light of what has been done in other countries; study it in the light of some beginnings which have been made here; confer with the bank officers, and finally evolve a plan which will meet with the general approval of the banking interests of the country. And I am here now to say that when you have done that the institution of which I am an officer will, if you will permit, have great pride in heading with its name the list of banks accepting the responsibility of the plan."

SPECULATING AND UNDERWRITING.—The distinction which should be observed both with regard to underwriting and speculation was well defined by George E. Allen, secretary of the American Institute of Bank Clerks, in an address recently delivered before the convention of the Texas Bankers' Association. Mr. Allen said:

"Recent bank tragedies have aroused public sentiment, which has taken the form of indiscriminate denunciation of underwritings and speculative investments. Such denunciation is just when applied to bankers who use for speculative purposes funds entrusted to their custody for safe-keeping; but such denunciation is unjust when applied to specialists who use in underwriting and investment their own money and the money of such others as knowingly and willingly participate in the chances of profit and loss."

GERMAN CLEARING-HOUSE ASSOCIATIONS.—The gradual adoption of the clearing-house system by German bankers marks an advance in a branch of business long noted for its conservatism. Though the clearing-house method has been in use in London since 1775 and in the United States for more than half a century, its introduction into Germany is but recent. Twelve German cities now have clearing-house associations, against almost or quite 100 such associations in the United States. Other German cities, including Mannheim, are planning to form similar organizations.

In view of the fact that personal checks are scarcely known in Germany in ordinary daily business transactions, the need of clearing houses has been less felt than under the American or English systems. How far the use of checks in payment of private debts and in other daily transactions will become popular under the stimulus of a clearing-house system remains to be seen. Slight inroads in Berlin and elsewhere have already been made on the German practice of closing banking houses from two to three hours at midday, with the necessarily prolonged hours later in the day. That the adoption of American banking hours would be gratifying to many German bankers is frequently stated, and it will doubtless gradually come about.—*H. W. Harris, Consul, Mannheim, Germany.*

STATE BANKERS' ASSOCIATIONS.

REPORTS OF RECENT CONVENTIONS.

PENNSYLVANIA BANKERS' ASSOCIATION.

The bankers of Pennsylvania met in their eleventh annual convention at Wilkes-Barre June 15 and 16, William H. Peck, Cashier of the Third National Bank, Scranton, presiding. Hon. F. C. Kirkendall, Mayor of Wilkes-Barre, made the address of welcome on behalf of the city, and Wm. S. McLean, President of the First National Bank, of Wilkes-Barre, on behalf of the local bankers, President Peck responding for the association.

In his annual address President Peck reviewed the work of the association and gave the following statistics regarding the banking institutions of the State: "In our State there are nine clearing-house associations, located at Philadelphia, Pittsburg, Scranton, Reading, Wilkes-Barre, Erie, Greensburg, Chester, and Franklin. The total of their clearings for the month of May, 1904, was $614,983,510, and for May, 1905, was $857,115,476, showing an increase of $242,131,966 for the month, which is a gain of 39.37 per cent., and this gain was not confined to one or two of these cities, for each of the cities mentioned showed a substantial gain. There has been a gain in the number of our banking institutions during the last twelve months as follows: National banks, 34; State banks, 8; trust companies, 11; savings institutions, none; total, 53. There are now in the State about 1,102 such institutions. The increase in clearings and in the number of banks and trust companies shows an increase in the business of the people of our Commonwealth, and is an evidence of prosperous conditions."

D. S. Kloss, Cashier of the First National Bank, Tyrone, presented his report as secretary of the association. It showed a membership of 738—a gain of forty-eight since last year's convention.

Treasurer E. E. Lindemuth, Treasurer of the Clearfield Trust Company, reported: $5,436.65 balance on hand October 7, 1904; dues from members, $6,255; disbursements, $8,387.03; balance on hand, $3,304.62.

Reports were next presented from the secretaries of the several groups. Following the reading of these reports a number of practical banking questions were presented for discussion. F. M. Hays, of the American Surety Company, New York, made a brief talk, explaining the form of bankers' money orders adopted by the American Bankers' Association.

Reports from the chairmen of the several groups were presented at the second day's session, and they showed almost uniformly prosperous conditions. Joseph Wayne, Jr., Cashier of the Girard National Bank, Philadelphia, speaking for Group 1, said: "We have been asked by bankers throughout the country how long we are going to continue free collections. I would reply, 'Just as long as we receive a square deal from outside banks.' But I venture to say that if the present competition for business on unbusiness-like methods continue, and such terms are accepted by banks for the handling of their business, all city bankers will be compelled to combine on the exchange question, and put in force an equitable charge on all outside items and transfers of funds from city to city."

Clark Williams, Vice-President of the United States Mortgage and Trust Co., New York, made an address on "Good Will as a Valuable Asset in Banking." He said, in part:

"Good will cannot be measured by the yardstick, nor estimated in dollars and cents, yet there are essential elements and fundamental principles underlying it, which are ascertainable as long as human nature, by its manifestations, indicates certain fixed qualities and justifies definite conclusions. The factors in its composition are as numerous as the vagaries of human nature itself; some apparently trivial and unimportant, others of dominating and controlling influence. Prestige by reason of long and successful career; strength of connection, local position, or even accidental circumstances, reputation for courtesy and promptness, ease of access, general good report; whatever may influence the public mind in favor of your bank have their direct bearing on good will. Like the fortune from a father, it may be dissipated or it may be maintained and increased.

The patrons of a bank are the corporations and the individuals. But however great the corporation, it is through individual decision that its affairs are managed and controlled. The subject, therefore, under consideration, resolves itself largely into a study of the influences which create the impressions determining the action of the individual for or against the interests of the bank. Our customer is human, and is susceptible to all the influences which are responsible for satisfactory or unsatisfactory results in his business relations with us. His treatment, therefore, by those with whom he comes in contact is of controlling importance in shaping the impressions which are reflected in good will. So it follows that those employees whose duties bring

JOHN G. READING,
President Pennsylvania Bankers' Association.

D. S. KLOSS,
Secretary Pennsylvania Bankers' Association.

them into direct daily contact with our clients have it in their power in large measure to increase or diminish the good will of our institutions. There is many a customer who never approaches the teller's window of a bank without a 'chip on his shoulder,' and the tactful, courteous conduct of this faithful, loyal employee does much to influence favorably the minds of those who spread abroad the good report which establishes good will. This same teller may have spent the night before nursing the frozen pipes in his suburban home, but he greets his friend, your customer, with a smile, and because of his genial attitude of accommodation your client considers it a privilege to pay the ten cents exchange on the item he proposes to deposit. There is no hypnotism in this, gentlemen, it is plain responsive human nature. But the other fellow, the sour one, whose politeness, if it comes to the surface, is a condescension, and who, by his general manner, impresses the customer with the idea that the check has been cashed with the uncleanest bills in the pack—for the good man has no business to interrupt one's conversation with one's neighbor—he it is who compels the contrary report, which likewise has its incalculable influence on your good will.

These, gentlemen, are little things in the warp and woof of the great fabric of business coming to our banks, seemingly not worthy of our consideration, but I venture to say that if controlled with an adequate appreciation of the value of good will, they are of the utmost importance to every institution, large or small, which relies on public patronage for its success. I have known instances of incivility causing the loss of millions of dollars of deposits to a single institution, and we, as bankers, cannot afford to be unmindful of their effects.

Relations Between Officers and Clerks.

The proper relations between the officers and the clerical force of a bank are of the utmost importance in the maintenance of that esprit de corps which is essential to the highest development of good will. In this connection I ask your indulgence in my effort to give you a few practical suggestions.

It is the officers' first duty to gain the good will of the clerk. In too many of our financial institutions the employee is compelled to look upon the President and the Cashier as possessing certain attributes of the Deity which place those officers far beyond his reach. In the case of some of our larger banks he may only have seen the President's likeness in the gallery of Prominent Americans. He contemplates the great man with awe and would no more seek his recognition than that of the King of England. It is usually enough that the President knows the work of the bank is properly done and so apparently it may be. There are no errors in the footings, the books may balance to a cent and the checks may be properly filed. But I maintain that unless there is a cordial human interest between man and master the possibilities of the highest efficiency for the good will of the institution are undeveloped.

How stimulating to the best endeavor if the clerk feels that a friendly interest is taken in his progress; that he may go to the officer as to a father confessor and be heard and helped. He soon realizes that he is serving his own interest to the best advantage through his efforts to advance the interests of his employer. He may at any rate stand on the common ground of single purpose for the upbuilding of the institution on which he depends for his own success. Appreciation by the employer of work well done or kindly correction and suggestion will do far more to strengthen this purpose than machine-like indifference or a system of penalties and fines.

Remember these men are human, too.

I believe that if the officers of every bank in the land should periodically call their clerks together for a half hour's discussion of the ways and means by which the good will of a bank may best be maintained and increased, such meetings would be only second in effectiveness to those of the board of directors.

Such truths might be dwelt upon as recently attracted my attention on a placard in the office of our friend, the President of the American Bankers' Association: 'People who never do any more work than they are paid for, are never paid for any more work than they do.'

Friendliness and courtesy should characterize their treatment of each man who has a tongue in his head and a brain which controls it, whether he be the President of a trust, or the office boy of a struggling lawyer. This friendliness does not mean that your Cashier should wear his heart on his sleeve, nor should it countenance the flirtatious back-slapping methods which sometimes manifest themselves in those who have not a true conception of courtesy; but it does mean that the man who comes to any officer of a bank to transact business has a right to considerate attention, and no loss of money is entailed in clearly indicating by cordial manner, that it is a pleasure to be of the least assistance or helpfulness in accommodation.

The man thus treated leaves your office respecting your institution as one which assures him a friendly welcome and a sincere desire on your part to be of the utmost aid. You may not be able to grant that which he has asked, but if your treatment of him has been patient, gracious and frank, he feels that there is good reason for your attitude and he is pleased to tell his friends of the pleasure he has in transacting his business with you; and here begins the endless chain. He becomes at once the most potent kind of advertisement, the sower of the seed which in its fruition enables you to report an increasing business as the years go by.

Judicious advertising is an important factor in maintaining good will, for by suggestion it supplements the effect of the good report we have described.

Bankers and Other Business Enterprises.

Certainly we may look upon the financial institutions of the City of New York as reflecting a fair measure of stability and soundness. Of the largest ten banks in that city each President, on the average, is a director of nineteen institutions besides his own. When the presidents of our banks can no longer be trusted to participate in the direction of the affairs of other corporations without jeopardizing the interests of their own institutions, because of their desire for personal gain, they will be apt to weaken under ordinary temptations which would quite disqualify them from holding any position of trust.

The banker who holds himself aloof from the progressive movements of the meritorious enterprises surrounding him, loses for the institution which he represents an intelligent knowledge of existing conditions and a claim on resulting business, and probably gains the criticism of those who appreciate the real value of such association. Show me the banker who disregards these outside interests and shuts himself up in his counting room to his own banking business alone and I will show you a banker who has very little to count.

I desire to emphasize the advantages of such association as essential to good will. An occasional misadventure occurs as the result of bad judgment or inherent dishonesty, but you cannot legislate integrity into any man. Although he may seem to possess those qualifications which would warrant his becoming a bank official, we believe that unless the spirit of rectitude is inborn and a fixed element of character, the banking laws of this country cannot change his condition. The good judgment of an individual must again be relied upon to control any tendency toward indiscreet ambition, which failing, he must answer to the law.

Each of us is endowed to a greater or less degree with the faculty of making friends and the results of such relations on the business of the institutions we represent will be proportionate to the active cultivation of such a faculty. There are those who are unwilling to credit such relations with their true value and we must agree that friendship as a controlling factor in business is hazardous; but business without friendship is failure. A general appreciation of the value of personal acquaintance in banking is evidenced by the increasing attendance at the meeting of such associations as that to which you all belong, for it must be conceded that there is not so much of value to be gained from the wisdom of those who are flattered with an invitation to address you as from the meeting with the old friends and from the making of the new.

But after all has been said, we find that honesty and integrity lie at the foundation of our structure of good will, above which rises the keystone of confidence in the arch embodying those cardinal yet simple virtues reflected in the golden rule."

John H. Connellan, Title Officer of the Equitable Trust Company, Philadelphia, spoke on the subject, "The Phenomenal Expansion of the Trust Company." A part of his address follows:

"The rise of the trust company presents an interesting problem in the economics of financial development. The forces which operated to produce this system may be found in the growing needs of our great monetary expansion, and its marvelous growth has been the natural outcome of modern methods. Our whole financial system is dependent upon the employment and conservation of capital. At no other period in the world's history has such energy been displayed in utilizing natural resources for the production of wealth; and the development of our industrial system is unparalleled.

These companies have existed in this country for three-quarters of a century; their great development, however, has only been within the last quarter of a century. They are not entirely unknown in other countries, but their remarkable growth in the United States has marked them as a distinctively American institution. Bound by laws of the State; examined exhaustively at unknown periods by impartial experts; managed by boards of directors composed of careful business men and lawyers who have themselves been successful; officered by men especially trained in their several departments, and who, notwithstanding their known integrity, are bonded by some other corporation, the trust company would seem to be the most perfect fiduciary agent that human ingenuity could invent. The record which these companies has made is one to which they may well point with pride; they have won the confidence of the people, and they have become established as one of the permanent institutions of the country.

To illustrate the confidence of investors in the stability of the trust companies it is interesting to note the sales of their stock in the open market. We have in Philadelphia a number of companies whose stock always finds a ready purchaser whenever any of it is offered for sale. The par value of the Provident Life and Trust Company stock is $100 per share; its market value is $770. The par value of the stock of the Fidelity Trust Company is $100 per share; the last reported sale was at $715. The Girard Trust Company has a paid up capital of $100 per share and it sells readily at $710.

In the year 1895 there were in the State of New York thirty-eight trust companies with total resources amounting to $365,419,729. In 1905—ten years later—there are eighty-one companies with total resources amounting to $1,364,016,016, a gain of $998,596,287 in the short period of ten years.

In the State of Pennsylvania we had in 1895 eighty-two trust companies with resources of $189,166,991. In 1905 we have 290 companies with total resources amounting to $628,990,507. These enormous gains show a rapid growth and there seems to be no indication that the highest development has yet been reached.

What of the future? There are those who see in the great expansion of the trust company a menace to our financial integrity. The phenomenal rise of these institutions having occurred in a season of unusual prosperity fears are expressed as to the strength of the system to stand the strain of a great financial panic. Cumbersome safeguards are proposed to restrict the free use of trust company resources, requiring a large reserve to remain idle, like an army in time of peace, awaiting the battle that may never be fought."

Professor Joseph French Johnson, Dean of the New York University School of Commerce, Accounts and Finance, read a carefully prepared paper on "The Influence of the Gold Supply on Prices and the Rate of Interest." THE BANKERS' MAGAZINE hopes to publish Professor Johnson's paper in a subsequent issue.

George M. Coffin, Vice-President of the Phenix National Bank, New York, spoke on "Our National Banking System." In speaking of the competition between the banks and trust companies, he said:

"There was a time when it was considered undignified for a bank to solicit business, but nowadays this is all changed and human ingenuity is taxed to coax the local depositor, while officers of city banks from the President down are becoming trained commercial travelers in their ardent quest for outside bank accounts.

And to what, pray, is due all this strenuous activity and what has converted the modern banker into a hustler? It is due mainly to 'the expansion of the trust company' of which Mr. Connellan spoke this morning. Yes, the trust company has invaded our territory and shared it with us and the only defense left to the National banker is the power to discount commercial paper and to issue circulating notes. This power to discount commercial paper is a powerful weapon, for not only does it furnish us a profitable field for investment, but it serves as the basis for non-interest bearing deposits.

In 1904 the National banks alone discounted over $2,000,000,000 of this paper for individuals, firms and corporations without collateral security, stupendous evidence of the banker's faith in human nature. Where we feel the pressure of the trust companies most keenly is in the payment of interest on deposits, a custom which has come to stay, for as they are not required to keep any cash reserve against deposits, as do National banks, they are able to invest a larger proportion of these funds and so are able to offer depositors a higher rate of interest. While this has reduced the profits of banking, the trust companies have rendered a great public service, for they have taken their depositors into partnership with them. As an illustration, the trust companies of New York State alone last year practically divided their gross earnings with their depositors and paid them over 2½ per cent. interest on more than $1,000,000,000 deposits, or the great sum of $26,000,000.

Another result of this competition is the lowering of rates of interest on loans and discounts, and between these upper and nether millstones it is a wonder the National banker is not ground to powder. But somehow he seems to thrive, and his salvation has been wrought by a liberal use of printer's ink and stationery, adding machines and numerous other devices for the saving of time and labor in these days of fast mails, long distance telephones and wireless telegraphy. He has been compelled, too, to increase his profits by cutting down losses, and for this reason the standing of borrowers is more closely inquired into than ever before, and a bank's credit department is of vital importance to its life and success.

In the face of this keen competition between themselves, the State banks and the trust companies, one would expect to see the National banks eking out a precarious existence, but, on the contrary, they 'grow and multiply,' 'wax fat and kick.' Last year they earned nearly ten per cent. on about $1,200,000,000 of capital and surplus which was owned by over 318,000 shareholders, and this has been the average ratio of earnings for the past five years.

In the light of these facts and figures it must be admitted that I have made out a pretty good case, that competition has not been disastrous in the banking field. On the contrary, this more or less friendly rivalry has had a most wholesome effect by stimulating us to greater effort, getting us out of old ruts and forcing us to keep up with the procession of human progress with the result of a vastly improved service to the public. We need to be only a little philosophical to see in it all a blessing in disguise. After all, the trust companies are our very good customers and it is a great consolation to feel that they cannot get along without us for the National banks act as their reserve agents, keeping on deposit for them large sums which otherwise would lie idle in their vaults. Of course, we have to pay for this privilege."

Before adjournment these officers were chosen: President, John G. Reading, President Susquehanna Trust and Safe Deposit Co., Williamsport; Vice-President, Joseph Wayne, Jr., Cashier Girard National Bank, Philadelphia; Treasurer, Glenn C. Page, Cashier Marine National Bank, Erie.

At the convention of the Trust Company Section the following report was presented:

To Robert E. James, Esq., Chairman, Trust Company Section, Pennsylvania Bankers' Association, Easton, Pa.

My Dear Sir: The committee appointed by yourself at the late annual meeting of the Trust Company Section, to interview the Commissioner of Banking of Pennsylvania, regarding the circular recently issued by him calling the attention of the trust companies of Pennsylvania to the question of discounting commercial paper, respectfully report:

That all the members of the committee, accompanied by yourself as President of the Trust Company Section, had the pleasure of a personal interview with the Commissioner of Banking, the Hon. Robert McAfee, and with his deputy, Mr. John W. Morrison. We canvassed with them the whole subject of the rights of trust companies to discount, as well as to purchase commercial paper. These officials desire to put no obstacle in the way of the trust companies of the State in making proper purchase of paper, but do insist that the trust companies have not the right of discounting. Discounting means the taking of interest in advance, and accounting it as profit before the same is earned. The Department does not object to the purchase of commercial or other paper, provided the companies carry it on their books at the face value at which it was purchased, avoiding the crediting of interest until the amount is repaid when the amount of the loan as well as the interest could be credited on the books of the company. This avoids all such useless shifts as the taking of a bill of sale, or taking a collateral note, with the commercial paper as the collateral.

This would appear to be a simple method of meeting the desires of the Department without any unnecessary embarrassment to the trust companies, and violates no law.

We recommend that you have this report printed and forwarded to members of the Association in the State of Pennsylvania. Your committee begs leave to submit this report.

Respectfully yours,
F. G. HOBSON, Chairman.

An approval of this report by the Commissioner of Banking was also read.

GEORGIA-FLORIDA BANKERS' CONVENTION.

The bankers of Florida and Georgia united in joint session at Atlantic Beach, Fla., June 9 and 10, although such separate meetings were held as were found necessary to transact the business of the respective associations. It was the fourteenth annual convention of the Georgia Bankers' Association, and the twelfth of the Florida Association.

President Miller S. Bell, Vice-President and Cashier of the Milledgeville Banking Co., presided over the convention of the Georgia Bankers' Association, in the convention hall of the Continental Hotel, Atlantic Beach, June 9. After the preliminary exercises, he delivered his annual address. He referred especially to the aid Southern bankers were giving to the farmers in helping them market the cotton crop under the most favorale conditions.

R. F. Maddox, Vice-President of the Maddox-Rucker Banking Co., Atlanta, presented the report of the delegates to the convention of the American Bankers' Association.

Reports were also presented by Treasurer Oscar E. Dooly, Secretary L. P. Hillyer, and the executive council, the latter report being read by Chairman John H. Reynolds. These reports showed that the work of the association is being carried on actively and successfully.

The afternoon session, which was a joint meeting of the Georgia and Florida associations, was addressed by Hon. Leslie M. Shaw, Secretary of the Treasury.

Address of Secretary Shaw.

Mr. Shaw spoke in part as follows:

"We have the best money system in the world. I am not unmindful of the fact that we have three hundred and odd million dollars of fiat money. It was understood when it was made that it was fiat money, but we do have $150,000,000 of gold laid aside expressly to maintain the parity of the greenback, and the profession that all of these greenbacks shall be redeemable in gold, and that makes the fiat good and no one questions it. Therefore we are not worried about it. No one has any anxiety. It is true that the metallic value of our silver is more than $300,000,000 less than its current value, but it is made the duty of the Secretary of the Treasury to maintain the parity of all forms of money coined or issued by the Government. I wish the law was a little more specific, that we would redeem silver in gold. I know of but one way that you can make your note as good as gold, and that is to lay down your note on the bank counter and the gold, and tell the banker that he can take his choice. If you don't do that, your note will be at a discount. The only way the Government can maintain the parity is to say: 'If you prefer gold, you can get the gold.'

Our currency system has one manifest weakness, and that is it is non-elastic. You people down here may have heard a reference to rubber money. No one advocates an elastic dollar, a dollar that will stretch, but many people do advocate an elastic volume of dollars. We have a little elasticity in our currency system now, but unfortunately it works the wrong way. Whenever money is scarce, there is a tendency to contract the currency, and, whenever plentiful, there is a tendency towards expansion.

Now, my experience has been that the banker is looking out for himself. In that respect he is not entirely unlike other people. The banks can issue more circulation, when money is scarce, but they don't think they ought to do so at a loss. Everybody recognizes this defect—that we need more money. Now let's see if we can make this plain. Sometimes you get quoted as saying what you don't say. The farmers in our country need more grain sacks at harvest time than at seeding time, and it is equally true that the country needs more money in harvest time than in seeding time. Ordinarily the farmer retires his grain sacks when he disposes of his crop, but the banks are unable to contract their medium of exchange with the disposition of the crop.

We need this voluntary, this spontaneous springing into existence of more money, when more money is needed, and the speedy retirement of it, when not needed to respond to the calls of trade. I am not going to suggest the only way. I am going to suggest one way. Many ways have been suggested. Now I simply desire to suggest the desirability of adding the element of elasticity to our system, and if it is to be added, some plan must be devised. This is one: Suppose the National banks were granted permission to issue a certain volume of currency, either proportioned on the capital of the bank or on the amount of bond-secured currency, and were charged not less than 5 per cent. interest during the time this currency is out. Certainly additional currency would spring into existence whenever money is scarce, and if the banks were compelled to pay five per cent. interest thereon they would retire it as soon as the pinch was over. It could be retired by a deposit of an equal amount of

Jos. T. Orme,
President Georgia Bankers' Association.

L. P. Hillyer,
Secretary Georgia Bankers' Association.

lawful money at any of the sub-treasuries. It would not be necessary to redeem each individual bill. The volume of money would be contracted by the deposit as well as by the actual destruction of the bank bill so issued.

The Government should guarantee the redemption of this credit currency, for the interest charged would vastly more than cover all possible loss. I desire to go on record as opposing the issuance of any currency that the Government does not guarantee, and I am equally opposed to the Government guaranteeing bank currency without being first amply secured. But one-quarter of one per cent. interest on the currency issued, under conditions such as I have described, would pay the insurance. Any insurance company would be glad to take the risk at that rate. The tax on this credit currency should be kept sacred to the redemption of the currency of failed banks. Thus the country would be saved another experience with wild-cat currency, and the Government take absolutely no risk.

The only other plan that seems to me at all feasible would be permission to issue a small volume of heavily taxed currency, based upon bonds other than Government bonds. I am not certain, however, that this would prove as elastic as some of the friends of the plan contend. It seems to me that the banks, when their surplus was running low, could hardly afford to purchase any kind of bonds as security for circulation."

F. W. Lafrentz, of New York, spoke in favor of the American Bankers' Association form of money orders, and at the conclusion of his remarks

Joseph T. Orme, Cashier of the Lowry National Bank, Atlanta, offered a resolution, which was adopted, endorsing these orders and recommending their use by the bankers of Georgia and Florida.

Walter F. Coachman, President of the Florida Bank and Trust Company, Jacksonville, was down on the programme for an address on "Naval Stores and Timber." Mr. Coachman was unable to be present, but his paper was read by Hon. W. S. Jennings, ex-Governor of Florida. Mr. Coachman gave an interesting description of the industries forming the subject of his address, and had the following to say regarding the progress of his State:

"In no way can the gain in the business in the State be more accurately shown than in the increase of its banking interests. In 1899 the total resources of the National and State banks in Florida aggregated $12,492,961. By 1904 this had increased to $29,797,496, a gain in four years of 138 per cent.

This remarkable growth of the banking business of Florida has followed and kept pace with the production of lumber and naval stores. In large part it represents the introduction and increase of the capital of the State arising from the development of industries directly connected with forest products. Ten or fifteen years ago the wholesale business of Florida was in its infancy. Our foodstuffs were furnished by the wholesalers of the North and the jobbers of Georgia. The demands of the lumber and turpentine producer, and the introduction of new capital, have made possible the development of the jobbing business of Florida to a degree of prosperity which has surpassed all expectations."

J. C. Chase, of Messrs. Chase & Co., Jacksonville, Fla., spoke on "Fruits and Vegetables," and gave an interesting description of the development in this important field of production.

At the second day's session addresses were made by Alfred J. McGrath, Vice-President National Shoe and Leather Bank, New York, and by Anthony White, of the National Bank of Commerce, New York. The latter called attention to the great prosperity of the South, and expressed the hope that it might not engender speculation.

A. P. Coles, chairman of the committee on transmitting currency and securities by registered mail, read a report showing the rates of insurance charged by various companies. In the course of his report, he said:

"Experience shows that on shipments of $5,000 and $10,000 in single packages, the denomination of bills averaging $10, the total cost does not exceed thirty-five cents per thousand; or, in other words, a saving of forty cents per thousand over the lowest express rate. The cost of insurance and postage between points in Georgia on similar packages does not exceed twenty-six cents per thousand. The plan of insurance and transmitting securities and currency by registered mail has been in continually increasing use by banks and bankers of this country during recent years, and it has generally been found that the service is prompt and reliable and in every instance much cheaper than express service.

The question has been asked how prompt are losses settled and what are the formalities necessary in obtaining settlements. This committee has taken some pains to ascertain the actual results in cases of loss by this method of transmitting securities and currency, and feel no hesitancy in saying that in every case that has come under our investigation, the settlement has been prompt and satisfactory and free from unnecessary formalities, and we know of no unpaid claim where the terms of the policy have been complied with."

John D. Walker reported on the progress of the movement to raise a fund by contributions from the banks to aid the farmers in marketing the cotton crop. He said the success achieved destroyed the old notion that the banks were not friends of the farmers.

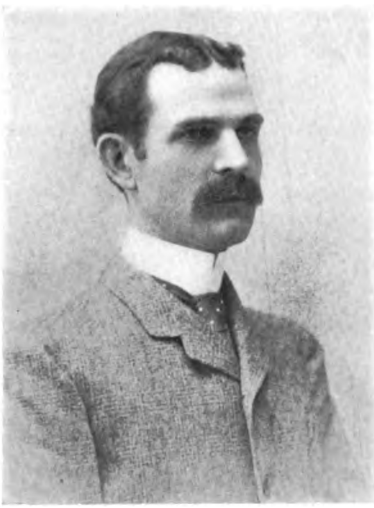
Addresses were also made by W. O. Jones, Assistant Cashier National Park Bank, New York, and by Geo. M. Coffin, Vice-President Phenix National Bank, New York.

The following officers of the Georgia Bankers' Association were chosen: President, Joseph T. Orme, Cashier Lowry National Bank, Atlanta; first vice-president, John H. Reynolds, President First National Bank, Rome; second vice-president, Joseph S. Davis, Cashier First National Bank, Albany; third vice-president, F. S. Etheridge, President Jackson Banking Co., Jackson; fourth vice-president, E. B. Lewis, President Lewis Banking Co., Montezuma; fifth vice-president, J. A. Sasser, Cashier Farmers' and Merchants' Bank, Senoia; secretary, L. P. Hillyer, Cashier American National Bank, Macon; treasurer, J. T. Neal, Cashier Bank of Thomson.

The Florida Bankers' Association elected the following officers: President, E. W. Lane, President Atlantic National Bank, Jacksonville; vice-president, Geo. D. Munroe, Cashier Quincy State Bank, Quincy.

WEST VIRGINIA BANKERS' ASSOCIATION.

The twelfth annual convention of the West Virginia Bankers' Association was held at Fairmont June 14 and 15, Charles B. Hart, of Wheeling, presiding. In his annual address President Hart said that in the past year the resources of the State banks of West Virginia increased from $53,481,000 to $55,433,000, and the resources of the National banks from $38,921,000 to $41,011,000. He also described the legislative work done by the association. A law was recently passed making it a misdemeanor for any individual or



F. W. STAUNTON,
President West Virginia Bankers' Association.

C. T. HITESHEW,
Secretary and Treasurer West Virginia Bankers' Association.

association of individuals doing business in the State to use in connection with such business the term bank or trust company until a charter has been taken out and the laws regulating banks and trust companies complied with.

C. T. Hiteshew presented his report as secretary and treasurer, which was in part as follows:

"There are in West Virginia 241 banking institutions, of which seventy-seven are National banks, 142 are State banks and twenty-two are trust companies. Of this number 160 are members of the association and eighty-one are non-members. Last year a resolution was passed increasing the dues of all banks with $50,000 capital and over, and while we have lost two members from the fact of the increased dues, yet we have added four new members to the roll, making an increase of two. This comprises three-fourths of all the banks in the State and more than four-fifths of the aggregate banking capital of the State. Our association compares very favorably with other associations throughout the country."

After the transaction of some routine business, F. M. Staunton, Vice-President of the Kanawha Bank and Trust Co., Charleston, made an address on "Bank Taxation and Legislation." A striking address on "Some Banking Lessons from the Life of Judas Iscariot," was made by Hon. J. D. Baines, of Charleston. In closing the address, which was a strong plea for fidelity in positions of trust, Mr. Baines said: "As an admonition to us ever to persevere in the paths of honor, integrity and truth, let us remember that the crime of Judas Iscariot, in its last analysis, was simply a betrayal of his trust."

Joseph E. Sands, Cashier of the First National Bank, Fairmont, talked entertainingly of banking in West Virginia in the last half century. At the conclusion of his address, the convention adjourned to reassemble in the evening, when President Charles A. Hinsch, of the Fifth National Bank, Cincinnati, made an address on "The Outlook." Mr. Hinsch favored an annual appropriation of not less than $50,000,000 for the development of internal waterways, the control of private freight cars, supervision of railways, revision of the tariff, incorporation of labor unions with sufficient capital to make their contracts binding, "action by the civilized powers of the earth to prevent the settlement of international differences by engaging in wholesale butchery, ample capital for banks, an emergency circulation, and insurance of bank deposits." Judge L. N. Taverner, of Parkersburg, spoke on "The Inlook," and at the second day's meeting an address was made by Mr. Dammann, of New York, who spoke on "Bank Money Orders." A resolution proposing to introduce this system in West Virginia was tabled. Addresses were also made by several visiting bankers from New York and elsewhere. Officers for the association were chosen as follows: President, F. M. Staunton, Vice-President Kanawha Banking and Trust Co., Charleston; secretary and treasurer, C. T. Hiteshew, Cashier Farmers and Mechanics' National Bank, Parkersburg.

MASSACHUSETTS BANKERS' ASSOCIATION.

The first annual meeting of the Massachusetts Bankers' Association met at the Hotel Somerset, Boston, June 20 and 21, H. M. Batchelder, President of the Merchants' National Bank, Salem, presiding. But little regular business was transacted, the meeting being chiefly for the purposes of bringing the bankers together for better acquaintance. Addresses were made by President Batchelder, Hon. Arthur B. Chapin, State Treasurer; Charles L. Burrill, Vice-President and Treasurer of the Adams Trust Co., Boston; Franklin Haven, President of the Boston Clearing-House Association; Hon. Geo. A. Marden, Assistant U. S. Treasurer, at Boston; Geo. A. Hibbard, postmaster of Boston; and James D. Gill, collector of internal revenues.

Festus J. Wade, President of the Mercantile Trust Co., St. Louis, spoke on "Trust Companies." In regard to the recent growth of trust companies, he said:

"In no year in the past decade has the growth been more marvelous in the strength and development of the trust companies than during the past twelve months, and the most accurate data obtainable at this time will show that there are 1,438 trust companies in existence, 278 of which were organized since June 30, 1904. In addition to the above, at least 400 companies employ the title of "trust company," which are not properly institutions of this character.

Few realize the financial development of the Middle West, and especially its financial centre, the city of St. Louis. The aggregate capitalization of the banks and trust companies of St. Louis on June 1st, 1905, was more than the aggregate capital of the National banks and trust companies of New York City ten years ago. It equals the capitalization of all banks and trust companies of Chicago, and it is practically equal to Boston.

The ratio in the increase of the banking power of the world in the last fourteen years is 110 per cent. The ratio of the increase in the banking power in the United States in the past fourteen years is 168 per cent. The ratio of increase in individual deposits of the National banks in the past twelve years is 90 per cent. The ratio of increase in individual deposits of the trust companies of the United States in the last twelve years is 390 per cent.; and the individual deposits of the trust companies on June 1, 1905, was within a few million dollars of the individual deposits of the National banks of the United States in 1892.

When one stops to consider that the trust companies of the United States in their combined resources represent more than twenty-three per cent. of the banking resources of the United States and practically ten per cent. of the banking resources of the world, the importance of the trust company to this Government is forcefully impressed upon one's mind.

The live, active, energetic banker, be he State or National, in all the large centers of this country has recognized the value of trust companies for the accumulation of idle money, for the development of commerce, and for the enlargement of the financial horizon of the United States of America. Many of the larger National banks are financially interested in trust companies in the large centres. Some of the more progressive have organized trust companies and are running them in connection with their National banks practically as departments. It is only a very short period of time until the trust company official, in keeping up with the progression of the National bank official, will add a National bank practically as a department to the trust company.

In the western country, at least, the trust company occupies the same relation to the masses of the people that the Savings bank does to the East. Very few western States have Savings banks, the reason being that the trust company in the western States runs a department for savings, and such a department is in itself a Savings bank of and for the people where the thrifty son of toil may deposit his dollar a day, week, month or year, and receive thereon interest varying from three to four per cent., with the entire capital, surplus and undivided profits of the trust company to protect him against loss.

The trust company should not only keep a reserve, but a strong reserve. While it was well enough years ago, when the trust companies simply discharged the functions of trustee, registrar, executor and administrator, to keep nominal amounts of cash on hand, with a comparatively small amount on deposit with banks, that condition has now ceased to exist, and is so recognized today. The methods applied to trust companies ten, fifteen or twenty years ago are not applicable today, nor are trust companies doing business on the lines established ten, fifteen or twenty years ago. If you will show me the trust company today which keeps a reserve both in cash and in bank in comparison with the successful National banker, I will show you the trust company that pays its stockholders not only a handsome return but that is constantly developing its business. The surest way to retard the growth of a trust company is to decrease its reserve. The most certain way to develop its resources and power is to increase its reserves.

Well balanced, the trust company officials invite publicity and frequent examinations, not only by its auditing committee but by expert accountants as well. The trust company official who fears frequent publication of the condition of his institution, and who does not encourage frequent examination of his work and the assets of his corporation, is unjust to himself, his associates and his corporation.

The interests of the National and State banks and the trust companies are reciprocal. Examine the banking statistics of any financial center in the East, West, North or South, and where you can find a great development of financial resources there you will find the trust company, not only doing its part for the development of that particular section, but also paying handsome returns to its stockholders upon the capital invested. The National and State bankers, where they are progressive, although competitors, are all working along the same lines. Of the $4,500,000,000 of deposits carried by the National banking system, practically ten per cent. of the entire amount are the deposits of trust companies. The most cordial relations should always exist between bank and trust company officials. Continue to encourage it as you have by this meeting in joint session; each will be greatly benefited and the interest of both bank and trust company greatly advanced."

F. A. Shove, Treasurer of the Malden Savings Bank, gave some interesting statistics regarding the growth of Savings banks in Massachusetts. At the conclusion of Mr. Shove's address, the delegates embarked on a steamer for a trip down Boston Harbor.

IOWA BANKERS' ASSOCIATION.

The nineteenth annual convention of the Iowa Bankers' Association was held at Des Moines, June 7 and 8, Ackley Hubbard, Cashier of the Citizens' National Bank, Spencer, presiding. President Hubbard, in his annual address, after reviewing the work of the association in the past year, made a strong plea for the incorporation of private banks as a means for promoting sound banking; favored the repeal of the Bankruptcy Act, did not approve the insurance of bank deposits, and concluded his address as follows:

"Bankers often fail to realize that the assets of the bank are not their private property; that they are held only in trust for certain specific uses; that it is criminally wrong to divert them from these uses; and so bank managers become speculators. The resources of the bank are diverted from their legitimate uses and are lost; the bank is ruined, the banker a criminal and often a fugitive; the depositors, often widows and little children, or the aged and infirm, robbed of their little sustenance; poverty, sorrow and suffering entailed on all and no good done. Will we ever learn that there is safety and honor and happiness only in following legitimate methods of banking; that any departure from the straight and narrow way leads to suffering, sorrow, dishonor and crime? Let us all at all times preach and practice only that which is legitimate, honest and right; let us avoid speculation of all kind as we would a pestilence. And, if we cannot do this, if the gambling instinct is too strong in us, then let us quit the banking business and engage in some line where we can ruin only ourselves and not the innocent and helpless ones who have entrusted their savings to us."

Reports were read by Treasurer John J. Large and Secretary J. M. Dinwiddie. The latter stated that at last year's convention the membership was 865, to which over one hundred names had been added.

After a number of other reports, Mr. Norcross, of the Chicago office of the American Surety Co., explained the system of guaranteed money orders, and an address was made by Hon. B. F. Carroll, State Auditor. He said that there had been no bank failures in Iowa where the directors had properly attended to their duties, and he urged upon directors the importance of carefully scrutinizing the loans.

Reports were presented from the sixteen State groups, and a plan was adopted for redistricting the State into eleven groups. The report of the committee on insuring bank deposits was presented, declaring in favor of such insurance. After considerable discussion the report was ordered to lie on the table. Hon. Henry Vollmer, of Davenport, spoke on "Taxation." He declared that indirect taxes tend to remove all checks on governmental extravagance.

Officers of the association were elected as follows: President, D. H. McKee, Cashier Citizens' State Bank, Mediapolis; vice-president, John J. Large, Cashier First National Bank, Rock Valley; treasurer, J. T. Brooks, Cashier First National Bank, Hedrick; secretary, J. M. Dinwiddie, Cashier Cedar Rapids Savings Bank.

MINNESOTA BANKERS' ASSOCIATION.

The sixteenth annual convention of the Minnesota Bankers' Association met at Tonka Bay Hotel, Lake Minnetonka, June 20, O. H. Havill, President of the Merchants' National Bank, St. Cloud, presiding. In his annual address President Havill said that many bank failures were caused by the refusal of bankers to take the first loss—continuing to throw good money after bad. He said the time is coming when the methods pursued by a man who has acquired a large fortune will be inquired into, and if found dishonorable, he will be ostracized from the society of good citizens.

A. A. Crane, Cashier of the National Bank of Commerce, Minneapolis, presented his report as chairman of the executive council, and Joseph Chapman, Jr., Cashier of the Northwestern National Bank, Minneapolis, read his report as secretary of the association, showing a present membership of 635 —a net increase of thirty over the figures reported at last year's convention.

After the presentation of reports by the treasurer and the protective committee, C. D. Griffith, President of the First National Bank, Sleepy Eye, made an address favoring the organization of a surety company by the bankers of Minnesota.

At the second day's session, Prof. F. L. McVey, of the University of Minnesota, spoke on "The Relation of Banking Capital to Volume of Business," and Senator Knute Nelson spoke on The Bankruptcy Act. Henry Clews, of New York, was on the programme for an address, but was unable to be present.

Reports were presented from the various Congress districts, after which J. F. Kerr, of the American Surety Co., New York, made an address in relation to the American Bankers' Association form of money orders. Resolutions were adopted favoring this form of money orders, opposing branch banks, and favoring the organization of a company by the bankers of Minnesota for carrying their burglary and fidelity insurance.

Officers for next year were than elected. They are: President, Cliff W.

Gress, Cashier Citizens' State Bank, Cannon Falls; vice-president, Wm. E. Lee, Cashier Bank of Long Prairie; secretary, Joseph Chapman, Jr., Cashier Northwestern National Bank, Minneapolis; treasurer, Geo. H. Prince.

NEW OFFICERS OF THE NORTH CAROLINA BANKERS' ASSOCIATION.

C. N. Evans,
President.

W. A. Hunt,
Secretary and Treasurer.

New Bank in Athens.—United States Consul George Horton, Athens, Greece, reports, under a recent date, that a new bank has been founded in Athens with a capital of 10,000,000 francs ($1,930,000), divided into 20,000 shares of 500 francs ($96.50) each, of which the National Bank of Greece guarantees 10,000 shares and the National Bank fur Deutchland, of Berlin, the other 10,000. It will be known as the Bank d'Orient (Oriental Bank). The announced object of this bank is to carry on all financial, industrial, and commercial operations usually undertaken by banks and establishments of credit. Its special object is to develop the commerce of the Orient, and its support by German capital is an indication of the hold which German enterprise has obtained on the business of the East. Branches have been established at Constantinople, Saloniki, Smyrna, and Alexandria. An agency has also been established in Hamburg.

The Bankers' Directory.—The January edition of the "Bankers' Directory," published by The Bankers Publishing Company, 87 Maiden Lane, New York, is the most complete and conveniently arranged directory for ready reference published. It is less cumbersome than the Western publications, being more compact, while at the same time it contains all the information that is required by the banker, broker, merchant or lawyer. It is accurate and reliable, all information being corrected down to date of publication. The best indication of this directory's popularity is increase in the advertising patronage. The price is $7.00 indexed, or $4.00 per single copy. Published January and July.—*Banking Law Journal.*

FIDELITY NATIONAL BANK, SPOKANE, WASHINGTON.

Among the prosperous and growing cities of the Pacific Coast, few have made more rapid or steadier advancement than Spokane. Banking progress has been well up to the demands of expanding commerce and industry. The upbuilding of the city and the development of the resources of the surrounding section have been greatly facilitated by a wise direction of banking capital.

GEO. S. BROOKE, PRESIDENT FIDELITY NATIONAL BANK, SPOKANE, WASH.

One of the notably successful banks of Spokane is the Fidelity National. It was established originally at Sprague, Washington, by Geo. S. Brooke, in 1882, as a private bank, and in 1886 was converted into the First National Bank of Sprague. In 1896, by special Act of Congress, a removal was made to Spokane, the original charter number being retained, but the title was changed to the Fidelity National Bank of Spokane.

A careful policy has characterized the management, as is witnessed by a late statement. With a capital of $100,000, surplus and undivided profits of $43,000 have been accumulated, in addition to paying regular semi-annual dividends. Deposits foot up $750,206, and $317,586 was reported as cash, or due from banks and U. S. Treasurer, thus providing available funds equalling nearly fifty per cent. of deposit liabilities, without taking the $457,985 of loans and discounts and $107,330 bonds and warrants into account. The advisability of having a large fund of cash procurable at short notice is generally understood by bankers, though some are tempted by the hope of large profits to disregard this principle to a certain extent. The Fidelity National Bank carries no real estate in its balance-sheet, and only the modest amount of $2,000 in "furniture and fixtures." Total resources exceed $942,000.

A recent evidence of the progress of the bank was its removal into new quarters in the Symons Block, located at the corner of Howard and Stevens Streets, a more central location than the one formerly occupied by the bank. The new quarters have been attractively fitted up for the safe and convenient transaction of the growing business of the bank.

George S. Brooke, President of the Fidelity National Bank, was also its founder. He is of distinguished Maryland and Virginia ancestry, and was born at Dubuque, Iowa, February 12, 1855. He was graduated with the degree of A. B. at Griswold College, Davenport, Iowa, in 1872. Ten years later he married Miss Julia I. Hill, of Westport, Conn.

In 1882 Mr. Brooke established the private bank at Sprague, Washington, which later became the Fidelity National of Spokane. He was Mayor of the City of Sprague for three terms. Mr. Brooke, is, in addition to being President of the Fidelity National Bank, President of the Spokane Clearing-House Association, treasurer of the Taxpayers' League, senior warden of All Saints' Cathedral, member of the executive council of the Washington State Bankers' Association, a member of the Society of Colonial Wars and the Sons of the American Revolution. He has delivered addresses before the conventions of the Washington State Bankers' Association on these topics: "The Country Banker," "The Bank and Its Depositors"; "The Theory and Practice of Banking."

As a result of Mr. Brooke's identification with the bank from its organization, a stability has been imparted to the management by a continuous policy, and this has contributed to a large extent in gaining and keeping the confidence of the public.

The other officers are: Vice-President, D. K. McPherson; Cashier, A. W. Lindsay.

Liquor Consumption in the United Kingdom.—The sum spent for intoxicating liquors in Great Britain and Ireland in the calendar year 1904 was $817,000,000 in round numbers. This is a decrease from the total of 1903. In fact, for several years, the national drink bill has been decreasing The average per capita expenditure for drink in 1904 was $20.59 for England, $15.57 for Scotland, and $15.08 for Ireland. In Belfast, with an estimated population of 358,693, the total expenditure was $5,495,000 for drink. This is almost equal to the total taxable valuation of the city, which for the year ending March 30, 1904, was $6,129,610.—*S. S. Knabenshue, Consul, Belfast, Ireland.*

Canadian Savings Banks Deposits.—There are 213,638 depositors in the Savings banks of Canada, and they have to their credit $60,771,126, which indicates a widespread habit of thrift. As a rule these institutions receive comparatively small sums from wage-earners and people who possess but little, yet the average savings of Canadian depositors is $289.14, and is the second highest in the world, the United States coming first, with an average of $418.89. The per capita deposit of the Dominion is $10.99.—*James H. Worman, Consul, Three Rivers, Quebec.*

American Chamber of Commerce in Italy.—This organization is endeavoring to promote trade relations between the United States and Italy, and to better enable it to carry on this work desire to increase its membership, which already includes some of the largest firms both in Italy and America. The offices are at 10 Piazza della Borsa, Naples, Italy.

GIRARD NATIONAL BANK OF PHILADELPHIA.

STEPHEN GIRARD.

When Alexander Hamilton became Secretary of the Treasury, in 1789, he was requested by the House of Representatives to report upon such measures as he deemed expedient for providing for the National debt and sustaining the public credit. In December of the following year he reported to the House a plan for incorporating a Government bank, and on February 25, 1791, a bill for carrying this recommendation into effect became a law. This was the beginning of the first Bank of the United States, which opened for business December 5, 1791. It was a successful bank, but in 1811 on application being made for renewal of the charter, opposition to it developed out of the prejudices of the time, and Congress refused to renew the charter. Accordingly, the career of the institution came to an end March 3, 1811.

Believing that the services the bank had rendered to the people would induce Congress to prolong the bank's life, Stephen Girard, a wealthy Philadelphia merchant, and already a heavy stockholder, made large purchases of the stock of the bank. When Congress failed to extend the charter, Mr. Girard bought the building of the bank, together with its equipment, engaged the services of George Simpson, who had been Cashier of the Bank of the United States for about seventeen years, and in May, 1812, opened "Stephen Girard's Banking-House," in the building on Third Street formerly occupied by the United States Bank.

A notable proof of Mr. Girard's financial sagacity was given at the beginning of his banking career. He recognized the importance of giving his bank something of the permanent character of a corporation, and of securing his depositors against delay or obstruction in withdrawing their money after his death.

He therefore selected five trustworthy men to whom he executed a deed of trust, vesting in them, at his death, the assets of his bank in trust to pay depositors immediately after his death in the same manner as they
From the outset Mr. Girard's bank was a success. Some of his methods
would have been paid if such event had not taken place.
—very different from those now prevailing—may be recalled with interest. It is stated that it was the rule of the bank first to discount the notes of small merchants and traders and of poor mechanics, the balance being then applied to the notes of the more opulent men; a preference, however, being always given to the needs of the Government. At a critical period in 1814, during the war with Great Britain, the Government tried to raise a loan of $5,000,000, bearing seven per cent. Although the price was fixed at seventy-five, when the time came for closing the subscription it was found that only about $20,000 had been taken. At this time Mr. Girard came forward and subscribed for the whole remaining sum. This had the effect of advancing the price, and those who before had refused to subscribe were now anxious to do so, and this was permitted by Mr. Girard, though he might have obtained a considerable premium. When subscriptions were invited for the stock of the second Bank of the United States, he pursued a similar course. Subscriptions were slow in coming in until Mr. Girard put his name down for $3,100,000, when the demand became very strong. He there-

GIRARD NATIONAL BANK.

fore opened up his subscription in order to give others an opportunity to become interested, and when they had done so he took the remaining stock, amounting to about $1,500,000.

Mr. Girard continued in the banking business up to the time of his death. On the winding up of his bank the trustees turned over more than $4,000,000 to the executors of Mr. Girard's will.

INCORPORATION OF THE GIRARD BANK.

Immediately after Mr. Girard's death, steps were taken by a number of prominent business men to form a new bank, and as a result of this move, a bill incorporating the Girard Bank was approved by the Governor of Pennsylvania April 3, 1832. The bank opened for business August 23, with a capital of $1,500,000. James Schott was President and William D. Lewis, Cashier. In 1836 an act was passed increasing the capital to $5,000,000. In 1849 a reduction to $1,250,000 took place, and in 1862 this was further reduced to $1,000,000.

The United States Government was among the early depositors of the bank, and this account grew to be a large one, particularly after President Jackson removed the public deposits from the second Bank of the United States, chartered in 1816.

Throughout the Civil War the Girard Bank maintained a friendly attitude towards the struggle for the preservation of the Union. It made loans to the national Government and subscribed liberally for its securities as they were issued from time to time for the purpose of carrying on the war. It also responded to the many calls made for subscriptions to funds to further the enlistment of troops in Philadelphia, and to maintain the various institutions established there in aid of the soldiers on their way to and from the field, as well as those in hospital and camp.

Becomes a National Bank.

In the fall of 1864 the bank entered the National banking system under the name of the Girard National Bank. From that time forward for a number of years the history of the bank was not characterized by any events of especial importance.

Daniel B. Cummins, third President of the bank, died May 6, 1892, after a service of over thirty-four years as chief executive officer. On May 13, Seth Caldwell, Jr., who had been a director for twenty-five years, was elected President, and continued to act in that capacity until July 11, 1899, when he resigned on account of impaired health and was succeeded by Francis B. Reeves, who has since continued at the head of the institution.

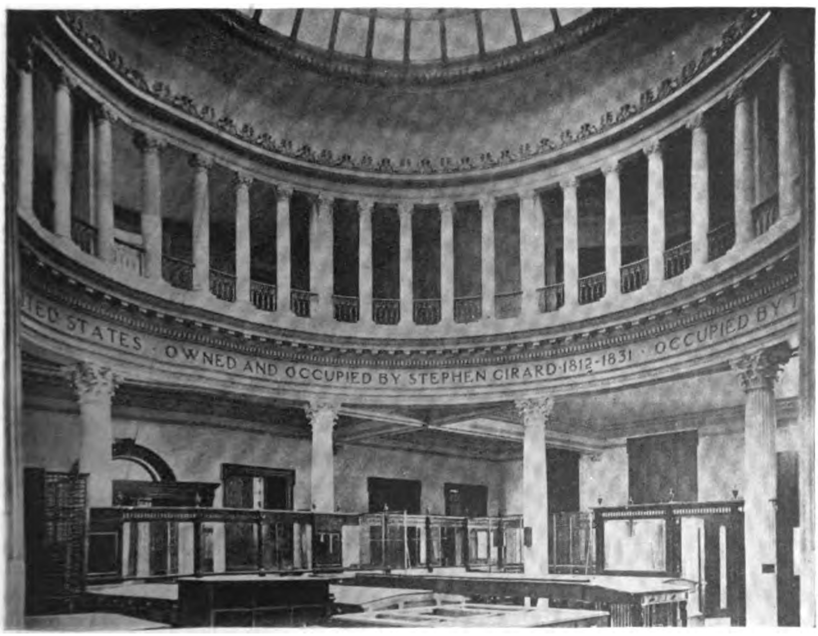
Absorbs the Independence National.

On May 8, 1901, the Girard National Bank, having increased its capital stock to $1,500,000, absorbed the Independence National Bank, which was organized in 1883, and had $500,000 capital. Richard L. Austin, who had been President of the Independence National, was chosen Vice-President of the Girard National, and Theodore E. Wiedersheim, who had been Cashier of the Independence National, was elected Second Vice-President of the Girard National.

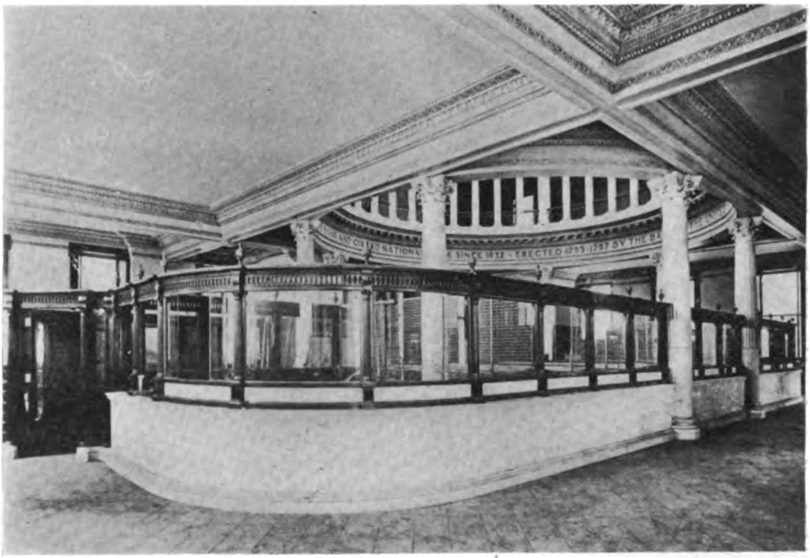
On January 13, 1903, the Girard National Bank having increased its capital stock to two millions of dollars, absorbed the Mechanics' National Bank, which had a capital and surplus of over one million dollars, and resources of over six million dollars. The Mechanics' National Bank was chartered by the State of Pennsylvania on June 4, 1814.

Growth of the Bank.

The growth of the Girard National Bank in recent years is especially noteworthy. On September 20, 1898, deposits were $8,000,000; they increased to $9,975,000 on September 5, 1900; to $19,430,000 on September 16, 1902, and



Girard National Bank—Interior View.



INTERIOR VIEW OF GIRARD NATIONAL BANK.

are now about $30,000,000. These figures show that the Girard National is fully meeting the requirements of a modern bank. It now ranks among the largest banks of Philadelphia. This position has been attained by a steady adherence to sound methods and by a careful study of the banking needs of the present day, together with adequate provision for meeting these requirements.

Besides the capital of $2,000,000, the Girard Bank has an accumulated surplus and profits amounting to $2,800,000.

THE BANK'S BUILDING.

No sketch of the Girard National Bank would be complete that did not mention the bank's building. It is the oldest bank building in the United States, the corner-stone having been laid in 1795 and the building completed in 1797. As has been mentioned already it was first occupied by the Bank of the United States and afterwards by Girard's Bank. Until within the past two or three years, the building remained as originally constructed, but in 1902 the exterior was thoroughly renovated and the interior rebuilt in a modern manner.

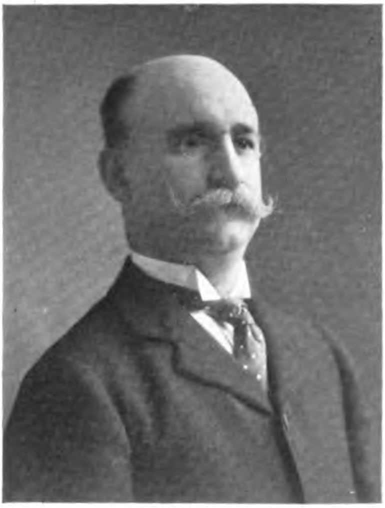
THE OFFICERS.

Francis B. Reeves, President, was born at Bridgeton, N. J., October 10, 1836. He entered the Girard Bank as a clerk March 9, 1854, and in 1853 he left the bank to become associated with N. B. Thompson & Co., wholesale grocers, becoming a partner in the firm February 1, 1859. This connection has been continued ever since, the firm being Reeves, Parvin & Co. since 1865. In 1881 Mr. Reeves was elected a director of the Girard National Bank and was re-elected for seventeen years. He was elected Vice-President January 3, 1896, and President July 18, 1899.

Mr. Reeves has been active in the commercial life of Philadelphia for many years. He is an officer and director in a number of large and successful corporations, and prominent in religious and philanthropic work.

Richard L. Austin, first Vice-President, was born in Philadelphia March 28, 1859. His father, John B. Austin, was for many years President of the Southwark National Bank. The son was educated at the Central High School and in 1876 entered the Central National Bank as a clerk. In Oc-

FRANCIS B. REEVES,
President Girard National Bank.



THEO. E. WIEDERSHEIM,
Second Vice-President Girard National Bank.

JOSEPH WAYNE, JR.,
Cashier Girard National Bank.

tober, 1885, he was chosen Assistant Cashier of the Independence National Bank, and in the following December was elected Cashier, holding this position until January, 1889, when he became President. He retained this office until the consolidation of the Independence National with the Girard National, in 1901, when he became a director and first Vice-President of the Girard National Bank.

Colonel Theodore E. Wiedersheim, Second Vice-President, was born at Petersburg, Ohio, January 12, 1846. He was for some years a member of the firm of Fell, Wray & Co., bankers and brokers, at Philadelphia, and in December, 1887, was chosen Assistant Cashier of the Independence National Bank, becoming Cashier in 1889, and continuing to hold this office until the Independence and Girard National were merged, when he was elected Second Vice-President of the latter bank.

He was in the Union Army in the Civil War, serving in the Gettysburg campaign in 1863. Later he served with the Pennsylvania National Guard, successively as lieutenant, captain and colonel.

Joseph Wayne, Jr., was born in Philadelphia, September 26, 1873. He entered the employ of the Girard National Bank in August, 1890, was chosen Assistant Cashier in 1900, and on May 3, 1901, was elected Cashier, being the youngest bank Cashier in Philadelphia. The wisdom of his promotion has been fully demonstrated, very much of the bank's progress having been due to his energy and capacity.

THE POINT OF VIEW.—Two dudes visited the Zoo in Boston. With cigarettes in their mouths, they stopped at the cage of a mother anthropoid ape with her young ones. Pointing to the family of anthropoids, one dude said to the other: "That is what you came from." And they laughed heartily. The mother ape called her children aside and, pointing to the dudes, said: "My children, that is what you are coming to." And she wept bitterly.—*Christian Work.*

NO SYMPATHY FOR BANK ROBBERS.—Nothing horrifies a woman who dodges paying her street car fare more than to read about a man who has robbed a bank.—*New York Press.*

FRANKLIN NATIONAL BANK OF PHILADELPHIA.

Five years ago this month the Franklin National Bank, of Philadelphia, was organized. It commenced business July 2, 1900, with $1,000,000 capital and $1,000,000 paid-in surplus. In five years the deposits of the bank have grown to $28,299,510.02, making the Franklin National rank among the largest banks in Philadelphia. During this comparatively brief period, net profits of $720,945.58 have been earned. The strong position of the bank is indicated by the fact that its cash, due from banks, and exchanges, foot up $11,101,591.42. Loans and discounts amount to $20,118,764.18, and the total resources are $31,220,455.60.

J. R. McAllister, President of the Franklin National Bank, has had a wide experience in banking in Philadelphia. He began with the National Bank of the Republic, May 15, 1878, and in October, 1881, entered the correspondence department of the First National Bank, later becoming a paying teller. He resigned this position February 15, 1892, to accept a position with the Corn Exchange National Bank as foreign collection clerk. On April 15, 1892, he was appointed Assistant Cashier, and in 1893 was made Cashier, holding this office until June 1, 1900, when he resigned to become Cashier of the Franklin National Bank, then in course of organization. He continued Cashier until May, 1904, when he was elected President. Mr. McAllister has represented his State as Vice-President of the American Bankers' Association, and was elected President of the Pennsylvania Bankers' Association in 1902.

J. R. MCALLISTER,
President Franklin Nat. Bank, Philadelphia.

E. P. PASSMORE,
Cashier Franklin Nat. Bank Philadelphia.

E. P. Passmore, Cashier of the Franklin National Bank, is not only familiar with all departments of bank work, but by his energy, ability and courtesy has contributed in an important degree to the popularity and success of the bank.

C. V. Thackara, is the efficient Assistant Cashier, and William Wright is the Manager of the Foreign Exchange Department.

The directors of the Franklin National Bank include some of the leading bankers and business men of Philadelphia, while New York banking and financial interests are also well represented in the board.

CONDITION OF THE NATIONAL BANKS.

Abstract of reports of condition of National banks in the United States on January 11 March 14 and May 29, 1905. Total number of banks reporting on June 9, 1904, 5,331; May 29, 1905, 5,668; increase, 337.

Resources.	Jan. 11, 1905.	Mar. 14, 1905.	May 29, 1905.
Loans and discounts	$3,728,166,086	$3,851,858,472	$3,899,170,328
Overdrafts	43,749,807	36,375,221	30,467,466
U.S. bonds to secure circulation	431,776,740	440,840,640	457,502,540
U.S. bonds to secure U.S. deposits	104,745,350	95,855,800	74,289,450
Other bonds to secure U.S. deposits	6,021,245	4,349,410	7,526,101
U.S. bonds on hand	15,143,710	17,558,850	16,108,500
Premiums on U.S. bonds	15,612,230	15,030,722	14,490,434
Bonds, securities, etc	605,082,723	642,778,943	669,545,598
Banking house, furniture and fixtures	124,169,036	128,144,430	130,006,135
Other real estate owned	20,438,624	20,519,501	20,154,800
Due from National banks	330,756,055	329,177,405	332,143,552
Due from State banks and bankers, etc	118,614,532	123,445,301	112,388,835
Due from approved reserve agents	542,193,651	594,094,119	562,495,160
Internal-revenue stamps	....	....	....
Checks and other cash items	31,442,581	25,260,772	28,111,820
Exchanges for clearing-house	268,374,934	287,122,185	267,856,167
Bills of other National banks	32,637,401	27,515,271	28,824,161
Fractional currency, nickels and cents	1,937,597	1,854,387	1,798,508
Specie	491,849,029	493,249,060	479,635,070
Legal-tender notes	178,122,523	157,904,573	169,629,979
Five per cent. redemption fund	21,006,860	21,460,689	22,208,658
Due from U.S. Treasurer	5,959,832	3,771,926	3,552,605
Total	$7,117,800,553	$7,308,127,686	$7,327,805,874
Liabilities.			
Capital stock paid in	$776,916,147	$782,487,884	$791,567,231
Surplus fund	406,177,675	408,888,534	413,436,145
Undivided profits, less expenses and taxes	183,994,736	194,667,181	201,855,091
National bank notes outstanding	424,345,432	430,955,178	445,455,717
State bank notes outstanding	40,344	40,344	30,973
Due to other National banks	753,871,539	812,378,655	790,421,572
Due to State banks and bankers	312,837,450	318,788,438	325,349,412
Due to trust companies and Savings banks	426,334,365	386,543,992	393,825,032
Due to approved reserve agents	41,564,507	37,916,423	37,572,634
Dividends unpaid	3,466,835	915,406	1,328,776
Individual deposits	3,612,499,598	3,777,474,006	3,783,658,494
U.S. deposits	97,417,634	84,705,235	65,570,520
Deposits of U.S. disbursing officers	8,976,352	8,517,157	9,727,823
Bonds borrowed	34,231,741	34,819,906	34,886,467
Notes and bills rediscounted	6,666,756	6,092,005	5,590,563
Bills payable	20,858,455	16,911,531	21,573,416
Liabilities other than those above	7,600,977	6,025,803	5,956,000
Total	$7,117,800,553	$7,308,127,686	$7,327,805,874

Changes in the principal items of resources and liabilities of National banks as shown by the returns on May 29, 1905, as compared with the returns on March 14, 1905, and June 9, 1904.

Items.	Since March 14, 1905.		Since June 9, 1904.	
	Increase.	Decrease.	Increase.	Decrease.
Loans and discounts	$47,311,855	....	$304,156,860	....
U.S. bonds	....	$6,314,800	9,875,865	....
Due from National banks, State banks and bankers and reserve agents	....	39,689,279	127,178,997	....
Specie	....	3,613,939	....	9,029,074
Legal tenders	11,725,406	....	....	99,194
Capital stock	9,079,346	....	24,189,083	....
Surplus and other profits	11,735,521	....	33,652,708	....
Circulation	14,500,539	....	45,871,880	....
Due to National and State banks and bankers	....	8,458,856	135,018,825	....
Individual deposits	6,184,488	....	471,218,653	....
United States Government deposits	....	17,924,049	....	35,045,146
Bills payable and rediscounts	4,160,443	....	....	3,481,502
Total resources	19,678,188	....	671,817,188	....

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.

—Messrs. Spencer Trask & Co., the well-known bankers at William and Pine streets, have prepared a description of the principal issues of short-term notes and collateral trust bonds, issued by railroads. The ready absorption of these securities, which yield from 3½ to 5 per cent., would seem to indicate that they are, in many instances, particularly fitted for banks and trust companies desiring investments for stated periods.

—The plans have been filed for the new home of the Chemical National Bank in the rear of its old quarters. The new building is to be four stories and basement and will be built of granite, classic in design, with a facade adorned with pilasters, supporting arches spanned by a dome of copper tile. The main banking office will be 75.3 feet wide and 100 feet long, and will be decorated with columns and arches carrying the dome, which is to be lighted by windows or ornamental lattice work. The old building is to be remodeled into a public corridor ninety-one feet long, which will be the main entrance to the new building. The corridor will have ornamental skylights and above it will be the room set apart for the bank trustees.

The new building is to cost $350,000, and will be completed in 1906.

—In their "Monthly Bulletin of Investments," Messrs. Fisk & Robinson say: "The railroad bond market during May was comparatively quiet, prices in the main holding firm, especially for the older issues. The decline in the stock market has had only a slight sympathetic influence, but an appearance of irregularity at times can, to some extent, be ascribed to this cause. The continuance of easy rates for money and confidence in the general business situation have prevented any except trifling declines in the market, and should soon lead to a broader demand."

—On June 30 the Guaranty Trust Company reported deposits of $67,966,612. On April 13, when John W. Castles became President, deposits were $48,000,000. Total resources have increased from $41,018,720.37 on December 31, 1903, to $75,879,278.29 on June 30 last.

—An extra dividend of 120 per cent. was recently declared on the stock of the Fifth Avenue Bank, to be paid from the profits of 1903 and 1904. This is in addition to the regular quarterly dividend of twenty-five per cent.

—The Comptroller of the Currency has issued to the Merchants' National Bank a re-extension of its charter for twenty years, from June 17, 1905, to June 17, 1925.

—Edward P. Hatch, President of Lord & Taylor's, was recently elected a director of the Lincoln Trust Co., to fill a vacancy caused by the death of James I. Raymond. George J. Bayles has been elected Trust Officer of the company.

—The Bank of New York National Banking Association recently extended its charter to June 7, 1925.

NEW ENGLAND STATES.

Maine Bank Report.—A report of the Savings banks and trust companies of Maine, recently issued, shows that the deposits of the Savings banks were $78,230,219 on April 29, compared with $76,686,546 on October 29, 1904. Trust and banking companies show $23,555,000 total resources on April 29, compared with $22,928,000 on October 29, 1904.

State Bank Supervisors.—The National Association of the Supervisors of State Banks met in annual convention at Portland, Me., June 27, George F. Kendall, of Connecticut, presiding. Mayor Baxter, of Portland, Governor Cobb and Bank Examiner Fremont E. Timberlake, of Maine, welcomed the delegates. Among the speakers and topics were: "Overcapitalization," by Hon. Charles E. Littlefield, member of Congress from Maine; "Governmental Supervision of Business," Justice L. A. Emery, of the Supreme Court of Maine; "Commercial Banks of Maine," Frederick E. Richards, former Bank Examiner of Maine; "The New England Conscience in Banking," Meigs H. Whaples, Hartford, Ct.; "Development of Modern Banking and Its Agency in the Expansion of Business," Francis B. Sears, Vice-President National Shawmut Bank, Boston, and "Interest on Commercial Deposits," Frederick D. Kilburn, Superintendent of the New York State Banking Department.

These officers were chosen: President, M. C. Bergh, Madison, Wis.; vice-presidents, Warren E. Locke of Boston, Richard M. Scammon of Concord, N. H., and David O. Watkins of Woodbury, N. J.; secretary-treasurer, George W. Moore, Port Huron, Mich.; chairman of executive committee, George F. Kendall, Suffield, Ct.

MIDDLE STATES.

Reading, Pa.—Through the courtesy of the Farmers' National Bank, The Bankers' Magazine has received a copy of the semi-annual issue of "The Financial Bulletin," which contains much valuable information relating to local securities, as well as statements and brief histories of the Reading banks and trust companies.

New York State Bankers' Association.—The order of exercises at the convention of the New York State Bankers' Association is as follows:

Thursday, July 13—Annual address by Charles H. Sabin, president; annual report of secretary, E. O. Eldredge; treasurer's report, David Cromwell; report of group chairmen; address, S. R. Flynn, President National Live Stock Bank, Chicago; address, James M. Beck; nominations.

Friday, July 14—Address, "Is This Country in Danger of Becoming Socialistic?" John R. Van Wormer, secretary Lincoln Safe Deposit Company, New York; address, "A Voice From the South," Joseph C. Brown, President Citizens' National Bank, Raleigh, N. C.; address, "Money Orders of American Bankers' Association," F. W. Lafrentz, comptroller American Surety Company; election of officers.

A pleasing and varied social programme has also been prepared.

Pittston, Pa.—Theodore Strong, who has been President of the First National Bank, Pittston, Pa., since its organization in 1864, and who was a member of the board of directors of its predecessor, resigned his office on June 20, to take effect July 1. His successor will be the Vice-President, William L. Watson. Mr. Strong is now eighty-six years of age. He will continue to be a director of the bank.

Pittsburg, Pa.—N. Holmes & Sons have merged their business with that of the Union National Bank. It is said the capital of the latter will be increased, the new stock being largely taken by Messrs. Holmes & Sons. It is also stated that a new banking house of twenty or more stories will be built.

New York State Trust Companies.—A recent compilation of the reports of the statements of the trust companies of the State of New York showed that the total resources of trust companies operating in the State have increased from $1,364,016,015 to $1,487,424,840 in the past six months. The surplus and undivided profits also increased from $104,465,545 to $115,822,231. The market value of the surplus and undivided profits at the close of business June 7 was $162,019,905, and the total amount of deposits on which interest is paid was $1,187,575,627.

A Bequest to Bank Clerks.—By the will of Charles J. Everett, former Cashier of the National Bank of Orange County, Goshen, N. Y., the Bank Clerks' Mutual Benefit Association of New York will receive a legacy of over $100,000. Mr. Everett left an estate of about $150,000.

A sister is to enjoy the income during her life, after which $12,000 is given to the village of Goshen for a library, $10,000 to the same village for a soldiers' monument, and $3,000 to the Presbyterian Church at Goshen for maintaining a park and grounds, the balance going to the Bank Clerks' Association.

Philadelphia.—Next fall the Girard Trust Company will begin the construction of a new building, which will be of purely classic design, and will be built either of white marble or white granite.

—Recently a committee was appointed by the trust companies to confer with a committee representing the Philadelphia Clearing-House with regard to a plan for improving the present system for the collection of checks drawn upon trust companies. On June 19 the committee representing the trust companies reported agreement on all points except the matter of reserve. The amended proposal concerning the reserve to be kept by trust companies, as submitted by the clearing-house committee, was as follows:

"Each non-member clearing through a member of this association shall maintain a reserve of not less than fifteen per cent. of its net average deposits, of which three per cent. shall be in cash in its vaults up to June 1, 1906, and thereafter 5 per cent. in cash reserve shall be maintained, the remainder to be kept in its depository banks."

SOUTHERN STATES.

Dallas, Texas.—On June 12 it was announced that the National Exchange Bank and the American National Bank would be consolidated. The National Exchange Bank was established in 1875 and the American National in 1884. The consolidated banks will have deposits approximating $7,000,000.

Fort Worth, Texas.—J. T. Pemberton was elected a director and Vice-President of the Farmers and Mechanics' National Bank June 27. Mr. Pemberton and his business associates, W. H. and Geo. E. Cowden, have purchased a substantial amount of the bank's stock. They have been engaged in the banking and cattle business in West Texas for fifteen or twenty years.

Chattanooga, Tenn.—Financial arrangements have been completed for the construction of a power plant on the Tennessee River here which will secure a minimum continuous current of 36,000 horse power, furnishing electric motive force for all the factories of the city and for many new enterprises that are expected to be established in consequence of this important improvement.

Greenwood, S. C.—The Bank of Greenwood now exclusively occupies its new building, which is a perfect example of the best style of modern bank architecture. In the exterior facings Georgia granite and marble have been used, while the interior represents a tasteful and substantial combination of marble, bronze, mahogany, steel and glass. The vaults are of chrome steel and are equipped with the latest improvements.

Mississippi State Banks.—State Auditor T. M. Henry has completed the compilation of the State bank statements made under the call of May 29. As compared with the statements made on May 27, 1904, about one year previous, the banks had increased in number from 183 to 228, an increase of forty-five banks for the period, not counting the twelve or fifteen organized but having done no business.

Gulf and Ship Island Railroad.—During the month of May, 1905, the Gulf & Ship Island Railroad handled export lumber amounting to 16,472,000 feet. For the eleven months ended May 31, 1905, exports amounted to 209,225,750 feet, as against 171,082,657 feet for the same period of the previous year.

WESTERN STATES.

Chicago.—The Hibernian Banking Association now occupies new quarters comprising two floors of the new Rector Building, corner Clark and Monroe streets, centrally located in the financial district. These rooms have been provided with everything needful for the safe and convenient transaction of business, and are besides attractive in appearance.

W. A. Heath, who has been Vice-President of the bank since January and who is now in charge of the commercial department, was formerly a bank examiner, and prior to that was engaged in banking at Champaign, Ill.

—Announcement is made by the Bankers National Bank of the opening of its enlarged and fully equipped foreign exchange department, which now issues drafts on all cities of Europe and important trading centres in the Orient, buys bills of exchange, furnishes commercial credits to importers and circular letters to travellers, available in all parts of the world, makes cable transfers and bank post remittances and deals in foreign coins.

The facilities of the Bankers' National, and its foreign connections, enable it to meet every requirement of this branch of banking. The service is also open to other banks.

St. Louis.—St. Louis capitalists a short time ago bought the property at No. 1 Wall Street, New York, paying therefor $700,000. This is said to be the highest price ever paid for New York real estate, the plot being only thirty by thirty-nine feet.

—An increase of capital is to be made by the Merchants' Laclede National Bank, the new stock to be sold at $300 a share. When the new stock is issued the bank will have $1,700,000 capital and $1,600,000 surplus.

—The new Mechanics'-American National Bank has declared its first dividend since the consolidation. The stockholders will receive two per cent. on their holdings for the two months the bank has been in operation. This establishes the stock at a twelve per cent. annual dividend if the present rate is maintained.

At a recent meeting the board of directors elected two new Assistant Cashiers, Charles L. Allen and F. M. Gardner, making five Assistant Cashiers. Both men are old Mechanics' bank employes.

—The National Bank of Commerce recently increased its regularly quarterly dividend from three to four per cent., the first payment at the new rate having been made July 1.

The board announces that since the bank increased its capital and surplus to $15,000,000 three years ago on a twelve per cent. annual dividend basis there has accumulated $1,000,000 in additional profits, which it decided to distribute in increased dividends. At the advanced rate the distribution will be $1,120,000 a year, which is nearly $100,000 less than the bank has been earning during the past three years. On this showing the officials see no difficulty in maintaining the increase.

The recent dividend was the 116th in the history of the bank and $2,520,000 has been paid out in dividends since the increase in capital stock.

Holland, Mich.—A new building is being put up for the People's State Bank, which will open August 1. An entire floor, 30 by 100 feet, will be occupied by the bank.

Corunna, Mich.—Progress is indicated by the recent removal of the Old Corunna Bank into its new building, which is a solid and beautiful structure, well arranged for the increasing business of the bank.

Saginaw, Mich.—A short time ago a compilation of the reports of the six banks here was made, and it showed: capital, $700,000; surplus and profits, $1,053,730; deposits, $11,178,000. There is not a bank that does not have surplus and profits in excess of the paid-in capital.

Hillsdale, Mich.—The Hillsdale Savings Bank is putting up a new building adjoining its present location. The new structure will be of Bedford stone, will be occupied exclusively by the bank, and fitted up with modern equipment.

Decorah, Iowa.—Notwithstanding the great number of banks in Iowa, they all seem to be prospering. C. J. Weiser, the President of the Winneshiek County Bank, is so well satisfied with the business of his institution that he has decided to take a vacation, and on June 22 sailed for Europe, where he will spend several weeks, most of the time in Norway. Mrs. Weiser, their two children, and maid, accompany him.

Negotiable Instruments Law.—Michigan is one of the latest States to adopt the uniform Negotiable Instruments Law. Geo. W. Bates, of Detroit, and others have labored for many sessions of the Michigan Legislature to have this measure passed, and they have at last succeeded.

Zeeland, Mich.—The State Commercial and Savings Bank, which commenced business May 1, is putting up a modern two-story brick building, which will be ready for occupancy about October 1.

Ypsilanti, Mich.—The First National Bank has moved into its new home, which is a substantial and complete bank building. Daniel L. Quirk, the President, has been connected with the bank since its organization, having been elected Vice-President in 1863 and President in 1884. The First National has $75,000 capital, $75,000 surplus, and over $400,000 deposits.

PACIFIC SLOPE.

Portland, Ore.—I. W. Hellman and associates have bought the Wells, Fargo Bank here and merged it with the United States National Bank, increasing the capital of the latter from $300,000 to $500,000.

Tacoma, Wash.—A consolidation of the Lumbermen's National Bank with the Pacific National Bank went into effect June 28, the last named bank being the succeeding institution. It will have $300,000 capital and will retain the services of the officers and employees of both banks.

Pasadena, Cal.—Ernest H. May succeeds the late Alexander R. Metcalfe as President of the First National Bank. A. K. McQuilling has been chosen Vice-President, and Don C. Porter a director, to fill a vacancy. R. I. Rogers, Cashier of the First National, is now a director of the Pasadena Savings and Trust Company, succeeding Mr. Metcalfe.

Sacramento, Cal.—On July 1 the Fort Sutter National Bank opened here with $200,000 capital. Its directors are well-known local business men. Frank Ruhstaller, the President, is at the head of a large brewing establishment and is known as a successful business man. George J. Bryte and E. A. Nicolaus, the Vice-Presidents, are also pushing but careful men of affairs. A. L. Darrow, the Cashier, resigned as manager of the exchange and collection departments of the Western National Bank, San Francisco, to take his present position. While with the Western National the domestic exchange business increased over 300 per cent. and foreign exchange 700 per cent.

McMinnville, Ore.—Since May 31, the McMinnville National Bank has been doing business in its remodelled banking rooms, which have been fitted up with adequate facilities for the growing volume of accounts being handled. The capital of the bank is $50,000, surplus $50,000, and deposits $370,000—the latter item having increased to this figure from $224,000 in 1901.

CANADA.

Eastern Townships Bank.—The statement of the Eastern Townships Bank for the six months ending May 15 shows net profits of $167,185 or 6.68 per cent. In addition $14,055 was added to profit and loss account from premiums received on new stock, which, with the amount at credit of profit and loss from last year, $30,217, brought up the total for distribution to $211,458. After payment of the half-yearly dividends of four per cent., amounting to $99,986, the balance, $111,471, was carried forward.

Imperial Bank of Canada.—The Imperial Bank of Canada, of Montreal, announces that it will increase its capital by $1,000,000. It will be offered to the shareholders at the rate of one new share for three of the old.

Bank of Toronto.—July 3 was the date fixed for the first payments for the new $500,000 stock of the Bank of Toronto. This increase gives the bank $3,500,000 paid-up capital and $3,800,000 surplus.

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.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Granada, Colo.; by J. L. Mayfield, et al.
First National Bank, Springfield, Minn; by A. G. Anderson, et al.
United States National Bank, Anaheim, Cal.; by J. A. Graves, et al.
First National Bank, Downsville, N. Y.; by C. E. Hulbert, et al.
First National Bank, Hendricks, W. Va., by Bishop W. Jennings, et al.
National Bank of Marion, Marion, Kans.; by C. S. Jobes, et al.
Springvale National Bank, Springvale, Me.; by Geo. W. Hanson, et al.
Brady National Bank, Brady, Texas; by F. W. Henderson, et al.
American National Bank, Chattanooga, Tenn.; by H. S. Probasco, et al.
First National Bank, Leland, Ill.; by Enoch J. Grover, et al.
First National Bank, Las Vegas, Nev.; by Robert Hale, et al.
First National Bank, Ovid, N. Y.; by M. S. Sandford, et al.
First National Bank, Richland Center, Wis.; by C. R. Thomson, et al.
First National Bank, Pocahontas, Va.; by Geo. W. Gillespie, et al.
Ferdinand National Bank, Ferdinand, Ind.; by John G. Beckmann, et al.
First National Bank, Pleasanton, Kans.; by B. F. Brown, et al.
First National Bank, Blanket, Texas; by Whit George, et al.
First National Bank, Hancock, Md.; by U. B. McCandlish, et al.
First National Bank, Franklin, Texas; by C. C. Walsh, et al.
First National Bank, York Springs, Pa.; by Anthony Deardorff, et al.
First National Bank, Lestershire, N. Y.; by Wm. H. Hill, et al.
First National Bank, Batesville, Ind.; by John Hellenbrand, et al.
Jacksboro National Bank, Jacksboro, Texas; by W. A. Shawn, et al.
National Bank of Mena, Mena, Ark.; by R. M. Quigley, et al.
First National Bank, National City, Cal.; by W. H. Hubbard, et al.
First National Bank, Christiansburg, W. Va.; by Chas. R. Colhoun, et al.
Farmers' National Bank, Stewartsville, Mo.; by L. F. Henry, et al.
Hamilton National Bank, Chattanooga, Tenn.; by T. R. Preston, et al.
First National Bank, Kramer, N. D.; by H. N. Stabeck, et al.
First National Bank, Elisa, N. D.; by H. N. Stabeck, et al.
First National Bank, Antler, N. D.; by H. N. Stabeck, et al.
Bottineau National Bank, Bottineau, N. D.; by H. A. Batie, et al.
Pauls Valley National Bank, Pauls Valley, I. T.; by T. A. Vaughn, et al.
Hyde Park National Bank, Hyde Park, Mass.; by Fred L. Childs, et al.
First National Bank, Dwight, Ill.; by Frank L. Smith, et al.
First National Bank, Rolette, N. D.; by A. Egeland, et al.
First National Bank, Egeland, N. D.; by A. Egeland, et al.
Bayside National Bank, Bayside, N. Y.; by Elmer G. Story, et al.
First National Bank, Goodland, Ind.; by Morton Gilgore, et al.
First National Bank, Corona, Cal.; by Jno. P. Key, et al.
Citizens' National Bank, Jamestown, N. D.; by J. J. Nierling, et al.
Northern Ohio National Bank, Oberlin, Ohio; by C. H. Snyder, et al.
Farmers' National Bank, York, Neb.; by C. A. McCloud, et al.
Barnegat National Bank, Barnegat, N. J.; by J. S. Storms, et al.
Morgan County National Bank, Cannel City, Ky.; by Luke Poell, et al.
First National Bank, Council Hill, I. T.; by Franklin Garland, et al.
First National Bank, Milburn, I. T.; by Jas. R. McKinney, et al.

NATIONAL BANKS ORGANIZED.

7757—First National Bank, Jasper, Fla. Capital, $30,000; Pres., W. Y. Sandlin; First Vice-Pres., W. H. Greene; Second Vice-Pres., C. D. Blackwell; Cas., H. de G. Stewart.

7758—Marion National Bank, Marion, Ind. Capital, $200,000; Pres., Fred W. Willson; Vice-Pres., J. Wood Wilson; Cas., E. E. Blackburn; Asst. Cas., Albert J. Willson.

7759—First National Bank, Powhatan Point, Ohio. Capital, $25,000; Pres., Henry J. Zink; Vice-Pres., A. F. Ramsay; Cas., B. R. Barns; Asst. Cas., Benjamin F. Disque.

7760—Corydon National Bank, Corydon, Ind. Capital, $125,000; Pres., Geo. W. Applegate; Vice-Pres., W. E. Cook; Cas., W. B. Slemons; Asst. Cas., G. W. Applegate, Jr.

7761—First National Bank, Winamac, Ind. Capital, $50,000; Pres., W. S. Huddleston; Vice-Pres., Marshal Carper; Cas., O. H. Keller; Asst. Cas., F. E. Keller.

7762—La Grange National Bank, La Grange, Ga. Capital, $150,000; Pres., Fuller E. Callaway; Vice-Pres., C.

V. Truitt and F. M. Longley; Cas.. P. G. Awtrey; Asst. Cas., H. D. Glanton.

7763—East Hampton National Bank, East Hampton, N. Y. Capital, $25,000; Pres., Hiram Sherrill; Vice-Pres., Charles W. Rackett, Jr.; Cas., B. H. Van Scoy.

7764—First National Bank, Motley, Minn. Capital, $25,000; Pres., Isaac Hazlett; Vice-Pres., Wm. A. Lancaster; Cas., D. L. Case; Asst. Cas., S. W. Jacobs.

7765—State National Bank, Jennings, La. Capital, $60,000; Pres., T. L. Waddell; Vice-Pres., P. L. Lawrence; Cas., C. D. Andrus; Asst. Cas., E. D. Conner.

7766—Mesa County National Bank, Grand Junction, Colo. Capital, $100,000; Pres., Wendell P. Ela; Vice-Pres., Geo. P. Smith; Cas., Orson Adams, Jr.

7767—First National Bank, Toppenish, Wash. Capital, $25,000; Pres., F. A. Williams; Vice-Pres., Edward J. Jaeger; Cas., H. M. Gilbert.

7768—First National Bank, Jeanerette, La. Capital, $50,000; Pres., Hippolyte Patout; Vice-Pres., Geo. John Labau and St. Paul Bourgeois; Cas., Marcus Breckenridge Tarleton.

7769—First National Bank, McClure, Pa. Capital, $25,000; Pres., Ner B. Middlesworth; Vice-Pres., H. Calvin Ulsh; Cas., E. W. P. Benfer.

7770—Farmers' National Bank, Luverne, Minn. Capital, $25,000; Pres., A. Ross; Vice-Pres., J. W. Gerber. Cas., B. E. Shuck.

7771—Thomas National Bank, Thomas, Okla. Capital, $25,000; Pres., G. J. Moser; Vice-Pres., F. A. Moser; Cas., A. L. Moser.

7772—First National Bank, Hawley, Minn. Capital, $25,000; Pres., F. H. Wellcome; Vice-Pres. H. Glaisyer; Cas., Guy A. Lee.

7773—Elston National Bank, Crawfordsville, Ind. Capital, $100,000; Pres., I. C. Elston; Vice-Pres., C. M. Crawford; Cas., R. C. Scott.

7774—Otselic Valley National Bank, South Otselic, N. Y. Capital, $25,000; Pres., Benjamin F. Gladding; Vice-Pres., Ralph R. Brown; Cas., Frank E. Cox.

7775—First National Bank, Midlothian, Texas. Capital, $50,000; Pres., J. P. Anderson; Vice-Pres., M. W. Hawkins; Cas., G. W. Newton.

7776—Fort Sutter National Bank, Sacramento, Cal. Capital, $200,000; Pres., F. Ruhstaller; Vice-Pres., G. J. Bryte and E. A. Nicolaus; Cas., A. L. Darrow.

7777—Citizens' National Bank, Albany, Ga. Capital, $50,000; Pres., Jno. K. Pray; Vice-Pres., A. P. Vason; Cas., Edwin Sterne.

7778—First National Bank, Chipley, Fla. Capital, $50,000; Pres., E. N. Dekle; Vice-Pres., S. A. Alford; Cas., W. O. Butler, Jr.

7779—First National Bank, Lemoore, Cal. Capital, $25,000; Pres., B. K. Sweetland; Vice-Pres., Stiles McLaughlin; Cas., F. J. Peacock; Asst. Cas., F. M. Dingley.

7780—First National Bank, Talihina, I. T. Capital, $25,000; Pres., John T. Bailey; Vice-Pres., A. G. Gladney; Cas., Arthur Bailey.

7781—Central National Bank, Portsmouth, Ohio. Capital, $100,000; Pres., Levi D. York; Vice-Pres., S. S. Halderman; Cas., Geo. E. Kricker.

7782—First National Bank, Graham, Va. Capital, $25,000; Pres., W. B. Morton; Vice-Pres. Jas, F. Dudley; Cas., J. E. Morton.

7783—First National Bank, Lamont, Okla. Capital, $25,000; Pres., A. C. Thompson; Vice-Pres., W. C. Muegge; Cas., L. H. Thompson; Asst. Cas., W. J. Robinson.

7784—Silverton National Bank, Silverton, Colo. Capital, $25,000; Pres., Geo. H. Williams; Vice-Pres., Nelson A. Ballou; Cas., Guy V. L. Emerson; Asst. Cas., W. M. Montgomery.

7785—Peckville National Bank, Peckville, Pa. Capital, $50,000; Pres., J. D. Peck; Vice-Pres., F. H. Hemelright; Cas., T. G. Winter.

7786—Mount Vernon National Bank, Mount Vernon, Ind. Capital, $50,000; Pres., William M. Ford; Cas., William E. Holton; Asst. Cas., Herbert B. Fitton.

7787—Franklin National Bank, Newark, Ohio. Capital, $250,000; Pres., W. A. Robbins; Vice-Pres., Wm. L. Prout; Cas., W. B. Hopkins.

7788—American National Bank, Sapulpa, I. T. Capital, $25,000; Pres., Chas. Whitaker; Vice-Pres., R. A. Boden; Cas., W. M. Crawford.

7789—First National Bank, Rogers, Ark. Capital, $25,000; Pres., Geo. D. Parks; Vice-Pres., F. Z. Meeks; Cas., W. H. Cowan.

7790—First National Bank, Rock Creek, Ohio. Capital, $50,000; Pres., Fred Harrington; Vice-Pres., G. S. Harvey; Cas., C. C. McConnell.

7791—First National Bank, Middletown, Ill. Capital, $25,000; Pres., James A. Glenn; Vice-Pres., John W. Shaver; Cas., John H. Keest.

7792—People's National Bank, Jeannette, Pa. Capital, $50,000; Pres., J. Collins Greer; Vice-Pres., Edmund Fisher; Cas., Alf. T. Smith; Asst. Cas., James G. Black.

7793—First National Bank, Wellington, Colo. Capital, $25,000; Pres., P. Anderson; Vice-Pres., F. M. Wright; Cas., Jno. S. Cusack.

7794—First National Bank, Highmore, S. D. Capital, $25,000; Pres., F. D. Greene; Vice-Pres., W. D. McDonold; Cas., C. P. Swanson.

7795—Commercial National Bank, Tiffin, Ohio. Capital, $150,000; Pres., R. D. Sneath; Cas., J. B. Runyan; Asst. Cas., W. W. Keller.

7796—National Bank of St. Petersburg, St. Petersburg, Fla. Capital, $25,000; Pres., F. A. Wood; Vice-Pres., A. F. Bartlett; Cas., T. K. Wilson.

7797—Brown National Bank, Jackson, Minn.; capital, $40,000; Pres., John K. Brown; Vice-Pres., J. W. Cowing; Cashier, H. L. Strom; Asst. Cashier, Jos. J. Pribyl.

7798—Farmers & Merchants' National Bank, Venus, Texas; capital, $25,000; Pres., B. C. Kelly; Vice-Pres., Walter Barnes; Cashier, C. L. Barker.

7799—People's National Bank, Hackensack, N. J.; capital, $100,000; Pres., W. A. Linn; Vice-Pres., Courtlandt Linkroum; Cashier, Irving H. Labagh.

7800—First National Bank, Sardinia, Ohio; capital, $25,000; Pres., Jacob Bauer; Vice-Pres., J. N. Plummer; Cashier, F. H. Slaughter.

7801—First National Bank, Escondido, Cal.; capital, $25,000; Pres., Louis J. Wilde; Vice-Pres., W. H. Hubbard and Arthur B. Jones; Cashier, S. A. Reed.

7802—First National Bank, Flora, Ind.; capital, $25,000; Pres., Edward G. Kitzmiller.

7803—Hollywood National Bank, Hollywood, Cal.; capital, $25,000; Pres., Edwin O. Palmer; Vice-Pres., E. J. Marshall; Cashier, G. G. Greenwood.

7804—Bowling Green National Bank, Bowling Green, Ky.; capital, $100,000; Pres., J. F. Cox.

7805—National Brookville Bank, Brookville, Ind.; capital, $50,000; Pres., John C. Shirk; Cashier, Geo. E. Dennett.

7806—Clinton National Bank, Clinton, Mo.; capital, $50,000; Pres., William Docking; Vice-Pres., W. H. Gibbins; Cashier, C. W. Snider.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Birmingham—Commercial State Bank; capital, $100,000; Pres., Jno. D. Elliott; Vice-Pres., S. E. Thompson; Cashier, J. D. Dabney.

Livingston—Bank of Sumter; capital, $30,000; Pres., W. W. Patton; Vice-Pres., B. Tannenbaum and W. H. Arrington; Cashier, H. L. Jones; Asst. Cashier, W. H. Arrington.

ALASKA.

Seward—Bank of Seward; capital, $15,000; Pres., F. G. Hale; Vice-Pres., C. E. Dickerman; Cashier, F. M. Hale; Asst. Cashier, E. E. Hale.

ARKANSAS.

Antoine—Bank of Antoine; capital, $5,000; Pres., J. P. Dunn; Vice-Pres., O. O. Meeks; Sec., E. E. Groom; Treas., M. A. Hardin.

Des Arc—Bank of Des Arc; capital, $10,000; Pres., G. W. Edmondson; Vice-Pres., J. R. B. Moore; Cashier, A. R. Krewson.

Emmet—Emmet Office, Bank of Prescott; Cashier, C. D. McSwain.

Fort Smith—Kelley Trust Co.; capital, $500,000; Pres., Harry E. Kelley; Vice-Pres., C. D. Morven; Treas., K. Jno. Vail.

Monticello—Monticello Bank & Trust Co. (successor to Monticello Bank); capital, $100,000; Pres., R. L. Hardy; Vice-Pres., J. G. Williamson; Cashier, R. L. Hyatt; Asst. Cashier, James Jackson.

Wilmot—Brame Mercantile Co. Bank; Pres., A. F. Brame; Vice-Pres., W. C. Carter; Cashier, W. A. Brame.

CALIFORNIA.

Anaheim—Anaheim Savings & Trust Bank; capital, $25,000; Pres., Frank Shanley; Vice-Pres., H. A. Johnston; Cashier, John Hartung.

Coalinga—Bank of Coalinga; capital, $25,000; Pres., I. L. Bryner; Vice-Pres., S. E. Biddle, Jr.; Cashier, H. C. Kerr.

Half Moon Bay—Bank of Half Moon Bay; capital, $25,000; Pres., Alfred D. Bowen; Vice-Pres. and Cashier, J. Hall Lewis.

Lompoc—Farmers & Merchants' Savings Bank; capital; $25,000; Pres., Robert Sudden; Vice-Pres., W. H. Sudden; Cashier, J. Klein; Asst. Cashier, L. Kahn.

Long Beach—California State Bank; capital, $100,000; Pres., Walter Snider; Vice-Pres., A. M. Goodhue; Cashier, Harry Barndollar; Asst. Cashier, G. H. Gaylord.—Bank of Commerce; capital, $50,000; Pres., James C. Kays; Vice-Pres., C. A. Buffum and P. W. Weidner.

Modesto—Security Savings Bank; capital, $25,500; Pres., W. R. High; Cashier, Frank A. Cressey; Asst. Cashier, W. A. Harter.

Ocean Park—Commercial Bank; capital, $12,500; Pres., L. A. Pratt; Vice-Pres., Warren Gillelen; Cashier, J. W. Lawrence, Jr.

Pasadena—American Bank & Trust Co.; capital, $100,000; Pres., Isaac Springer; Vice-Pres., W. D. Turner and A. J. Berteaunoe; Cashier, John S. Gove.

COLORADO.

Sugar City—Citizens' Exchange Bank (successor to Citizens' National Bank); capital, $25,000; Pres., Geo. Conrad; Vice-Pres., N. C. Williams; Cashier, J. E. Williams.

DISTRICT OF COLUMBIA.

Washington—East Washington Savings Bank; capital, $100,000; Pres., John E. Herrell; Vice-Pres., Thomas W. Smith; Treas., Chas. A. McCarthy.

FLORIDA.

Madison—Citizens' Bank; capital, $50,000; Pres., W. H. Dial; Vice-Pres., A. Livingston and R. D. Rowe; Cashier, A. Livingston, Jr.; Asst. Cashier, C. L. Morrow.

Mayo—Citizens' Bank; capital, $1,500; Pres., J. Lee Ensign; Vice-Pres., John J. Dees; Cashier, Chas. W. Sweet.

Jacksonville—Guarantee Trust & Savings Co.; capital, $100,000; Pres., James W. Spratt; Vice-Pres., W. M. Bostwick, Jr.; Sec. and Treas., Harlow Barnett.

GEORGIA.

Allapaha—Bank of Allapaha; capital, $15,000; Pres., M. J. McMillan; Vice-Pres., J. J. Paulk; Cashier, F. T. Tiller.

Baxley—Bank of Baxley; capital, $30,000; Pres., P. H. Combs; Vice-Pres., C. W. Deen; Cashier, V. H. McQuarie.

Haddock—Jones County Bank; capital, $15,000; Pres., John D. Walker; Vice-Pres., J. T. Finney; Cashier, T. R. Turner.

Nichols—Citizens' Bank; capital, $105,-000; Pres., B. H. Tanner; Vice-Pres., W. W. McDonald; Cashier, E. L. Tanner; Asst. Cashier, F. G. Jones.

IDAHO.

Oakley—Oakley State Bank; capital, $25,000; Pres., Thos. D. Dee; Vice-Pres., Hector C. Haight; Cashier, S. T. Halverson.

Twin Falls—McCormick & Co.; Cashier, F. D. Kimball.

ILLINOIS.

Chicago—Woodhaven Trust & Savings Bank (successor to Woodhaven Bank); capital, $200,000; Pres., Wm. D. McKey; Vice-Pres., Chas. M. Poague; Cashier, Fred C. Bell; Asst. Cashier, J. W. Watson.

Des Plaines—Des Plaines State Bank; capital, $25,000; Pres., August Moldenhauer; Vice-Pres., Peter M. Hoffmann; Cashier, Henry C. Behrens.

Ferris—Farmers' State Bank (successor to Farmers' Standard Bank); capital, $25,000; Pres., W. O. Kunkel; Vice-Pres., M. J. Ruger; Cashier, J. W. Richards; Asst. Cashier, F. N. Casburn.

Ste. Marie—Bank of Ste. Marie; capital, $8,000; Cashier, Frank L. Merceret.

Westervelt—Bank of Westervelt; capital, $15,000; Pres., Lee Graham; Vice-Pres., W. P. Anderson, Cashier, E. D. Barnett.

INDIANA.

Arlington—Arlington Bank; capital, $10,000; Pres., Moses W. Davis; Cashier, Jacob F. Downey.

Hudson—Hudson Bank; capital, $10,-000; Pres., J. H. Leas; Cashier, L. R. Waterman.

Laporte—Bank of the State of Indiana; capital, $80,000; Pres., H. L. Weaver; Vice-Pres., Seth Eason; Cashier, L. B. Weaver; Asst. Cashier, H. F. McCormick.

Muncie—State Bank; capital, $100,000; Pres., J. B. Jones; Vice-Pres., F. W. Casner; Cashier, W. B. Bundy; Asst. Cashier, C. A. Ramsey.

Noblesville—Hamilton Trust Co., capital, $50,000; Pres., Geo. Bowen; Vice-Pres., F. H. Fischer; Sec., Albert Whitmyer; Asst. Sec., Elmer L. Sturdevant.

INDIAN TERRITORY.

Heavener—Farmers & Merchants' Bank; capital, $5,000; Pres., J. R. Olive; Vice-Pres., O. J. M. Brewer; Cashier, Roy A. Cooper.

McGee—First Bank; capital, $10,000; Pres., J. T. Eldridge; Vice-Pres., A. L. Nims and C. S. Hudson; Cashier, J. A. Smith.

Vera—Citizens' Bank; Pres., L. W. Mathews; Cashier, R. R. Mathews.

IOWA.

Albia—Castner-Cole Trust Co.; capital, $5,000; Pres., B. P. Castner; Vice-Pres., T. R. Cole, Sr.; Treas., J. M. Castner; Sec. and Manager, T. R. Cole, Jr.

Chapin—Chapin Savings Bank; capital, $10,000; Pres., Ira Hearn; Vice-Pres., C. M. Goodyear; Cashier, D. E. Kenyon; Asst. Cashier, G. A. Mayer.

Des Moines—University State Bank (successor to University Bank); capital, $50,000; Pres., B. F. Prunty; Cashier, B. Frank Prunty.

Dysart—Dysart Savings Bank; capital, $30,000; Pres., H. P. Jensen; Vice-Pres., E. F. Sult; Cashier, Henry Mohr.

Everly—Everly Bank; capital, $10,000; Pres., Chas. McAllister; Vice-Pres., C. P. Buckey; Cashier, Frank N. Wood.

Minburn—Minburn Savings Bank (successor to Minburn Bank); capital, $15,000; Pres., J. D. Whisenand; Vice-Pres., M. W. Gribben; Cashier, A. F. McQuie.

Newmarket — Newmarket Savings Bank (successor to Bank of New Market); capital, $30,000; Pres., H. E. Tomlinson; Vice-Pres., J. S. Harris; Cashier, Hugh Miller.

Sexton—Farmers' Savings Bank; capital, $10,000; Pres., Guy M. Butts; Vice-Pres., L. E. Krantz; Cashier, Edw. Johnson.

KANSAS.

Baxter Springs—Baxter Springs State Bank; capital, $30,000; Pres., John M. Cooper; Vice-Pres., T. J. Morrow; Cashier, F. S. Greene; Asst. Cashier, Geo. C. Connor.

Brookville—Brookville State Bank; capital, $10,000; Pres., W. E. Fowler; Vice-Pres., Geo. W. Bigg; Cashier, S. B. Reed.

Dover—Dover State Bank; capital, $10,000; Pres., T. P. Babst; Vice-Pres., John Tomson; Cashier, H. M. Phillips.

Goff—Exchange State Bank; capital, $15,000; Pres., J. T. Buening; Vice-Pres., J. S. Clifton; Cashier, A. H. Fitzwater.

Smolan—Smolan State Bank; capital, $10,000; Pres., T. Hageman; Vice-Pres., C. O. Danielson; Cashier, F. W. Norburg.

Winfield—State Bank; capital, $50,000; Pres., L. P. King; Vice-Pres., C. L. Crookham; Cashier, M. B. Light.

KENTUCKY.

Frankfort—Capital Trust Co.; capital, $7,500; Pres., T. L. Edelen; Vice-Pres., W. H. Posey; Cashier, J. McH. Craig; Asst. Cashier, Susan J. McHenry.

Lockport—Bank of Lockport; capital, $7,600; Pres., Wm. Carroll; Vice-Pres., Leonard Kelley; Cashier, T. L. Garnott; Asst. Cashier, H. N. Ott.

LOUISIANA.

Winnfield—Winn Parish Bank; capital, $15,000; Pres., J. M. Hyde; Vice-Pres., P. K. Abel; Cashier, L. Rogers.

MASSACHUSETTS.

Springfield—Hampden Trust Co.; capital, $200,000; Pres., Edward S. Bradford; Treasurer, Joseph C. Allen.

MICHIGAN.

Allegan—Allegan State Savings Bank (successor to Allegan City Bank); capital, $30,000; Pres., J. W. Chaddock; Vice-Pres., H. A. DeLano; Cashier, W. H. Chaddock.

Brooklyn—Culver State Bank (successor to Exchange Bank); capital, $25,000; Pres., W. S. Culver; Vice-Pres., W. T. Parker; Cashier, A. E. Shekel.

Gregory—Bank of Gregory; Pres., C. M. Spalding; Cashier, L. A. Spalding.

MINNESOTA.

Bovey—Bank of Bovey; Pres., A. C. Bossard; Vice-Pres., L. M. Bolter; Cashier, D. M. Vermilyea.

Eagle Bend—First State Bank; capital, $11,000; Pres., Harry Dranger; Vice-Pres., Will J. Sarff; Cashier, J. M. Anderson.

Karlstad—State Bank; capital, $10,000; Pres., H. S. Melgaard; Vice-Pres., Peter Lofgren; Cashier, C. O. Ofsthun; Asst. Cashier, C. J. Forsberg.

Lewiston — Security Bank (John Schwager Minger & Co.).

Maple Plain—State Bank; capital, $10,000; Pres., John M. Haven; Vice-Pres., Austin B. Merse; Cashier, E. J. Cranston.

Orleans—First State Bank; capital, $10,000; Pres., John Birkholz; Vice-Pres., T. M. George; Cashier, E. Franklyn.

Warren — Swedish - American State Bank; capital, $15,000; Pres., C. Wittensten; Vice-Pres., Evart Dagoberg; Cashier, L. M. Olson; Asst. Cashier, Aug. A. Johnson.

MISSISSIPPI.

Forest—Farmers & Merchants' Bank; capital, $25,000; Pres., E. F. Ballard; Vice-Pres., T. B. Graham; Cashier, C. H. Ferrill.

Laurel—Commercial Bank & Trust Co. (successor to Laurel National Bank); capital, $100,000; Pres., P. H. Saunders; Vice-Pres., S. M. Jones and S. W. Lindsey; Cashier, T. W. Yates.

Merrill—Merrill Bank; capital, $18,000; Pres., E. F. Ballard; Vice-Pres., J. E. Miller; B. W. McLeod; Mgr.

MISSOURI.

Alexandria—Sage Banking Co.; capital, $5,000; Pres., W. N. Sage; Cashier, D. H. Sage.

Anniston—Anniston Bank; capital, $7,500; Pres., J. S. White; Vice-Pres., J. L. Vaughn; Cashier, N. C. Curry.

Aulville—Aulville Bank; capital, $15,000; Pres., W. N. Davis; Vice-Pres., Henry Henning; Cashier, H. H. Lohoefener.

Cabool—Farmers & Merchants' Bank; capital, $5,000; Pres., G. L. Keithley; Vice-Pres., Geo. T. Groves; Cashier, J. McDowell.

Clarkton—Bank of Clarkton; capital, $10,000; Pres., W. P. Anderson; Vice-Pres., T. E. Page; Cashier, J. D. Waltrip.

Durham—Farmers' Bank; capital, $10,000; Pres., H. A. Gunse; Vice-Pres., T. N. Killebrew; Asst. Cashier, J. R. Johnson.

Freeburg—Bank of Freeburg; capital, $10,000; Pres., Wm. Schwartze; Vice-Pres., John Willibrand; Cashier, John Ruettgers.

Ironton—Bank of Ironton; capital, $15,000; Pres., W. T. Gay; Vice-Pres., J. S. Benson; Cashier, L. A. Cook.

Kansas City—Corn Belt Bank; capital, $50,000; Pres., James L. Lombard; Vice-Pres., James P. Lombard; Cashier, Albert E. Lombard.

Lebanon—State Bank; capital, $30,000; Pres., C. W. Rubey; Vice-Pres., Fred J. Dennett; Cashier, Thomas L. Rubey; Asst. Cashiers, S. L. Lumm and C. C. Draper.

McKittrick—McKittrick Bank; capital, $7,000; Pres., J. Karl; Vice-Pres., H. W. Stock; Cashier, J. E. Lavender.

Rockport—Farmers' Bank; capital, $20,000; Pres., W. R. Strickland; Cashier, G. E. Walter.

St. Louis—Lowell Bank; capital, $50,000; Pres., Aug. F. Klasing; Vice-Pres., Henry Arnold; Cashier, Guido D'Oench.

Walnut Grove—Citizens' Bank; capital, $12,000; Pres., C. L. King; Vice-Pres., Jno. McMehen; Cashier, J. S. Whitaker.

Waverly—Waverly Bank; capital, $25,000; Pres., H. G. Niederjohn; Vice-Pres., J. H. Wessel; Cashier, J. H. Crosswhite.

MONTANA.

Hamilton—Citizens' State Bank; capital, $30,000; Pres., J. L. Humble; Vice-Pres., T. A. Chaffin; Cashier, O. C. Cooper; Asst. Cashier, R. A. O'Hara.

NEBRASKA.

Arnold—Farmers' State Bank; capital, $5,000; Pres., A. U. Dann; Cashier, Guy Dann; Asst. Cashier, D. S. Bohrer.

Boone—Boone State Bank; capital, $6,120; Pres., R. W. Stillinger; Vice-Pres., H. M. Little; Cashier, A. A. Dodendorf.

Broken Bow—Security State Bank (successor to Bank of Commerce) capital, $15,000; Pres., W. A. George; Vice-Pres., Jules Haumont; Cashier, Jos. Pigman.

Murdock—Union State Bank; capital, $10,000; Pres., H. B. Waldron; Vice-Pres., S. E. Heilman; Cashier, A. M. Longman.

Sargent—State Bank; capital, $10,000; Pres., A. P. Culley; Vice-Pres., C. Bradley; Cashier, W. R. Storrs.

York—German-American Bank; capital $30,000; Pres., Joshua Cox; Vice-Pres., Louis W. Mittendorff; Cashier, R. S. Carscadden.

NEVADA.

Fallon—R. L. Douglass; Cashier, J. F. Collins.

Las Vegas—First State Bank; Pres., M. H. Walker; Vice-Pres., Chris. Brown; Asst. Cashier, John S. Park.

Rhyolite—Gold Exchange Bank; capital, $50,000; Pres., F. M. Clarke; Cashier, H. G. Ballou.

Tonopah—Tonopah Banking Corporation; capital, $250,000; Pres., G. W. Nixon; Vice-Pres., W. G. Harris; Cashier, Eugene Howell.

NEW JERSEY.

Hoboken—Jefferson Trust Co.; capital, $100,000; Pres., James C. Gahagan; Vice-Pres., Leo Stein and Chas. H. Focht; Sec. and Treas., H. C. Steueck; Asst. Sec., Percival Holland.

Town of Union—Weehawken Trust Co.; capital, $100,000; Pres., C. Henry Jagers; Vice-Pres., Henry J. Gordon; Treas., John C. Watson; Sec., Joseph G. Shannon.

NEW YORK.

Brooklyn—Jenkins Trust Co. (successor to Coney Island & Bath Beach Bank; capital, $500,000; Pres., J. G. Jenkins, Jr.; Vice-Pres., H. B. Scharmann and R. K. Haldane; Sec., W. A. Conklin; Asst. Secretaries, H. M. Shaw and F. Muldowney.

Mattituck—Mattituck Bank; capital, $25,000; Pres., John M. Lupton; Vice-Pres., Nat S. Tuthill; Cashier, E. D. Corwin.
Montour Falls—Weed, Fisher & Co.; Responsibility, $150,000.

NORTH DAKOTA.

Bismarck—Merchants' State Bank; capital, $30,000; Pres., P. C. Remington; Vice-Pres., E. P. Quinn; Cashier, Walter Graham.

OHIO.

Aurora—Aurora Bank; capital, $10,000; Pres., Jos. Hurd; Vice-Pres., E. H. Ford; Cashier, Carl B. Ford; Asst. Cashier, A. L. Eggleston.
Chardon—Chardon Savings Bank Co. (successor to Smith, Fowler & Co.); capital, $25,000; Pres., Geo. C. Smith; Vice-Pres., Geo. Murray; Cashier, C. T. Smith.
Cincinnati—Stock Yards Bank & Trust Co.; capital, $25,000; Pres., L. L. Sadler; Vice-Pres., T. Embry; Sec., C. R. Hubbard; Treas., Chas. H. Dater.

OKLAHOMA.

Davenport — Davenport Farmers' Bank; capital, $10,000; Pres., T. S. Watts; Vice-Pres., James S. Smith; Cashier, W. R. Smith.
Lexington—Citizens' State Bank; capital, $10,000; Pres., T. S. Hine; Vice-Pres., J. D. Lydick; Cashier, L. C. Cheworan.

PENNSYLVANIA.

Derry Church—Hershey Trust Co.; capital, $125,000; Pres., M. S. Hershey; Vice-Pres., Wm. H. Lebkicher; Treas., S. C. Stecher.
Petersburg—Shaver's Creek Bank; capital, $25,000; Pres., J. M. Blair; Vice-Pres., S. L. Stryker; Cashier, A. S. Little.
Philadelphia—Girard Avenue Title & Trust Co.; capital, $200,000; Pres., Geo. W. Roydhouse; Vice-Pres., John H. Gay and Thomas Reilly; Sec. & Treas., Harold E. Beatty.—Northwestern Trust Co.; capital, $200,000; Pres., Wm. Freihofer; Vice-Pres., Samuel Allen and A. Schimmel, Jr.; Secretary, Alex. D. Robinson.
South Bethlehem—Southside Banking Co.; capital, $100,000; Pres., W. A. Wilbur; Vice-Pres., Arnon P. Miller; Cashier, Emil J. Bishop.

SOUTH CAROLINA.

Holly Hill—Bank of Holly Hill; capital, $15,000; Pres., H. W. Rhame; Vice-Pres., J. L. B. Gilmore; Cashier, A. F. Joyner; Asst. Cashier, Lida Rhame.
Iva—Bank of Iva; capital, $15,000; Pres., Thomas Jackson; Vice-Pres., J. E. Watson; Cashier, H. R. Sherard.

SOUTH DAKOTA.

Hot Springs—Central Savings Bank; capital, $25,000; Pres., E. S. Kelly; Cashier, G. B. Flannigan.

TENNESSEE.

Greenfield—Fruit Growers' Bank; capital, $12,500; Pres., Thomas Coats; Vice-Pres., B. F. Edmundson; Cashier, D. E. Brock; Asst. Cashier, J. B. McAdams.
Knoxville—Knoxville Trust Co.; capital, $100,000; Pres., W. B. Townsend; Vice-Pres., James Maynard.
Memphis—Crescent Savings Bank & Trust Co.; capital, $10,000; Pres., Samuel Friedlander; Vice-Pres., A. E. Rosenstein; Cashier, M. H. Raymond.

TEXAS.

Edgewood—Bank of Edgewood; capital, $10,000; Cashier, C. H. Fischer.
Quanah—J. B. Goodlett & Co. (successors to C. H. Harwell) capital, $10,000; Pres., J. B. Goodlett; Cashier, E. M. Tankersley.
Tenaha—Bank of Tenaha; capital, $10,375, Pres., W. H. Wall; Vice-Pres., A. Baldwin; Cashier, W. A. Land.
Winters—F. L. Pierce Banking Co.; Cashier, C. T. Grant.

VIRGINIA.

Axtell—Klondyke Fidelity Banking Co.; capital, $1,000; Pres., R. H. Coles; Vice-Pres., S. Arnold Scott; Cashier, L. Washington; Asst. Cashier, T. H. Coles.
Eagle Rock—Eagle Rock Bank; capital, $7,500; Pres., A. Chambers Ray; Vice-Pres., N. P. Gatling; Cashier, Milton R. Morgan.
Jarratt—Bank of Jarratt; capital, $12,520; Pres., O. C. Wright; Vice-Pres., J. B. Jarratt; Cashier, J. M. Browder.
Lynchburg—W. K. Smiley & Co.; capital, $25,000; Pres., Wilbur L. Moorman; Cashier, W. K. Smiley.
Roanoke—Columbia Trust Co.; capital, $25,000; Pres., L. H. Vaughan; Vice-Pres., J. D. Johnston; Sec. and Treas., E. B. Spencer.
Smithfield—Merchants & Farmers' Bank; capital, $50,000; Pres., W. P. Wilson; Vice-Pres., B. P. Gay; Cashier, W. R. Myers.
Weyers Cave—Weyers Cave Bank; capital, $20,000; Pres., J. W. Carpenter; Vice-Pres., D. A. Clive; Cashier, N. I. Kagey.

WASHINGTON.

Anacortes—Bank of Commerce; capital, $15,000; Pres., J. H. Mason; Vice-Pres., John Ball; Cashier, E. S. Martin; Asst. Cashier, W. F. Carlson.
Burlington—Skagit State Bank; capital, $15,000; Pres., D. H. Moss, Jr.; Vice-Pres., R. L. Hannaford; Cashier, Lon L. Moody.
Lynden—Citizens' Bank; capital, $10,000; Pres., Arthur L. Swim; Cashier, G. S. Aldrich.
Spokane—Indland State Bank; capital, $15,000; Pres., M. B. Green; Vice-Pres., R. E. Cavette; Cashier, B. F. Clark.
Spokane—State Bank of Washington; capital, $25,000; Pres., M. F. Setters; Vice-Pres., John Enoe and E. W. Swanson; Cashier, Thomas McCart; Asst. Cashier, A. J. Swanson.

WEST VIRGINIA.

Williamson—Mingo County Bank; capital, $50,000; Pres., Wells Goodykoontz; Vice-Pres., E. F. Randolph; Cashier, M. Z. White; Asst. Cashier, C. C. Coe.

WISCONSIN.

Sullivan—Farmers' State Bank; Pres., W. E. Blumenstein; Vice-Pres., John C. Kochel; Cashier, Paul R. McKee.

CANADA.

BRITISH COLUMBIA.

Penticton—Canadian Bank of Commerce.

MANITOBA.

Louise Bridge—Canadian Bank of Commerce.

NORTHWEST TERRITORY.

Arcola—Merchants' Bank of Canada.
Broadview—Imperial Bank of Canada; J. A. Wetmore, Mgr.
Camrose—Merchants' Bank of Canada.
Lethbridge—Canadian Bank of Commerce; C. G. K. Nourse, Mgr.
Saskatoon—Canadian Bank of Commerce; W. B. Kirkpatrick, Mgr.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Bessemer—Bessemer National Bank; no Cashier in place of E. L. Huey; G. R. Davies, Asst. Cashier.

ARKANSAS.

Rogers—Citizens' Bank; W. H. Cowan, Cashier, resigned.

CALIFORNIA.

Fullerton—Fullerton State Bank; C. C. Chapman, Pres., in place of Wm. McEndree; Geo. A. Percival, Cashier, resigned.
Petaluma—Petaluma National Bank; Chas. G. Martin, Vice-Pres.

COLORADO.

Cripple Creek—Cripple Creek State Bank; J. A. Small, Asst. Cashier in place of C. S. Harley, resigned.
Grand Junction—Grand Valley National Bank; V. C. Talbert, Cashier in place of Max Buchmann.
Greeley—Union National Bank; no Pres. in place of B. D. Harper, deceased.

CONNECTICUT.

Hartford—United States Bank; W. B. Davidson, Cashier in place of F. G. Sexton.—National Exchange Bank; S. C. Dunham, Vice-Pres.

DELAWARE.

Wilmington—National Bank of Delaware; Henry G. Banning, Pres. resigned.

GEORGIA.

Maysville—H. & T. E. Atkins; Hugh Atkins, deceased.
Savannah—Citizens' Bank; G. L. Groover, Cashier in place of Geo. C. Freeman; R. L. Rockwell, Asst. Cashier.
Union Point—National Bank of Union Point; R. F. Bryan, Pres. in place of H. Lamb; R. A. Daniel, Vice-Pres. in place of S. H. Sibley; J. T. Hollis, Cashier in place of R. F. Bryan.

ILLINOIS.

Chester—First State Bank; Wm. A. Campbell, Cashier, deceased.
Mulberry Grove—First National Bank; L. B. Osborne, Cashier in place of L. A. Osborne; no Asst. Cashier in place of Gertrude L. Osborne.
Mattoon—Mattoon National Bank; Cyrus Fitzjerrell, Pres. in place of Wm. H. Cass; John H. Miller, Vice-Pres. in place of Cyrus Fitzjerrell.

INDIANA.

Aurora—First National Bank; E. H. Davis, Pres. in place of John A. Conwell, deceased; Seth Stedman, Vice-Pres. in place of Willard W. Howe; W. V. Webber, Cashier in place of E. H. Davis.
Indianapolis—Union National Bank; Fred. N. Smith, Cashier in place of Robert E. Morrison, resigned.
Lowell—State National Bank; J. E. Davis, Pres. in place of John Lynch.
Mount Vernon—First National Bank; Edward E. Highman, Pres. in place of Oscar L. McCallister; Manuel Crombach, Vice-Pres. in place of Milton Black, deceased.

INDIAN TERRITORY.

Centralia—First National Bank; K. J. Montgomery, Asst. Cashier.
Pauls Valley—National Bank of Commerce; S. B. Kimberlin, Cashier in place of Asa E. Ramsey.
Tulsa—Farmers' National Bank; C. W. Smith, Pres. in place of S. W. Marr; S. W. Marr, Vice-Pres. in place of Lorenzo D. Marr; J. V. Smith, Asst. Cashier in place of C. N. Wickizer.

IOWA.

Clarence—First National Bank; C. E. Read, Vice-Pres.; R. O. Hoyer, Asst. Cashier in place of A. Grant.
Exira—First National Bank; James E. Bruce, Pres. in place of Asmus Boysen; A. Voorhees, Vice-Pres.; W. E. Wissler, Cashier in place of J. E. McGuire.
Keokuk—Keokuk National Bank; E. S. Baker, Pres. in place of S. P. Pond; A. E. Matless, Vice-Pres. in place of E. S. Baker; Ira W. Wills, Vice-Pres.; J. A. Dunlap, Cashier in place of E. F. Brownell; E. R. Cochrane, Asst. Cashier.
Logan—First National Bank; E. J. Wood, Cashier in place of W. H. Wood.
Sioux City—First National Bank; A. T. Bennett, Vice-Pres.

KANSAS.

Alma—Alma National Bank; Fritz Christensen, Pres. in place of Michael Lill; Henry Jorgensen, Cashier; J. F. Jorgensen, Asst. Cashier.
Olathe—First National Bank; J. L. Pettyjohn, Vice-Pres. in place of J. B. Brenner.

KENTUCKY.

Cynthiana—Farmers' National Bank; M. D. Martin, Pres. in place of S. J. Ashbrook, deceased; H. H. Vanhook, Vice-Pres. in place of M. D. Martin.
Louisville—First National Bank; Clinton C. McClarty, Vice-Pres. in place of C. C. Bickel; J. B. Lewman, Asst. Cashier.
Owensboro—National Deposit Bank;

R. S. Hughes, Vice-Pres. in place of F. T. Gunther, deceased.

LOUISIANA.

Robeline—Bank of Robeline; K. C. Smith, Vice-Pres. in place of E. S. Woodfin.

MAINE.

Madison—First National Bank; Chas. A. Wilber, Vice-Pres. in place of K. C. Gray.

MARYLAND.

Cambridge—Farmers & Merchants' National Bank; W. Lake Robinson, Vice-Pres.

MASSACHUSETTS.

Beverly—Beverly National Bank; A. W. Rogers, Pres. in place of Albert Perry; Jasper R. Pope, Vice-Pres. in place of A. W. Rogers.

Boylston—Boylston National Bank; Harry W. Cumner, Pres. in place of Chas. Torrey, deceased; no Vice-Pres. in place of Harry W. Cumner.

Salem—Naumkeag National Bank; J. G. Waters, Asst. Cashier.

MICHIGAN.

Benton Harbor—Benton Harbor State Bank; H. D. Pool, Pres. in place of I. W. Conkey, deceased.

Reed City—First National Bank; L. K. Parkhurst, Pres., deceased.

MINNESOTA.

Braham—First National Bank; P. J. Engberg, Cashier in place of J. M. Anderson; N. E. Anderson, Asst. Cashier in place of P. J. Engberg.

Chisholm—First National Bank; L. G. Sicard, Second Vice-Pres.; G. L. Train, Cashier in place of L. G. Sicard.

Halstad—First National Bank; J. O. Lyngstad, Cashier, J. M. Thorson, Asst. Cas.

MISSOURI.

St. Louis—Merchants'-Laclede National Bank; capital increased to $1,700,000.

NEBRASKA.

Crawford—First National Bank; J. E. G. Hunter, Vice-Pres., deceased.

Schuyler—Schuyler National Bank; Wm. H. Sumner, Pres., deceased.

NEW HAMPSHIRE.

Concord — National State Capital Bank; Josiah E. Fernald, Pres. in place of Lyman D. Stevens; Isaac Hill, Cashier in place of Josiah E. Fernald.

NEW JERSEY.

Orange—Second National Bank; Horton D. Williams, Cashier in place of A. W. Burnett.

NEW YORK.

Bay Shore—South Side Bank; Richard M. Raven, Pres., deceased.

Coxsackie—National Bank of Coxsackie; Nelson H. Richtmyer, Vice-Pres. in place of John B. Whitbeck, deceased.

Nyack—Nyack National Bank; capital increased to $100,000.

Port Jefferson—First National Bank; no Vice-Pres. in place of M. L. Chambers, deceased.

Rye—Rye National Bank; J. M. Wainwright, Pres. in place of W. H. Parsons; Edwin H. Peck, Vice-Pres. in place of J. M. Wainwright.

West Troy—National Bank of West Troy; title changed to National Bank of Watervliet.

NORTH DAKOTA.

Fargo—Red River Valley National Bank; E. J. Weiser, Vice-Pres. in place of John W. Von Neida.

OHIO.

Greenville—Greenville National Bank; Wm. S. Turpen, Vice-Pres. in place of Morgan Johnson.

Marion—Marion National Bank; C. N. Phillips, Cashier in place of J. E. Waddell; E. J. Lee, Asst. Cashier in place of C. N. Phillips.

Struthers—Struthers Savings & Banking Co.; Bruce R. Campbell, Sec. and Treas. in place of Mark H. Liddle, resigned.

Tiffin—Tiffin Savings Bank; Geo. E. Seney, Pres., deceased.

OKLAHOMA.

Cheyenne—Cheyenne State Bank; capital increased to $20,000.

Cordell—City National Bank; A. L. Thurmond, Pres. in place of L. C. Parmenter; C. H. Tinker, Cashier in place of C. W. Parmenter.

Kingfisher—Farmers' National Bank; J. A. Hill, Pres. in place of E. E. Hull; no Cashier in place of C. C. Roberts; M. S. Runyan, Asst. and Acting Cashier.

Lexington—Farmers' National Bank; Chas. Greemore, Vice-Pres. in place of H. A. Hawk; E. M. Abernathy, Vice-Pres.; H. A. Hawk, Cashier in place of F. J. Hawk.

OREGON.

Portland—Wells, Fargo & Co.; merged with United States National Bank.

PENNSYLVANIA.

Bellwood—First National Bank; W. E. Shope, Acting Cashier in place of Chas. A. Cunningham.

Rimersburg—First National Bank; Miles Smith, Pres. in place of S. H. Kaster.

SOUTH CAROLINA.

Newberry—National Bank of Newberry; E. A. Carlisle, Cashier.

SOUTH DAKOTA.

Elk Point—First National Bank; Oluf Johnson, Cashier in place of H. P. Beckwith.

Miller—Hand County State Bank; capital increased to $25,000.

Parkston—First National Bank; H. G. Rempfer, Asst. Cashier.

TENNESSEE.

Nashville—Merchants' National Bank; Geo. Stainback, Asst. Cashier, resigned.

TEXAS.

Crandall—First National Bank; J. E. Murphy, Asst. Cashier.

Dallas—National Exchange Bank and American National Bank; reported consolidated.

Gilmer—Farmers & Merchants' National Bank; W. C. Barnwell, Vice-Pres. in place of N. M. Harrison;

N. M. Harrison, Cashier in place of W. C. Barnwell.
Winnsboro—First National Bank; R. W. Low, Second Asst. Cas.

WASHINGTON.

Clarkston—First National Bank; N. R. Gilchrist, Cashier; O. A. Fechter, Pres. in place of Miles Cannon.

WEST VIRGINIA.

Ronceverte—First National Bank; W. E. Nelson, Pres. in place of R. L. Telford; A. B. C. Bray, Cashier in place of John B. Harris.
Wheeling—National Bank of West Virginia; R. T. Devries, Vice-Pres. in place of James R. McCortney, deceased; John Wagner, Cashier, deceased.

CANADA.

ONTARIO.

Chatham—Canadian Bank of Commerce; James Simon, Manager.
Hamilton—Merchants' Bank of Canada; J. E. Magee, Manager in place of A. B. Patterson.
Owen Sound—Merchants' Bank of Canada; C. W. Wrenshaw, Manager in place of J. E. Magee.
Toronto—Merchants' Bank of Canada; A. B. Patterson, Manager in place of Daniel Miller, resigned.—Standard Bank of Canada; G. P. Schofield, General Manager in place of Geo. P. Reid, resigned.—Bank of Hamilton; F. E. Kilvert, Manager in place of F. J. Gosling.

QUEBEC.

Bedford—Eastern Townships Bank; W. Morehouse, Manager.
Montreal—Merchants' Bank of Canada; E. T. Hebden, General Manager in place of Thomas Fyshe.

NOVA SCOTIA.

Bridgewater—Canadian Bank of Commerce; H. C. Duncan, Manager.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

Trinidad—American Savings Bank.

CONNECTICUT.

East Haddam—National Bank of New England.

INDIANA.

Flat Rock—Bank of Flat Rock.
Fowlerton—Bank of Fowlerton.

MAINE.

Waterville—Merchants' National Bank; in voluntary liquidation June 1; absorbed by Waterville Trust Co.

MISSISSIPPI.

Greenville—Merchants & Planters' Bank.

MISSOURI.

Clinton—Salmon & Salmon.

NEW YORK.

Forestville—State Bank.
Fredonia—Fredonia National Bank, in hands of Receiver June 19.
North Granville—North Granville National Bank.

OHIO.

Dennison—Twin City National Bank; in voluntary liquidation June 19; absorbed by Twin City State Bank.
Newark—People's National Bank; in voluntary liquidation June 17; succeeded by Franklin National Bank.
Shawnee—Shawnee Commercial & Savings Bank.
Zanesville—Commercial National Bank; in voluntary liquidation June 5; absorbed by Security Trust & Savings Co.

PENNSYLVANIA.

Philadelphia—City, Trust, S. D. & Surety Co.

WISCONSIN.

Ladysmith—First National Bank; in hands of Receiver June 2.

The Hurry to get Rich.—Commercialism is commonly held to be the peculiar stamp of this age, and the haste to be rich the great evil of the times. There is, however, "nothing new under the sun," and this evil is by no means a growth only of the twentieth century.

Sir James Dyer, Lord Chief Justice of England, addressing a grand jury in the year 1567, said: "Man cannot abide and tarry time and space, but in post-haste must be rich. This posting and hasting and running after riches, this great thirst and covetousness, is reproved and condemned as most detestable."—*Wall Street Journal.*

National Bank of Abyssinia.—The Emperor Menelik, according to German papers, has granted a concession to the National Bank of Egypt to establish a National Bank of Abyssinia in and for that Empire. French and Italian financiers are said to furnish part of the capital.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, July 3, 1905.

THE CLOSE OF THE FIRST HALF OF THE YEAR has been awaited during the past month with more than usual interest. It is a time when some disturbance of the money market may ordinarily be looked for owing to the large amounts of money which must be accumulated in anticipation of the disbursements for interest and dividends to be made about July 1. These payments this year will be exceptionally large, probably exceeding $140,000,000, or an increase over a year ago of about $5,500,000.

The local money market, however, continued in an easy condition until the end of the month. The rate for call money touched six per cent. on June 30, but barely averaged four per cent. With that exception the prevailing rate during the month was from two to 2¾ per cent. As a precaution against a possible flurry in money the Secretary of the Treasury announced early in the month that the final installment of the call of April 5 for public funds to be paid July 1 would not be required until July 15.

The position of the clearing-house banks is not as strong as it was a year ago, the surplus reserve being only about one-third of what it was then: $12,658,875, as against $36,105,300. In the last week of the month loans were increased $18,000,000, making an increase since June 10 of $31,000,000. A comparison of loans, deposits and reserves on January 1 and June 30 in each of the last five years makes the following exhibit:

	LOANS.		DEPOSITS.		RESERVES.	
	January 1.	*June 30.*	*January 1.*	*June 30.*	*January 1.*	*June 30.*
1901............	$796,457,200	$892,381,300	$854,189,200	$971,382,000	$225,073,200	$251,329,700
1902............	857,960,200	893,871,800	910,869,800	955,829,000	235,608,800	251,935,700
1903............	875,352,100	913,746,900	873,115,000	903,719,800	228,472,600	238,853,800
1904............	906,570,500	1,075,031,500	886,178,900	1,152,988,800	231,066,610	324,352,500
1905............	1,066,701,200	1,120,869,000	1,104,049,100	1,166,038,900	289,695,700	303,168,600

Since January 1 loans have increased $54,000,000, deposits $62,000,000 and reserves $13,000,000. In the first six months of last year loans increased $166,000,000, deposits $267,000,000 and reserves $93,000,000. The changes in these items this year are very moderate as compared with a year ago.

Easy money did not contribute activity to the stock market. At one time the daily transactions were but little more than 100,000 shares, yet the total for the month reached 12,500,000 shares as against about 5,000,000 shares in June last year. The sales in May last, however, were over 20,000,000 shares and in April nearly 30,000,000 shares.

While the market was inactive prices gradually moved upward and there was a net advance for the month in most stocks and also in bonds. The bond transactions aggregated $80,000,000 in value, the largest total for June in many years, but $34,000,000 represented government bonds, largely Japanese issues.

The general sentiment is optimistic, the conditions affecting values being considered favorable. The earnings of the railroads are showing gains and there are many rumors of probable increases in dividends. The Reading Company, which paid its first dividend on the common stock in February, last month, increased the rate from one and one-half per cent. to two per cent. This gives the holders of $70,000,000 stock an annual return of $2,800,-000 where formerly they received nothing. It is possible that the increased earnings of some other roads may result in larger dividends also.

Hopeful views are entertained regarding the wheat crop. The report of the Department of Agriculture was favorable, and from it estimates were made of a wheat yield this year of 700,000,000 bushels. This would mean an increase of about 175,000,000 bushels over the production of last year. Such an increase would result in larger exports of wheat and flour.

There has been an active speculation in cotton at advancing prices based upon rumors of poor conditions. The most conservative authorities, however, make the condition of the crop better than it was a month ago and almost as good as a year ago.

There was a shipment of gold from New York to Paris late in the month, some $3,300,000 going forward. The shipment was upon such a narrow margin of profit that a decline in the price of bar gold in London ended the movement.

The report of the National banks of the United States as of May 29 last shows that the system continues to increase. The number of banks in existence on that date was 5,668, which compares with 5,587 on March 14, and with 5,331 on June 9, 1904. The average increase is about one bank a day. The total capital is $791,567,231, an increase of more than $9,000,000 since March and of $24,000,000 in the past year. The total surplus and profits exceed $615,000,000, an increase of $11,735,000 since March and of $33,652,000 in the last year. Individual deposits now reach nearly $3,784,000,000, the largest amount recorded. The gain since March is $6,184,000 and since June 9, 1904, $471,218,000. The deposits due other banks and trust companies are nearly $1,510,000,000, a decrease since March of $8,458,000, but an increase compared with a year ago of $135,018,000. The total resources now approximate $7,328,000,000 and have increased since March $19,678,000 and since June last year, $671,817,000. The total cash reserves amount to $649,264,000, an increase since March of $8,000,000, but a decrease compared with June, 1904, of $9,000,000. The gold reserves are the smallest reported since January, 1904, but the banks had a larger amount of legal tenders than are usually reported. Some of the principal items contained in the statements issued in the last two years are given in the accompanying table:

CONDITION OF THE NATIONAL BANKS OF THE UNITED STATES.

	Capital.	*Surplus.*	*Individual deposits.*	*Gold.*	*Silver.*	*Legal tenders.*
November 17, 1903	$755,315,170	$375,508,102	$3,176,201,572	$306,297,918	$71,992,508	$142,325,352
January 22, 1904..	765,861,640	385,531,867	3,300,619,898	362,154,503	91,037,050	161,434,599
March 28, 1904....	765,974,753	385,095,944	3,254,470,858	381,669,188	82,748,082	153,098,314
June 9, 1904......	767,378,148	389,647,338	3,312,439,841	391,609,529	97,054,616	169,729,173
September 6, 1904	770,777,854	396,505,508	3,458,216,667	418,140,881	86,608,054	156,707,594
November 10, 1904	776,089,401	399,961,534	3,707,706,531	395,111,859	89,075,963	157,942,968
January 11, 1905..	776,916,147	406,177,675	3,612,499,598	386,366,808	105,482,221	178,122,523
March 14, 1905....	782,487,884	408,888,534	3,777,474,006	387,249,060	95,545,506	157,904,573
May 29, 1905......	791,567,231	413,436,145	3,783,658,494	380,199,342	99,435,728	169,629,979

One interesting feature in the combined statement of the National banks is the amount of Government bonds owned by those institutions. The total owned is $547,900,490 of which $457,502,540 are deposited to secure circulation and $74,289,450 to secure United States deposits, the remainder, $16,108,-500, being held by the banks. More than sixty-one per cent. of the entire bonded debt of the Government is now owned by the National banks, and those institutions now own not only a larger proportion of the total, but a larger aggregate amount of Government bonds than at any previous time. Prior to 1901 the largest amount ever held, as shown by the statements to the Comptroller of the Currency, was $447,646,300 on January 2, 1866. In 1879, during the operation of refunding the National debt, large amounts of Government bonds were temporarily in the custody of the National banks, and on April 4 of that year the total reached $712,437,900. In the strict sense, however, a large portion of these bonds was not really owned by the banks, and by December 12 following the total had fallen to $419,739,000. At the close of the Civil War, or on July 3, 1865, the National banks held $391,744,850 of Government bonds, out of a total issued of $2,221,311,918, or only 17.63 per cent. On January 2, 1866, the amount held by the banks was 19.05 per cent. of the total issued. On December 19, 1890, the banks held a smaller amount of Government bonds than at any other time since the early history of the system, the total being only $169,622,250. This, however, represented 27.18 per cent. of the total bonded debt of the Government, which had then fallen to $624,000,000. Since 1890 there has been almost a continued increase in the amount and proportion of Government bonds held by the National banks, as the following table shows:

	Government bonded debt.	*Government bonds owned by National banks.*	*Per cent. of bonds held by Nat. banks.*
July 3, 1865	$2,221,311,918	$391,744,850	17.63
January 2, 1866	2,350,000,000	447,646,300	19.05
December 19, 1890	624,000,000	169,622,250	27.18
" 2, 1891	585,026,870	177,304,450	30.31
" 9, 1892	585,032,980	185,918,850	31.79
" 19, 1893	585,039,220	222,294,350	38.00
" 19, 1894	639,143,030	231,546,300	36.23
" 13, 1895	741,361,960	234,493,400	31.63
" 17, 1896	847,364,520	263,620,890	31.11
" 15, 1897	847,365,620	282,3[illegible]3,650	33.31
" 1, 1898	1,036,396,630	363,338,400	35.06
" 2, 1899	1,037,049,690	333,387,240	32.14
" 13, 1900	1,001,499,750	418,061,920	41.74
" 10, 1901	949,062,330	442,718,610	46.64
November 25, 1902	914,541,240	478,069,550	52.27
" 17, 1903	902,911,240	52[illegible],366,940	58.40
" 10, 1904	895,157,770	540,221,650	60.35
May 29, 1905	895,158,240	517,900,490	61.20

With less than thirty-nine per cent. of the total Government debt, or $347,000,000, held outside of the National banks, the opportunity for those institutions to increase further their holdings would seem to be limited. In December, 1899, more than $700,000,000 was in other hands, and this amount has been cut down more than one-half in the last 5½ years.

The statistical report for 1904 just published by the American Iron and Steel Association is a most vaulable exposition of one of the most important industries in the country. The production of pig iron in 1904 fell below that of either 1903 or 1902, but those were the two years of greatest production. The following table shows the production and consumption in each of the last three years:

Pig Iron.	*1902.* Gross tons.	*1903.* Gross tons.	*1904.* Gross tons.
Domestic production	17,821,307	18,009,252	16,497,033
Imported	619,354	599,574	79,500
Stocks unsold January 1	73,647	49,951	598,489
Total supply	18,514,308	18,658,777	17,175,022
Deduct stock December 31	49,951	598,489	446,442
Also exports	27,487	20,379	49,025
Approximate consumption	18,436,870	18,039,909	16,679,555

The consumption of pig iron in 1904 was only 1,360,354 tons less than in 1903 and exceeded the total production of any year prior to 1902. An interesting table in the report shows the annual production of pig iron since 1861. In that year the total was only 653,164 tons, an amount which now represents only about two weeks' product. In 1864 it had increased to 1,014,282 tons, falling off to 831,770 tons in 1865. There was an increase nearly every year until 1873, when there were 2,560,963 tons produced, then a decline until 1876, when the output was 1,868,961 tons. By 1882 it had increased to 4,623,323 tons and by 1890 to 9,202,703 tons. The year 1894 witnessed a drop to 6,657,388 tons, and then followed a recovery which in 1903 culminated in a production of 18,009,252 tons. There was a temporary setback in 1904, but the present year has shown a recovery. The following table shows the annual production of pig iron since 1885 in the three greatest iron-producing countries, and also the production of steel rails in the United States:

YEAR.	*Germany.*	*Great Britain.*	*United States.*	*Steel rails in U. S.*
	Metric tons.	Gross tons.	Gross tons.	Gross tons.
1885	3,687,434	7,415,469	4,044,526	963,750
1886	3,528,657	7,009,754	5,683,329	1,579,895
1887	4,023,953	7,559,518	6,417,148	2,119,049
1888	4,337,121	7,998,969	6,489,738	1,390,975
1889	1,524,558	8,322,824	7,602,642	1,513,045
1890	4,658,450	7,904,214	9,202,703	1,871,425
1891	4,641,217	7,403,064	8,279,870	1,298,936
1892	4,937,461	6,709,255	9,157,000	1,541,407
1893	4,986,003	6,976,990	7,124,502	1,130,368
1894	5,380,039	7,427,342	6,657,388	1,017,098
1895	5,464,501	7,703,459	9,446,308	1,300,325
1896	6,372,575	8,659,681	8,623,127	1,117,663
1897	6,881,466	8,796,465	9,652,680	1,645,020
1898	7,312,766	8,609,719	11,773,934	1,977,922
1899	8,143,132	9,421,435	13,620,703	2,271,108
1900	8,520,541	8,959,691	13,789,242	2,384,987
1901	7,880,088	7,928,647	15,878,354	2,872,909
1902	8,529,900	8,679,535	17,821,307	2,941,421
1903	10,085,634	8,935,063	18,009,252	2,991,810
1904	10,103,941	8,562,658	16,497,033	2,283,840

Both Germany and the United States have outstripped Great Britain in the production of iron, Germany passing that country in 1903, while the United States first passed Great Britain in 1890 and has been ahead each year since, excepting only in 1894 and 1896. While there has been a large increase in the production of steel rails in recent years, except in 1904, it will be seen that the ratio to the total production of pig iron has been very much reduced. The growth of the iron industry has followed the development of the use of iron in various forms of construction, nor does the prosperity of that industry any longer depend upon activity in railroad building.

Statistics compiled by the "Railway Age" for the first half of the current year show that there was less new track laid than in any corresponding period since 1898. The total laid in the six months was 1,284 miles, as compared with 1,937 miles in the first half of 1904. While these figures would indicate a total of 3,500 miles for the entire year, it is believed that this figure will be considerably exceeded, as it is estimated that 6,000 miles of new road are now under construction and the financial and other conditions are now favorable to building operations. The following table shows the construction of railroad track for the six months and entire year since 1891:

YEAR.	*First 6 months.*	*Entire year.*	YEAR.	*First 6 months.*	*Entire year.*
1892	1,367	4,178	1899	1,360	4,588
1893	1,014	2,635	1900	1,654	4,486
1894	525	1,948	1901	1,817	5,222
1895	641	1,728	1902	2,314	5,684
1896	788	1,848	1903	2,221	5,786
1897	623	1,880	1904	1,937	4,254
1898	1,181	3,018	1905	1,284	.....

THE MONEY MARKET.—Early in the month the money market was firm, but under the influence of a dull stock market became easy. After the first week the rate for call money ranged from 1¾ to 2¾ per cent. until June 30, when the rate temporarily touched 6 per cent. in anticipation of July disbursements. At the close of the month call money ruled at 3 @ 6 per cent., averaging about 4 per cent. Banks and trust companies loaned at 2 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2¾ @ 3 per cent. for 60 to 90 days, 3 @ 3¼ per cent. for 4 months, 3½ per cent. for 5 months, 3½ @ 3¾ per cent. for 6 months and 3¾ @ 4 per cent. for 7 to 8 months on good mixed collateral. For commercial paper the rates are 3½ @ 4 per cent. for 60 to 90 days' endorsed bills receivable, 3¾ @ 4¼ per cent. for first-class 4 to 6 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.

	Feb. 1.	Mar. 1.	Apr. 1.	May. 1.	June 1.	July 1.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Call loans, bankers' balances	1¾–2	2¼–3	3½–4½	2¾–3¼	2¼–4	3 – 6
Call loans, banks and trust companies	2 —	2¼–	3½–	3 —	2¼–	2 —
Brokers' loans on collateral, 30 to 60 days	2¾–	3 – ¼	3¼– ½	3¼ -	2¾–3	2¾ 3
Brokers' loans on collateral, 90 days to 4 months	3 –3¼	3¼–	3½– ¾	3¼– ½	3 –3¼	3 – ¼
Brokers' loans on collateral, 5 to 7 months	3¼– ½	3½– ¾	3½– ¾	3½ – ¾	3¼– ½	3½–4
Commercial paper, endorsed bills receivable, 60 to 90 days	3½–4	3½–4	3¾ - 4¼	3¾–4	3¾–4	3½–4
Commercial paper prime single names, 4 to 6 months	3¾–4¼	3¾–4¼	4 –4½	4 –4½	3¾–4	3¾–4¼
Commercial paper, good single names, 4 to 6 months	4½–	4½–5	4½–5	4½–5	4½–5	4½–5

New York City Banks.—The weekly statements of the New York Clearing-House banks in June were of a variable character. Deposits decreased $12,000,000 in the first week, increased $16,000,000 in the second week, $6,500,000 in the third week, and $19,000,000 in the fourth week. Loans decreased $11,000,000 in the first week, increased $15,000,000 in the second week, decreased $2,000,000 in the third week and increased $18,000,000 in the fourth week. The surplus reserve, which on June 3 was $6,050,275, increased to $9,827,500 on the 10th, fell to $7,209,500 on the 17th, increased to $15,094,675 on the 24th and fell to $12,658,875 on July 1. The net changes for the month are an increase of $19,000,000 in loans, of $10,000,000 in specie, of $3,000,000 in legal tenders, of $30,000,000 in deposits, and of $6,600,000 in surplus reserve. Deposits are $13,000,000 more than they were a year ago, loans $45,000,000 more, and surplus $23,000,000 less.

New York City Banks—Condition at Close of Each Week.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
June 3	$1,101,283,100	$204,546,500	$85,623,200	$1,136,477,700	$6,050,275	$46,273,000	$1,553,892,900
" 10	1,089,520,900	205,492,700	85,293,000	1,123,832,800	9,827,500	46,575,100	1,472,648,600
" 17	1,104,860,900	205,857,400	86,425,300	1,140,284,800	7,209,500	47,359,000	1,444,441,100
" 24	1,102,812,700	214,369,600	87,423,300	1,146,792,900	15,094,675	48,060,700	1,875,689,400
July 1	1,120,869,000	214,744,100	88,424,500	1,166,038,900	12,658,875	48,536,800	1,775,663,300

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

Month.	1903.		1904.		1905.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$873,115,000	$10,193,850	$866,178,900	$9,541,850	$1,104,049,100	$18,688,425
February	931,778,900	27,880,775	1,023,943,800	25,129,050	1,189,828,600	26,979,550
March	956,206,400	5,951,900	1,027,920,400	32,150,200	1,179,824,900	14,646,075
April	894,260,000	6,280,900	1,069,369,400	27,755,050	1,138,661,300	8,664,575
May	905,760,200	11,181,850	1,114,367,800	33,144,250	1,146,528,600	16,665,250
June	913,081,800	9,645,150	1,098,953,500	29,692,325	1,136,477,700	6,050,275
July	903,719,800	12,923,850	1,152,988,800	36,105,300	1,166,038,900	12,658,875
August	908,864,500	24,060,075	1,204,965,600	55,959,600	....	....
September	920,123,900	20,677,925	1,207,302,800	57,375,400	....	....
October	897,214,400	18,937,500	1,212,977,100	19,913 425	....	....
November	885,616,600	10,274,150	1,204,434,200	16,793,650	....	....
December	841,552,000	6,125,200	1,127,878,100	8,539,075	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,145,989,200 on October 8, 1904, and the surplus reserve $111,623,000 on Feb. 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 Reserve.*
May 27....	$121,883,800	$139,248,700	$5,713,500	$6,618,900	$13,975,100	$9,279,500	$774,825
June 3....	122,250,800	137,585,300	5,795,000	6,481,700	13,972,500	8,917,800	770,675
" 10....	123,073,400	139,501,500	5,737,700	7,079,100	14,023,200	9,351,800	1,316,425
" 17....	122,417,800	140,390,100	5,632,600	6,697,400	16,148,200	9,773,000	3,153,075
" 24....	123,070,100	139,122,500	5,432,000	6,880,700	14,038,300	9,376,900	947,275

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
May 27........	$191,864,000	$222,715,000	$18,144,000	$6,776,000	$7,840,000	$131,042,000
June 3........	191,115,000	223,878,000	18,100,000	6,012,000	7,775,000	126,574,900
" 10........	192,153,000	221,887,000	17,284,000	6,389,000	7,643,000	140,750,300
" 17........	192,425,000	226,244,000	17,567,000	6,212,000	7,673,000	120,758,900
" 24........	192,422,000	226,394,000	18,001,000	6,207,000	7,659,000	147,577,800

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
May 27.................	$221,722,000	$265,235,000	$67,962,000	$12,615,000	$135,567,200
June 3.................	220,879,000	263,802,000	67,295,000	12,725,000	131,502,400
" 10.................	221,403,000	262,200,000	66,049,000	12,738,000	136,736,300
" 17.................	221,645,000	261,245,000	65,340,000	12,764,000	130,130,000
" 24.................	221,832,000	261,599,000	64,618,000	12,738,000	125,487,100

MONEY RATES ABROAD.—No change was made in the posted rates of discount of any of the European banks last week. At the close of the month open market rates were generally firm and in Paris they were somewhat higher. The Bank of England rate of discount is unchanged at 2½ per cent. Discounts of 60 to 90 day bills in London at the close of the month were 1/15-16 per cent., against 2⅛ per cent. a month ago. The open market rate at Paris was 2 per cent., against 1¼ @ 1⅜ per cent. a month ago, and at Berlin and Frankfort 2⅜ @ 2½ per cent., against 2⅜ per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Mar. 30, 1905.	*Apr. 30, 1905.*	*May 31, 1905.*	*June 30, 1905.*
Circulation (exc. b'k post bills)..........	£28,595,000	£28,643,000	£29,500,000	£30,132,000
Public deposits..........................	18,274,000	10,650,000	11,608,000	14,456,000
Other deposits...........................	42,559,000	39,736,000	41,613,000	44,697,000
Government securities..................	15,589,000	15,495,000	15,750,000	16,171,000
Other securities.........................	33,413,000	27,048,000	28,417,000	33,396,000
Reserve of notes and coin...............	28,187,000	26,629,000	24,897,000	27,367,000
Coin and bullion.........................	39,753,914	36,822,232	37,886,406	39,049,682
Reserve to liabilities....................	49⅛%	50¾%	50 32%	46.19%
Bank rate of discount..................	2½%	2½%	2½%	2½%
Price of Consols (2¾ per cents.)..........	91 1/16	90¼	91⅛	90 1/16
Price of silver per ounce..................	26 1/16d.	26 5/16d.	26 13/16d.	26 15/16d.

FOREIGN EXCHANGE.—The market for sterling exchange was dull throughout the month, and there was little change in quotations. One event caused a temporary disturbance. The Bank of France having shipped gold to Italy, began drawing upon London, resulting in an engagement of gold in New York to the amount of $3,300,000. Before the entire amount was shipped there was a decline in the price of bar gold in London of one farthing per ounce and a rise in Paris checks on London of one centime. These changes eliminated any profit in gold shipments and there were no further engagements here. The sterling market then relapsed into dullness.

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.
June 3	4.8509 @ 4.8510	4.8695 @ 4.8700	4.8720 @ 4.8730	4.84¾ @ 4.84⅞	4.84⅛ @ 4.85¼
" 10	4.8505 @ 4.8510	4.8695 @ 4.8700	4.8725 @ 4.8735	4.84¾ @ 4.84⅞	4.84⅛ @ 4.85¼
" 17	4.8515 @ 4.8525	4.8710 @ 4.8715	4.8730 @ 4.8740	4.84⅞ @ 4.85	4.84⅛ @ 4.85¼
" 24	4.8525 @ 4.8535	4.8705 @ 4.8710	4.8735 @ 4.8745	4.85 @ 4.85⅛	4.84¼ @ 4.85⅜
July 1	4.8520 @ 4.8530	4.8695 @ 4.8705	4.8725 @ 4.8735	4.84⅞ @ 4.85	4.84¼ @ 4.85¼

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	4.84½—	4.84⅛— ¼	4.84½— ⅝	4.85 — ⅛	4.85¼— ⅜
" " Sight	4.86⅝—	4.85⅞–86	4.86½— ⅝	4.87 — ⅛	4.86⅞–87
" " Cables	4.87 — ⅛	4.86¼— ⅜	4.86¾— ⅞	4.87¼— ⅜	4.87¼— ⅜
" Commercial long	4.84¼— ⅜	4.83¾— ⅞	4.84 — ¼	4.84½— ¾	4.84⅞–85
" Docu'tary for paym't.	4.83¾— 4¾	4.83 — 4¼	4.83½— 4¼	4.84¼— 5⅛	4.84¼— 5¼
Paris—Cable transfers	5.17½–16⅞	5.17½–16⅞	5.16¼—	5.16⅞— ¼	5.15⅝—
" Bankers' 60 days	5.18¾—	5.20 –19⅜	5.18⅛— ¾	5.18⅛—	5.15⅛—
" Bankers' sight	5.17½—	5.17½—	5.16¼— ⅞	5.16⅞—	5.16¼—
Swiss—Bankers' sight	5.18⅛—	5.18⅛—	5.17½—	5.16⅞—	5.16⅞—
Berlin—Bankers' 60 days	94 11/16— ¾	94 9/16— ⅝	94 11/16— ⅝	94¾— 13/16	94 13/16— ¾
" Bankers' sight	95 — 1/16	94 15/16–95	95 1/16–95	95¼— 5/16	95⅛— 3/16
Belgium—Bankers' sight	5.18⅛—	5.18⅛—	5.17½—	5.16⅞–17½	5.16⅞—
Amsterdam—Bankers' sight	40¼— 5/16	40¼— 3/32	40¼— 5/16	40 5/16— ¼	40¼— 5/16
Kronors—Bankers' sight	26.13/16— 15/16	26¾— ⅞	26¾— ⅞	26 13/16— 13/16	26 13/16— 15/16
Italian lire—sight	5.17½–16⅞	5.17½ -	5.16⅞–17½	5.16⅞— ¼	5.15 3/16— ⅝

FOREIGN BANKS.—The Bank of England gained $5,000,000 gold in June and Russia an equal amount. The Bank of France lost $4,000,000 and Germany $7,000,000. All of these banks hold considerably more gold than they did a year ago, their aggregated holdings showing an increase of about $150,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	May 1, 1905. Gold.	May 1, 1905. Silver.	June 1, 1905. Gold.	June 1, 1905. Silver.	July 1, 1905. Gold.	July 1, 1905. Silver.
England	£35,822,242	....	£37,886,406	....	£39,048,782	....
France	111,746,715	£43,943,740	114,645,558	£44,898,482	113,785,158	£44,432,185
Germany	40,078,000	13,359,000	42,119,000	14,040,000	40,763,000	13,588,000
Russia	105,014,000	6,868,000	104,665,000	6,491,000	105,667,000	6,291,000
Austria-Hungary	47,992,000	13,027,000	48,035,000	13,188,000	47,458,000	13,129,000
Spain	14,807,000	21,041,000	14,800,000	22,001,000	14,833,000	22,390,000
Italy	22,884,000	3,527,400	22,405,000	3,614,800	22,329,000	3,651,000
Netherlands	6,079,200	6,244,100	6,754,800	6,298,300	6,793,500	6,278,500
Nat. Belgium	3,195,333	1,597,667	3,152,000	1,576,000	3,224,667	1,612,333
Totals	£387,618,490	£109,607,907	£394,462,764	£111,557,582	£393,902,107	£111,372,018

SILVER.—There were frequent fluctuations in the London silver market in June, the price ranging between 26¾ and 27⅛, finally closing at 26/13-16, the same as the closing price in May.

MONTHLY RANGE OF SILVER IN LONDON—1903, 1904, 1905.

MONTH.	1903. High	1903. Low.	1904. High	1904. Low.	1905. High	1905. Low.	MONTH.	1903. High	1903. Low.	1904. High	1904. Low.	1905. High	1905. Low.
January	22⅜	21 11/16	27 5/16	25⅛	28⅜	27 9/16	July	25⅝	24¼	27	26⅜	....	....
February	22 5/16	21⅞	27⅛	25⅝	28 5/16	27⅝	August	26¾	25 5/16	27	26 5/16	....	....
March	22 13/16	22⅛	26 13/16	25⅛	27 11/16	25 13/16	Septemb'r	26 7/16	26 3/16	26⅞	26	....	....
April	25 1/16	22⅜	25⅛	24 7/16	26⅝	25 7/16	October	28⅛	27 7/16	26 13/16	26⅛	....	....
May	25¼	24 5/16	25 13/16	25⅛	27 5/16	26⅛	Novemb'r	27⅝	26¼	27 5/16	26¾	....	....
June	24 5/16	24⅛	26⅛	25 5/16	27⅛	26¾	Decemb'r	26⅛	25	28 9/16	27 5/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*
Sovereigns	$4.86	$4.89
Bank of England notes	4.87	4.90
Twenty francs	3.87	3.90
Twenty marks	4.76	4.80
Twenty-five pesetas	4.78	4.82
Spanish doubloons	15.55	15.65
Mexican doubloons	$15.55	$15.65
Mexican 20 pesos	19.55	19.65
Ten guilders	3.95	4.00
Mexican dollars	.45½	.48
Peruvian soles	.42	.45
Chilian pesos	.42	.45

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, 26⁹⁄₁₆d. per ounce. New York market for large commercial silver bars, 58⅝ @ 59¾c. Fine silver (Government assay), 58⅛ @ 60¼c. The official price was 58¼c.

NATIONAL BANK CIRCULATION.—There was $7,392,290 added to National bank notes outstanding in June, represented by an increase of $6,430,318 secured by Government bonds and of $961,972 secured by lawful money. For some months past there has been a steady increase in the deposit of lawful money to retire bank circulation, the amount now exceeding $33,000,000. Nearly $7,000,000 of bonds were deposited during the month to secure circulation, while the amount of bonds deposited to secure United States deposits was reduced nearly $1,500,000. The bonds deposited for this purpose aggregate $80,404,950.

NATIONAL BANK CIRCULATION.

	Mar. 31, 1905.	*Apr. 30, 1905.*	*May 31, 1905.*	*June 30, 1905.*
Total amount outstanding	$475,948,945	$481,244,945	$488,327,516	$495,719,806
Circulation based on U.S. bonds	444,870,179	449,147,766	456,239,096	462,669,414
Circulation secured by lawful money	31,078,766	32,097,179	32,088,420	33,050,392
U.S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	9,474,300	9,844,040	10,754,050	12,907,550
Four per cents. of 1895	2,300,500	3,085,500	4,091,500	4,091,500
Three per cents. of 1898	2,714,440	2,734,440	2,941,940	3,374,440
Two per cents. of 1900	434,520,650	437,191,800	443,362,800	447,693,450
Total	$449,009,890	$452,855,790	$461,150,290	$468,066,940

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $9,605,900; 5 per cents. of 1894, $100,000; 4 per cents. of 1895, $6,069,200; 3 per cents. of 1898, $6,953,800; 2 per cents. of 1930, $47,254,550; District of Columbia 3.65's, 1924, $1,652,000; State and city bonds, $375,000; Hawaiian Islands bonds, $942,000; Philippine loan, $4,361,000; railroad and other bonds, $3,091,500; a total of $80,404,950.

GOVERNMENT REVENUES AND DISBURSEMENTS.—There was a surplus shown by the United States Treasury in June amounting to $12,661,928, which reduced the deficit for the fiscal year ended June 30, 1905, to $23,987,752. In the previous year there was a deficit of $41,000,000 but the Government had disbursed $54,000,000 for the Panama Canal purchase and loan to the St. Louis Exposition. There was, therefore, a surplus of about $13,000,000 as against a deficit this year of nearly $24,000,000. The revenues for the year were nearly $2,000,000 more than in 1904 while the ordinary expenses increased $39,000,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	*June, 1905.*	*Since July 1, 1904.*
Customs	$22,564,652	$262,060,528
Internal revenue	20,802,545	233,464,201
Miscellaneous	4,583,580	47,899,130
Total	$47,950,777	$543,423,859
Excess receipts	12,661,928	*23,987,752

EXPENDITURES.

Source.	*June, 1905.*	*Since July 1, 1904.*
Civil and mis	$9,110,065	$146,970,765
War	6,824,364	122,498,295
Navy	8,480,648	117,334,003
Indians	844,904	14,246,568
Pensions	9,655,723	141,770,956
Interest	373,144	24,591,024
Total	$35,288,848	$567,411,611

* Excess expenditures.

UNITED STATES PUBLIC DEBT.—The surplus revenues in June are reflected in an increase of more than $11,000,000 in the cash balance in the Treasury and a reduction of more than $10,000,000 in the net debt, which is now

$4,000,000 more than it was on January 1. The principal changes in the items of the debt statement for the month are an increase of $877,000 in the National bank-note redemption fund, a decrease of $2,183,000 in gold certificates, and a decrease of $885,000 in silver certificates.

United States Public Debt.

	Jan. 1, 1905.	*May 1, 1905.*	*June 1, 1905.*	*July 1, 1905.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent.......	$542,909,950	$502,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,650	156,595,000	156,595,400	156,595,600
Refunding certificates, 4 per cent......	28,610	27,860	27,630	27,530
Loan of 1925, 4 per cent.................	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent........	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt...........	$895,157,470	$895,158,070	$895,158,240	$895,158,340
Debt on which interest has ceased... ...	1,447,260	1,401,045	1,377,165	1,370,245
Debt bearing no interest:				
Legal tender and old demand notes.....	346,734,863	346,734,863	346,734,863	346,734,298
National bank note redemption acct..	31,933,951	31,374,742	31,349,852	32,227,102
Fractional currency....................	6,868,465	6,867,902	6,867,384	6,867,109
Total non-interest bearing debt......	$385,537,279	$384,977,507	$384,952,100	$384,828,509
Total interest and non-interest debt.	1,282,142,010	1,281,536,622	1,281,487,505	1,282,357,094
Certificates and notes offset by cash in the Treasury:				
Gold certificates.........................	524,684,969	519,204,969	519,762,969	517,579,969
Silver "	477,102,000	469,349,000	466,150,000	465,265,000
Treasury notes of 1890	11,019,000	9,865,000	9,617,000	9,413,000
Total certificates and notes...........	$1,012,805,969	$998,418,969	$995,529,969	$992,257,969
Aggregate debt	2,294,947,979	2,279,955,591	2,277,017,474	2,274,615,063
Cash in the Treasury:				
Total cash assets	1,402,124,509	1,371,716,257	1,366,975,312	1,365,467,439
Demand liabilities........................	1,105,531,820	1,087,397,575	1,085,833,934	1,072,977,116
Balance	$296,592,689	$284,318,681	$281,131,378	$292,490,322
Gold reserve..............................	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance........................	146,592,689	134,318,681	131,141,378	142,490,332
Total	$296,592,689	$284,318,681	$281,141,378	$292,490,332
Total debt, less cash in the Treasury.....	985,549,821	997,217,941	1,000,346,127	989,866,762

United States Foreign Trade.—The exports of merchandise in May aggregated $123,942,789, an increase over May, 1904, of $34,000,000, and only about $600,000 less than the exports in May, 1901. Imports were $92,828,437, an increase of $12,000,000 over May, 1904, and the largest yet reported for the same month in any year. The net export balance is $31,114,352, the largest reported since 1901. The gold movement in May shows a net balance of imports amounting to $2,175,233. A year ago we exported net $32,000,000 gold. The net exports of silver were $1,659,421 against $3,114,653 in May, 1904. The total exports of merchandise for the eleven months ended May 31 were $1,397,557,400, an increase over the previous year of $30,000,000 and of

Exports and Imports of the United States.

Month of May.	Merchandise.			Gold Balance.	Silver Balance.
	Exports.	*Imports.*	*Balance.*		
1900..................	$113,427,849	$71,653,525	Exp., $41,774,324	Exp., $8,525,962	Exp., $3,605,105
1901..................	124,567,911	78,642,703	" 45,925,208	" 8,328,343	" 1,640,754
1902..................	102,321,531	75,689,087	" 26,632,444	" 471,354	" 1,838,494
1903..................	100,929,591	79,035,137	" 21,894,454	" 13,025,423	" 535,831
1904..................	89,886,925	80,698,161	" 9,188,764	" 32,596,471	" 3,114,653
1905..................	123,942,789	92,828,437	" 31,114,352	Imp., 2,175,233	" 1,659,421
Eleven Months.					
1900..................	1,285,331,125	788,939,817	Exp., 496,891,308	Imp., 671,117	Exp., 21,167,628
1901..................	1,384,990,728	754,767,508	" 630,223,220	" 14,950,111	" 25,264,111
1902..................	1,292,478,918	830,205,894	" 462,273,024	Exp., 242,628	" 20,052,923
1903..................	1,324,918,833	943,719,460	" 381,199,373	Imp., 7,631,467	" 20,581,163
1904..................	1,367,602,405	909,930,136	" 457,672,289	" 14,231,698	" 20,045,655
1905..................	1,397,557,400	1,027,768,839	" 369,788,561	Exp. 37,063,572	" 18,950,344

$12,000,000 over 1901. The imports of merchandise amounted to $1,027,768,-839, the largest ever reported for a similar period, and an increase over the previous year of nearly $118,000,000. The balance of net exports for the eleven months is $369,788,561 or about $88,000,000 less than in 1904. We exported net $37,000,000 gold against net imports of $14,000,000 in the previous year.

MONEY IN THE UNITED STATES TREASURY.—There was an increase in the gross amount of money in the Treasury of nearly $4,000,000 last month. The net amount shows an increase of nearly $3,700,000.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1905.	*May 1, 1905.*	*June 1, 1905.*	*July 1, 1905.*
Gold coin and bullion	$696,404,007	$699,473,948	$701,983,020	$704,297,000
Silver dollars	487,756,494	494,154,134	494,586,573	494,523,558
Silver bullion	1,708,079	297,523	91,339	....
Subsidiary silver	9,280,167	13,995,343	13,503,978	13,451,530
United States notes	4,393,389	15,008,354	14,396,323	13,989,705
National bank notes	15,636,878	12,854,398	13,968,127	15,247,470
Total	$1,215,179,014	$1,235,783,700	$1,237,630,260	$1,241,509,263
Certificates and Treasury notes, 1890, outstanding	945,696,970	959,810,866	952,956,393	953,146,505
Net cash in Treasury	$269,482,044	$275,972,834	$284,673,867	$288,362,758

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation increased $12,000,000 in June of which $5,000,000 was in gold coin and $4,700,000 in gold certificates. The per capita of circulation increased from $31.09 to $31.19.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1905.	*May 1, 1905.*	*June 1, 1905.*	*July 1, 1905.*
Gold coin	$649,548,528	$644,423,211	$650,979,108	$655,976,787
Silver dollars	80,039,395	73,641,755	73,617,644	73,680,659
Subsidiary silver	102,891,327	100,067,645	100,473,489	100,748,873
Gold certificates	466,739,689	487,142,219	482,910,999	487,661,449
Silver certificates	468,017,227	462,846,513	460,462,108	456,142,715
Treasury notes, Act July 14, 1890	10,940,054	9,822,134	9,583,291	9,842,341
United States notes	342,287,627	331,672,662	332,284,693	332,691,311
National bank notes	449,157,278	468,390,547	474,359,389	480,472,336
Total	$2,569,621,125	$2,578,006,686	$2,584,670,716	$2,596,716,471
Population of United States	82,562,000	83,026,000	83,143,000	83,259,000
Circulation per capita	$31.12	$31.05	$31.09	$31.19

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country increased $15,700,000 of which $8,000,000 was gold and about $7,400,-000 National bank notes. Since January 1 $46,000,000 has been added to the supply of money.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1905.	*May 1, 1905.*	*June 1, 1905.*	*July 1, 1905.*
Gold coin and bullion	$1,345,952,535	$1,343,897,159	$1,352,063,028	$1,360,273,787
Silver dollars	567,795,889	567,795,889	568,204,217	568,204,217
Silver bullion	1,708,079	297,523	91,339	....
Subsidiary silver	112,171,494	114,062,988	113,977,467	114,200,403
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	464,794,156	481,244,945	488,327,516	495,719,806
Total	$2,839,103,169	$2,853,979,520	$2,869,344,583	$2,885,079,229

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 1905, by dates, and also, for comparison, the range of prices in 1904:

	Year 1904.		Highest and Lowest in 1905.		June, 1905.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	89¼	64	93⅝ Mar. 9	77⅝—May 22	84¼	78⅛	83
" preferred	104⅛	87⅝	104¾—June 27	99 —Jan. 25	104⅝	101¾	101¾
Baltimore & Ohio	105¼	72⅞	114⅛—June 28	100⅛—Jan. 25	114⅛	107	113¼
Baltimore & Ohio, pref.	96½	87⅝	98 —Feb. 8	95¾—Jan. 12	97½	97	97½
Brooklyn Rapid Transit	70½	38	71⅝—Apr. 14	56⅞—May 23	79½	61	70
Canadian Pacific	135¾	109½	155¼—Apr. 7	130¾—Jan. 25	152⅝	145	150⅝
Canada Southern	72	64	72⅞—Jan. 31	67⅛—Jan. 11	69⅞	68½	68½
Central of New Jersey	194¾	154½	205½—Feb. 3	190 —May 23	204	196	202
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	53⅝	47⅝	52⅞
Chicago & Alton	47¼	33	44½—Mar. 15	31 —May 22	36	35	36
" preferred	85¼	75	83¾—Apr. 7	77¼—June 26	81¼	77¼	79
Chicago, Great Western	26¼	12⅞	25⅛—Mar. 16	17⅛—May 22	20⅝	18¼	20
Chic., Milwaukee & St. Paul	177⅝	137⅛	187½—Apr. 17	168⅛—May 4	178	170⅝	176⅞
" preferred	185⅞	173	192½—Apr. 17	182½—Jan. 13	186	186	186
Chicago & Northwestern	214½	161⅛	249 —Jan. 31	190⅛—June 9	208	190⅛	205¾
" preferred	237	207	265½—Feb. 1	234 —Jan. 13	....	....	....
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾—Jan. 5	20	17	19
" preferred	27¾	11½	41 —June 28	17⅛—Jan. 4	41	30½	39⅝
Clev., Cin., Chic. & St. Louis	93⅝	68½	111 —Mar. 21	90 —Jan. 14	99½	93⅛	97
Col. Fuel & Iron Co.	58⅝	25½	59 —Mar. 24	38 —May 22	45⅝	39⅞	43¾
Colorado Southern	24⅝	13½	30⅛ Apr. 26	22¼—Jan. 20	27⅞	26¼	27⅝
" 1st preferred	63	48	64½—Feb. 10	52 —May 23	59	57	58
" 2d preferred	37½	17⅞	39½—Feb. 3	32½—May 23	37½	34⅝	36¾
Consolidated Gas Co.	220	185	214 —Mar. 13	184½—May 15	193¼	186	191
Delaware & Hud. Canal Co.	190½	149	196⅝—Apr. 11	178½—May 22	190¼	179½	188½
Delaware, Lack. & Western	359¾	250½	400 —Mar. 14	335 —Jan. 25	381	380	380
Denver & Rio Grande	35⅞	18	36½—Mar. 14	27¼—June 8	30¾	27¼	30¼
" preferred	89	64½	91 —Mar. 15	83¼—May 1	89⅝	85½	86⅞
Detroit Southern tr. ctfs	14¾	1⅛	10¼—June 30	8 —June 20	10¼	8	10¼
" preferred tr. ctfs	33½	2¾	42 —June 16	42 —June 16	42	42	42
Duluth So. S. & Atl., pref.	28½	9¼	37 —Jan. 21	21 —May 22	29	24	28⅛
Erie	41⅝	21½	48¾—Mar. 11	37⅛—May 22	44⅞	39⅛	44⅞
" 1st pref	77	55⅝	83⅛—Mar. 11	74⅞—May 22	82	77¼	81⅞
" 2d pref	58½	33	71⅛—Mar. 3	55⅛—Jan. 3	71½	64½	71½
Evansville & Terre Haute	83	54	72⅛—Jan. 16	65 —Apr. 7	....	....	....
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	....	....	....
" American	219	180	246 —Feb. 27	209½—Jan. 4	225	220	225
" United States	126	100	134 —Feb. 8	120 —Jan. 9	125	122	122⅝
" Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	235	235	235
Hocking Valley	94	60	99 —Mar. 11	86⅝—Jan. 18	93	90	90¾
" preferred	95	77	96⅞—Mar. 13	90 —Jan. 18	95½	92½	93
Illinois Central	159	125¾	170 —Apr. 15	152¾—Jan. 25	167⅞	157¾	166
Iowa Central	33	14	32 —Feb. 3	24 —May 24	27¾	24	26
" preferred	59¾	32	58⅝—Feb. 3	50 —May 10	52	50	51
Kansas City Southern	31⅞	16½	34 —Feb. 14	22⅛—May 22	27	23¼	25½
" preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	57	54	56
Kans. City Ft. S. & Mem. pref.	83½	64⅛	84½—Mar. 16	81⅝—June 19	84	81⅝	83½
Louisville & Nashville	148¾	101	156¼—Apr. 26	134½—Jan. 25	151⅝	142½	149⅝
Manhattan consol	169½	139¾	175 —Feb. 9	161 —May 1	166	162¼	165
Metropolitan securities	96½	72¼	91 —Mar. 17	73 —Jan. 9	84	76⅞	83⅞
Metropolitan Street	130⅝	104¾	128 —June 30	114 —May 11	128	117	127⅝
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	21⅞	19⅝	21½
Minneapolis & St. Louis	67¾	40	64¾ Apr. 7	56½—Jan. 12	....	....	....
" preferred	96½	80	91 —Feb. 24	86 —Jan. 19	....	....	....
Minn., S. P. & S.S. Marie	95	55	125 —June 27	89½ Jan. 11	125	114½	123½
" preferred	150	116	169¼—Mar. 29	148 —Jan. 13	161½	155½	161⅝
Missouri, Kan. & Tex.	36⅝	14⅝	33¼—Jan. 18	24 —May 22	29¾	25¼	29
" preferred	65¼	32¼	69 —Mar. 13	56¼—May 23	64½	57½	63⅛
Missouri Pacific	111½	87	110⅞—Mar. 13	94⅛—May 22	102½	95½	99
Natl. of Mexico, pref.	45½	34¾	45 —Jan. 16	33⅛—May 8	36	34½	35½
" 2d preferred	25⅛	15⅞	24½—Jan. 10	17¾—June 20	18½	17¾	18½
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	146⅞	138½	144
N. Y., Chicago & St. Louis	47	25	55¼—Apr. 8	42 —Jan. 20	48⅝	44	48½
" 2d preferred	78	60	85 —Apr. 7	74 —May 4	81½	78	81½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1904.		Highest and Lowest in 1905.		June, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	47⅞	19⅜	64 —Mar. 30	40⅝—Jan. 5	53⅝	49	53¼
Norfolk & Western............	80¾	53½	88⅛—Mar. 11	76 —May 10	85¼	77⅛	84⅜
" preferred............	95	88	94½—Feb. 3	91⅛—Feb. 24	93⅛	93	93⅛
North American Co...........	107	80	107 —Apr. 17	97½—May 22	100¾	97¾	99⅞
Pacific Mail....................	55	24	49¼—Jan. 4	33 —May 22	44	37	43
Pennsylvania R. R............	140	111½	147¾—Mar. 13	131½—May 22	141⅞	133⅜	140½
People's Gas & Coke of Chic.	112⅛	92¾	115½—Apr. 3	97¼—May 15	104⅞	99¾	104
Pullman Palace Car Co.......	244	209	254 —Feb. 28	230 —May 31	240	230½	240
Reading.........................	82⅝	38¾	100¾—June 30	79 —Jan. 13	100¾	91⅛	100
" 1st prefered..........	92	76	94 —Feb. 2	90 —May 22	92	90	91½
" 2d preferred..........	85	55¼	92 —Feb. 3	84 —Jan. 5	91⅛	87	91
Rock Island....................	37¾	19⅛	37⅞—Jan. 18	24¾—May 22	30⅝	25⅛	29½
" preferred............	86⅜	57¾	85 —Jan. 4	71⅛—May 22	76	73	75
St. L. & San Fran. 2d pref....	72½	39¼	73½—Mar. 6	61 —May 26	68¼	64	67
St. Louis & Southwestern....	29	9½	27½—Jan. 20	20 —May 22	24¼	22	24
" preferred............	60¾	25⅜	66⅝—Apr. 18	55½—May 1	61¾	59½	61¾
Southern Pacific Co...........	68¾	41½	72⅜—Feb. 27	57¾—May 4	65¼	60⅝	63⅝
Southern Railway..............	37⅛	18¼	36¾—Mar. 13	28 —May 22	32⅞	28⅛	32⅛
" preferred............	97⅛	77½	100 —Mar. 22	95 —May 1	97¾	96	97¾
Tennessee Coal & Iron Co....	77½	31⅝	106½—Apr. 4	68 —Jan. 25	85	74	82½
Texas & Pacific................	38⅛	20	41 —Mar. 13	29¾—Apr. 29	34⅝	31½	33¾
Toledo, St. Louis & Western..	38	21⅛	43¾—Apr. 6	34⅛—May 22	39	37	38½
" preferred............	57¼	32	65 —Apr. 12	51¾—Jan. 25	57⅞	55½	56⅝
Union Pacific.................	117	71	137⅞—Feb. 25	113 —Jan. 6	129	119⅞	126⅝
" preferred............	98	86½	101⅝—Feb. 21	96 —May 11	98¾	96⅞	97¼
Wabash R. R..................	25	15	23⅝—Feb. 3	17½—May 23	20⅝	18¼	19
" preferred............	48⅛	32¾	48 —Feb. 23	37 —May 23	41⅛	37½	39¾
Western Union.................	94½	85	95½—June 18	92 —Jan. 17	95½	92¾	93½
Wheeling & Lake Erie........	22⅜	14⅛	19¾—Mar. 13	15 —May 1	17	15	16
" second preferred....	32	21⅛	28½—Mar. 13	20 —May 4	25¾	22¾	25¾
Wisconsin Central............	25	16	25¼—Feb. 16	20 —Apr. 29	24¾	21¾	24¼
" preferred............	49⅜	37	54¼—Feb. 17	45 —Jan. 13	53	47⅛	51½
"Industrial"							
Amalgamated Copper........	82¾	43⅛	89¾—Apr. 14	70 —Jan. 25	84⅜	77⅛	81½
American Car & Foundry....	35½	14¾	43⅝—Apr. 14	31 —May 21	35⅞	32	34¼
" pref..................	94¾	67	104½—Apr. 6	91¼—Jan. 25	99	97	98
American Co. Oil Co..........	37⅞	24¼	38 —Apr. 3	30¼—May 23	32¼	30⅜	32
American Ice	9¾	6	7¼—Feb. 1	4⅞—Apr. 29	5	4⅞	5
American Locomotive........	36⅜	16⅛	61¼—Apr. 13	33 —Jan. 25	49⅛	45½	47¼
" preferred............	105	75½	122¾—Apr. 15	103¾—Jan. 5	114	110¾	114
Am. Smelting & Refining Co.	82½	46	123⅞—Apr. 13	79¼—Jan. 9	119¾	108⅝	117½
" preferred............	115	88¾	127 —Apr. 6	111¼—Jan. 13	122	117	119¼
Am. Steel & Foundries........	15¼	3½	18⅜—Mar. 20	8½—June 8	13	8½	9¼
" pref..................	57¼	28	67½—Apr. 4	35⅛—June 14	53	35⅛	36¼
American Sugar Ref. Co......	153	122¼	149¾—Mar. 2	130 —May 22	140	132	138¼
Anaconda Copper Mining....	120⅞	61	130 —Apr. 13	100½—May 22	109	102½	108
Continental Tobacco Co. pref.	131	101½	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products................	26¼	9¾	22¾—Feb. 7	8¾—June 8	11	8¾	11
" preferred............	82¼	65	79 —Jan. 10	43 —June 8	50	43	48
Distillers securities...........	40½	19½	47½—Apr. 6	34⅞—Jan. 25	43⅞	41⅛	43⅝
General Electric Co...........	194½	151	192 —Mar. 16	169 —May 20	176¾	172½	176
International Paper Co......	25⅝	10¼	25½—Mar. 11	18⅛—June 16	20	18½	19½
" preferred............	79⅞	64⅛	82¼—Apr. 6	76 Feb. 6	79½	78¼	79
National Biscuit..............	59½	36	66⅝—Apr. 3	54½—Jan. 25	63⅞	60	62⅜
National Lead Co.............	26¼	14⅛	51¾—Apr. 7	24½—Jan. 5	47¾	43	46
Pressed Steel Car Co..........	44⅛	24¼	46¼—Apr. 14	34 —May 23	39½	36½	39
" preferred............	92	67	99½—Apr. 14	87 —Feb. 16	94	90½	93¾
Republic Iron & Steel Co.....	18¼	6	24¾—Apr. 3	15 —Jan. 23	20¼	16¼	19
" preferred............	73½	37	87½—Feb. 23	67 —Jan. 23	79	71½	77¾
Rubber Goods Mfg. Co........	29⅞	14¾	38 —May 15	24¼—Mar. 7	34¾	31¾	33⅞
" preferred............	98	74¾	109⅛—Apr. 1	94 —Jan. 25	104½	100	103
U. S. Leather Co..............	20¾	6½	14⅝—Jan. 16	10⅞—May 23	14	11	13⅝
" preferred............	106½	75⅝	111⅞ June 22	100¾—Jan. 31	111⅞	107	111
U. S. Rubber Co...............	34½	10½	45½—Apr. 7	33¾—Jan. 3	41½	36⅛	40
" preferred............	100	41	118½—Apr. 7	98⅝—Jan. 6	109½	101½	107
U. S. Steel......................	33½	8⅜	38¼—Apr. 7	24⅞—May 22	32¼	25⅛	31
" pref.......................	95⅝	51¼	104⅞—Apr. 18	90¾—May 22	100	91	98⅛

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.
Ann Arbor 1st g 4's	1995	7,000,000	Q J	100¾	June30,'05	101	100	24,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	148,155,000	A & O	103¾	June30,'05	104	103	576,000
" registered		....	A & O	102¾	May 26,'05	....	....	....
" adjustment, g. 4's	1995	25,616,000	NOV	97	June28,'05	97¼	96	77,000
" registered		....	NOV	94½	Feb. 9,'05	....	....	....
" stamped	1995	26,112,000	M & N	94⅞	June29,'05	94⅞	94	86,000
" serial debenture 4's—								
" series D	1906	2,500,000	F & A	99	Aug.15,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	99⅝	May 2,'05	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	99½	Nov. 3,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	99⅝	June17,'05	99⅝	99⅝	10,000
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	99½	Jan. 10,'05	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	98½	Nov. 23,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	97	Oct. 26,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" East.Okla.div.1stg.4's	1928	6,128,000	M & S	99⅛	June29,'05	99⅛	98¼	2,000
" " registered		....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's	1952	42,139,000	M & S	102⅛	June30,'05	102¼	101¾	437,000
" registered			M & S	92	Feb. 15,'04	....	....	....
Charleston& Savannah 1st g.7's	1936	1,500,000	J & J	198¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g.6's	1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	114¼	Oct. 18,'04	....	....	....
Brunswick & W'n 1st gtd.g.4's	1938	3,000,000	J & J	93	July 14,'04	....	....	....
Sil.SpsOc.& G.RR.&ldg.gtdg.4s	1918	1,067,000	J & J	97¾	Oct. 5,'04	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	72,798,000	J & J	97	June29,'05	97⅝	96¾	241,000
" registered			J & J	96	Nov. 7,'04	....	....	....
" g. 4s	1948	70,963,000	A & O	105	June30,'05	105	104	142,000
" g. 4s. registered			A & O	103	May 9,'05	....	....	....
" ten year c. deb. g. 4's	1911	582,000	M & S	105	May 22,'05	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	91	June22,'05	91	90½	4,000
" registered			QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	29,347,000	M & N	99⅛	June28,'05	99¾	98½	149,000
" Southw'n div. 1st g.3½s.	1925	43,590,000	J & J	92⅞	June30,'05	93¼	92⅜	199,000
" registered			Q J	92⅛	June23,'05	92⅛	92⅛	5,000
Monongahela River 1st g. g., 5's	1919	700,000	F & A	105½	Mar. 11,'04	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,009,000	M & S	109	Apr. 25,'05	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's	1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g.4's	1917	688,000	J & J	100	June23,'05	100	100	1,000
" J. P. Morgan & Co. cer		1,921,000	......	99	May 9,'05	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	123¼	June30,'05	123¼	120½	16,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124½	Apr. 28,'05	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	126	Mar. 25,'05	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	4,305,000	J & J	100⅝	June14,'05	100⅛	99½	6,000
registered			J & J	....	....	....	....	....

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.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	104⅝	June28,'05	104¾	104	71,000
" 2d mortg. 5's	1913	6,000,000	M & S	106⅞	June23,'05	107	106¾	8,000
" registered			M & S	106	Apr. 19,'04	....	....	....
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	94	Jan. 4,'05	....	....	....
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	119½	June 8,'05	119½	119½	16,000
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,700,000	M & N	114	June30,'05	114	113½	60,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	107	June14,'04	....	....	....
" 1st. pref. inc. g. 5's	1945	4,000,000	OCT 1	96⅝	June28,'05	97¼	94	132,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	84	June28,'05	85	80½	571,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	73¼	June28,'05	73½	67	933,000
" Chat. div. pur. my. g. 4's	1951	2,057,000	J & D	94½	Apr. 4,'05	....	....	....
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04	....	....	....
" Mid. Ga. & Atl. div. g 5s	1947	418,000	J & J	102	June29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	107¼	Aug. 2,'04	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	112	Apr. 8,'05	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	136¼	June 9,'05	136¼	136	2,000
" registered			Q J	135¼	June16,'05	135¼	134¾	45,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	114½	June14,'05	114½	114½	2,000
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	104½	Mar. 17,'05	....	....	....
" con. extended gtd. 4½'s	1910	12,175,000	Q M	101¾	June28,'05	101¾	101½	17,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	106	May 16,'05	....	....	....
" Mortgage gold 6's	1911	2,000,000	A & O	108¾	May 15,'05	....	....	....
" 1st con. g. 5's	1939	25,858,000	M & N	118	June29,'05	118	117⅝	17,000
" registered			M & N	116¼	May 18,'05	....	....	....
" Gen. m. g. 4½'s	1992	38,573,000	M & S	107¾	June30,'05	108	107½	140,000
" registered			M & S	107½	June27,'05	107½	106¾	11,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	113	Mar. 8,'05	....	....	....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	103¾	June19,'05	104	103¾	4,000
" 2d con. g. 4's	1989	1,000,000	J & J	98	Apr. 7,'05	...	....	....
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	113¼	Feb. 17,'05	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	95½	Sept. 20,'04	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	85½	June28,'05	85½	84¾	32,000
" " registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	81¾	June30,'05	82	80¼	95,000
" registered			J & J	80¼	Mar 4,'05	....	....	....
Chicago, Burl. & Quincy:								
" Denver div. 4's	1922	4,783,000	F & A	102½	June30,'05	103	102	8,000
" Illinois div. 3½s	1949	50,835,000	J & J	97⅞	June26,'05	97⅞	97¾	68,000
" registered			J & J	96½	Feb. 24,'05	....	....	....
" Illinois div. 4s	1949	10,306,000	J & J	105¾	Aug. 8,'04	....	....	....
" registered		....	J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's	1919	2,388,000	A & O	110¼	Jan. 5,'05	....	....	....
" 4's	1919	7,882,000	A & O	101¾	June22,'05	103	101¾	2,000
" Nebraska extensi'n 4's	1927	25,844,000	M & N	106¾	June19,'05	106¾	106¼	2,000
" registered			M & N	106¼	June16,'05	106¼	106¼	5,000
" Southwestern div. 4's	1921	2,500,000	M & S	100	Apr. 10,'05	....	....	....
" 4's joint bonds	1921	215,071,000	J & J	103	June30,'05	103¼	102½	2,590,000
" " registered			Q JAN	101	June19,'05	101½	101	12,000
" 5's, debentures	1913	9,000,000	M & N	106	June24,'05	106	106	2,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	112¾	June 1,'05	112¾	112¾	6,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	107¾	May 4,'05	....	....	....
" small bonds			J & D	103½	July 8,'04	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	138	June28,'05	138	137½	3,000
" gen. con. 1st 5's	1937	16,529,000	M & N	120¼	June14,'05	120¼	119	9,000
" registered			M & N	119½	Mar. 2,'05	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	121¼	Apr. 20,'05	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	135	Apr. 28,'05	....	....	....
" ref. g. 5's	1947	4,742,000	J & J	114	May 10,'05	....	....	....
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	111¾	June29,'05	111¾	111¾	3,000
Chicago, Milwaukee & St. Paul.								
Chicago Mil. & St. Paul con. 7's	1905	507,000	J & J	187	Mar. 14,'05	....	....	....
" terminal g. 5's	1914	4,748,000	J & J	111½	June29,'05	111¾	111½	2,000
" gen. g. 4's, series A	1989	23,676,000	J & J	112½	June29,'05	112½	112½	28,000
" registered		....	Q J	109½	June18,'04	....	....	....

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.
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	98⅞	Jan. 9,'05	....	....	....
" registered			J & J	....	....	....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116¾	Apr. 6,'05	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	119⅝	May 20,'05	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	111½	June15,'05	111½	111½	1,000
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	117½	June19,'05	117½	117	16,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	112	Mar. 7,'05	....	....	....
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	115⅝	May 17,'05	....	....	....
" 1st 5's	1910	990,000	J & J	106	Aug. 3,'04	....	....	....
" 1st 7's, Iowa & D. ex.	1908	831,000	J & J	185	Apr. 26,'05	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	115⅝	May 8,'05	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	106⅝	Apr. 3,'05	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	111½	June29,'05	111½	111	2,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	110	May 19,'05	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	116½	June 9,'05	116½	116½	1,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	112⅛	Apr. 17,'05	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	116⅛	Jan. 5,'05	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	127¼	May 29,'05	....	....	....
" extension 4's.....	1886-1926	18,632,000	F A 15	104½	Dec. 27,'04	....	....	....
" registered			F A 15	102⅝	May 11,'04	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	99½	May 24,'05	....	....	....
" registered			Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's..	1879-1929	5,686,000	A & O	118	June13,'05	118	118	2,000
" registered			A & O	117	Feb. 15,'05	....	....	....
" sinking fund 5s'..	1879-1929	6,769,000	A & O	110½	Apr. 3,'05	....	....	....
" registered			A & O	107	Mar. 28,'04	....	....	....
" deben. 5's	1909	5,900,000	M & N	104	June17,'05	105¾	104	6,000
" registered			M & N	104	Mar. 3,'04	....	....	....
" deben. 5's	1921	10,000,000	A & O	112¼	June23,'05	112½	112	28,000
" registered			A & O	108¾	Jan. 12,'04	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	117	May 16,'05	....	....	....
" registered			M & N	115½	Apr. 28,'05	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	104½	Mar. 16,'02	....	....	....
Northern Illinois 1st 5's........	1910	1,500,000	M & S	105½	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105	May 29,'05	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	110¼	Mar. 28,'05	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	127⅞	June14,'05	127⅞	127⅞	1,000
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	119¼	Nov.15,'04	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131½	Jan. 5,'05	....	....	....
" con. deb. 5's	1907	436,000	F & A	103	Apr. 8,'04	....	....	....
" incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	123⅞	Apr. 27,'05	....	....	....
" registered	1917		J & J	123	May 22,'05	....	....	....
" gen. g. 4's	1988	61,581,000	J & J	107	June29,'05	107½	106¾	127,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" refunding 4s	1934	32,558,000	A & O	96⅞	June30,'05	97	95½	794,000
" registered			A & O	....	....	....	....	....
" coll. tr. ser. 4's ser. D.	1906	1,494,000	M & N	....	....	....	....	....
" E	1907	1,494,000	M & N	....	....	....	....	....
" F	1908	1,494,000	M & N	....	....	....	....	....
" G	1909	1,494,000	M & N	....	....	....	....	....
" H	1910	1,494,000	M & N	97	July14,'04	....	....	....
" I	1911	1,494,000	M & N	97½	May 26,'05	....	....	....
" J	1912	1,494,000	M & N	....	....	....	....	....
" K	1913	1,494,000	M & N	....	....	....	....	....
" L	1914	1,494,000	M & N	96¼	May 26,'05	....	....	....
" M	1915	1,494,000	M & N	96	May 16,'04	....	....	....
" N	1916	1,494,000	M & N	93	May 24,'04	....	....	....
" O	1917	1,494,000	M & N	94	Dec. 5,'04	....	....	....
" P	1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,909,000	M & N	81⅝	June30,'05	82½	79¾	1,756,000
" registered			M & N	76¼	Sept.14,'04	....	....	....
" coll. trust g. 5's	1913	17,328,000	M & S	94½	June30,'05	94¾	91¾	356,000
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	101½	June21,'05	101¼	100¾	24,000
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	119½	June 8,'05	119⅛	119⅛	7,000
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	112½	Sept. 26,'04	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	40	Aug. 24,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	110½	Apr. 17,'05	....	....	....
" con. g. 5's	1952	5,411,000	J & J	115	Apr. 20,'05	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	109¼	May 29,'05	....	....	....
" small bond	1923	....	A & O	102½	Apr. 26,'04	....	....	....

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Chic., St. P., Minn. & Oma. con. 6's. 1930	14,743,000	J & D	136½	June29,'05	137	134⅞	40,500
• con. 6's reduced to 3½'s. 1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's.. 1918	1,816,000	M & N	135⅝	Apr. 24,'05	....	....	....
North Wisconsin 1st mort. 6's.. 1930	854,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's.... 1919	6,070,000	A & O	125	June21,'05	125	124¼	11,000
Chic., Term. Trans. R. R. g. 4's.. 1947	15,135,000	J & J	98½	June30,'05	98½	97	14,000
• coupons off..................			97	June29,'05	97	95	65,000
Chic. & Wn. Ind. gen'l g. 6's...... 1932	9,250,000	Q M	114½	June28,'05	114½	114½	2,000
Cin., Ham. & Day. con. s'k. f'd 7's. 1905	927,000	A & O	104½	Dec. 5,'03	....	....	....
• 2d g. 4½'s.............. 1937	2,000,000	J & J	118	Oct. 10,19'	....	...	....
Cin., Day. & Ir'n 1st gt. dg. 5's.. 1941	3,500,000	M & N	116	May 9,'05	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's. 1923	1,150,000	M & N	....	....	....	....	....
Cin. Ind. & Wn. 1st & ref. gtd g. 4's. 1953	4,672,000	J & J	99	May 6,'05	....	....	....
Clev., Cin., Chic. & St. L. gen. g. 4's.. 1993	19,749,000	J & D	102¼	June30,'05	102⅜	101¼	115,000
• do Cairo div. 1st g. 4's.. 1939	5,000,000	J & J	101¼	June27,'05	101¼	101¼	2,000
Cin., Wab. & Mich. div. 1st g. 4's. 1991	4,000,000	J & J	100⅝	Mar. 21,'05	....	....	....
St. Louis div. 1st col. trust g. 4's. 1990	9,750,000	M & N	102	June21,'05	102	101⅛	9,000
• registered..............			100	Oct. 3,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's... 1940	1,035,000	M & S	99¾	Feb. 8,'05	....	....	....
White W. Val. div. 1st g. 4's.... 1940	650,000	J & J	94½	Aug. 31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's. 1936	7,599,000	Q F	101⅝	June 5,'05	101⅝	101⅝	10,000
• registered..............			95	Nov. 15,'94	....	....	....
• con. 6's.............. 1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's 1928	2,571,000	J & J	114	June 2,'05	114	114	1,000
Clev., C., C. & Ind. con. 7's...... 1914	3,991,000	J & D	121¾	June24,'05	121¾	121¾	8,000
• sink. fund 7's........ 1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's........ 1934	3,205,000	J & J	135	May 10,'05	....	....	....
• registered..............		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's. 1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's.... 1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's... 1940	8,103,000	A & O	100¼	June22,'05	100⅝	100¼	34,000
• income 4's.............. 1990	4,000,000	A	74	June30,'05	74⅝	72½	162,000
Clev., Lorain & Wheel'g con. 1st 5's 1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's.. 1938	2,936,000	J & J	116½	Jan. 23,'05	....	....	....
• registered..............		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's.......... 1947	8,946,000	J & J	76⅞	June30,'05	76⅞	74½	379,000
Colorado & Southern 1st g. 4's... 1929	19,103,000	F & A	94⅞	June30,'05	95	94	174,000
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	108	Mar 15,'05	....	....	....
Morris & Essex 1st m 7's........ 1914	5,000,000	M & N	126¼	June29,'05	126¼	126¼	1,000
• 1st c. gtd 7's.......... 1915	11,677,000	J & D	128⅜	June13,'05	128⅜	128⅜	2,000
• registered..............		J & D	127	June23,'05	127	127	1,000
• 1st refund. gtd. g. 3½'s. 2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's... 1921	12,000,000	J & J	130½	June23,'05	130½	130½	2,000
• const. 5's.............. 1923	5,000,000	F & A	112½	May 9,'05	....	....	....
• terml. imp. 4's.......... 1923	5,000,000	M & N	104	May 10,'05	....	....	....
Syracuse, Bing. & N. Y. 1st 7's.. 1906	1,966,000	A & O	105½	June21,'05	105½	105½	5,000
Warren Rd. 1st rfdg. gtd g. 3½'s. 2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.							
• 1st Penn. Div. c. 7's... 1917	5,000,000	M & S	134	May 2,'04	....	....	....
• reg.................... 1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's..... 1906	3,000,000	A & O	103¼	June 8,'05	103¼	103¼	3,000
• 6's.................... 1906	7,000,000	A & O	102	June12,'05	102	102	1,000
Rens. & Saratoga 1st 7's 1921	2,000,000	M & N	142½	Mar. 10,'05	....	....	....
Denver & Rio G. 1st con. g. 4's... 1936	33,450,000	J & J	102½	June28,'05	102½	101¾	70,500
• con. g. 4½'s.......... 1936	6,382,000	J & J	108	Apr. 25,'05	....	..	....
• impt. m. g. 5's........ 1928	8,818,500	J & D	108	June 1,'05	108	108	5,000
Rio Grande Western 1st g. 4's.. 1939	15,200,000	J & J	100	June30,'05	101	99½	70,000
• mge. & col. tr. g. 4's ser. A. 1949	13,336,000	A & O	91	June 9,'05	91½	91	18,000
Utah Central 1st gtd. g. 4's... 1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Des Moines Union Ry 1st g. 5's.. 1917	628,000	M & N	110	Sept. 30,'04	....	....	....
Detroit & Mack. 1st lien g. 4s...... 1995	900,000	J & D	100	Sept. 13,'04	....	....	....
• g. 4s.................. 1995	1,250,000	J & D	96½	Apr. 17,'05	....	....	....
Detroit Southern 1st g. 4's....... 1951	3,866,000	J & D	81¾	Mar. 1,'05	....	....	....
• Ohio South. div. 1st g. 4's. 1941	4,281,000	M & S	92½	June26,'05	92½	92½	1,000
Duluth & Iron Range 1st 5's...... 1937	6,732,000	A & O	114½	June26,'05	114½	114½	1,000
• registered..............		A & O	101½	July 23,'89	....	....	....
• 2d l m 6s.............. 1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's.. 1937	3,816,000	J & J	116	June29,'05	116	115¼	6,000
Duluth Short Line 1st gtd. 5's.... 1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's.. 1941	8,500,000	M & N	119½	May 20,'05	....	....	....

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	107	May 3,'05	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
" 3d extended g. 4½'s	1923	4,617,000	M & S	110½	June26,'05	110½	110½	4,000
" 4th extended g. 5's	1920	2,926,000	A & O	114½	June14,'05	114½	114½	1,000
" 5th extended g. 4's	1928	709,500	J & D	103	Feb. 17,'05	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	134½	May 22,'05	....	....	....
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	35,000,000	J&J	103½	June30,'05	103½	101⅞	119,000
" registered			J&J	98½	Jan. 21,'04	....	....	....
" 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	95	June30,'05	95	93½	563,000
" registered			J&J	88	Nov.15,'04	....	....	....
" Penn. col. trust g. 4's.	1951	33,000,000	F & A	96	June29,'05	96	95	381,000
" 50 yrs. con. g. 4's ser A.	1953	10,000,000	A & O	105½	June30,'05	105½	103½	472,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	126½	Mar. 13,'05	....	....	....
Buffalo & Southwestern g. 6's.	1908	1,500,000	J&J	110	Mar. 3,'05	....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	122½	June16,'05	122½	121½	11,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	102¾	June 9,'05	102¾	102¾	1,000
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June12,'05	134½	134½	1,000
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	116	June 9,'05	116	116	8,000
N. Y. & Greenw'd Lake gt g 5's.	1946	1,452,000	M&N	117	Jan. 17,'05	....	....	....
" small								
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¼	June15,'05	110¼	110¼	1,000
N.Y., Sus.&W. 1st refdg. g. 5's.	1937	3,745,000	J & J	116	Apr. 1,'05	....	....	....
" 2d g. 4½'s	1937	447,000	F & A	104	June26,'05	104	104	3,000
" gen. g. 5's	1940	2,546,000	F & A	110½	May 13,'05	....	....	....
" term. 1st g. 5's	1943	2,000,000	M & N	117½	Jan. 19,'05	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's.	1942	3,000,000	J & D	109⅝	Jan. 5,'05	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Apr. 19,'05	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	124	June19,'05	124	124	3,000
" 1st General g 5's	1942	2,672,000	A & O	110½	June28,'05	110½	110½	5,000
" Mount Vernon 1st 6's	1923	375,000	A & O	114	Apr. 19,'05	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
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	......	110	June30,'05	111	109½	24,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	92	June26,'05	92	90½	23,000
Galveston H. & H. of 1882 1st 5s.	1913	2,000,000	A & O	102½	May 19,'05	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's.	1952	4,574,000	J & J	104½	June13,'05	104½	104½	1,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	112	June23,'05	112	111	36,000
" registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	103	June21,'05	103	103	4,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	110¼	June13,'05	110¼	110¼	5,000
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	103	Apr. 24,'05	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	101½	May 22,'05	....	....	....
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000.	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's.	1952	15,000,000	A & O	106½	May 3,'05	....	....	....
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	105⅝	June27,'05	105¾	105⅝	4,500
" registered			M & N	103	June15,'04	103	103	1,000
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....		....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	95¾	May 10,'05	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" Omaha div. 1st g. 3's	1951	5,000,000	F & A	86	Jan. 12,'05	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	85	Nov. 29,'04	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	96	Mar. 15,'05	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	109¼	May 26,'05	....	....	....
" registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	124½	Apr. 5,'04	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	124	June22,'05	124	124	3,000
" gold 5's, registered			J D 15	119¾	Mar. 12,'04	....	....	....

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" g. 3½'s	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	110½	Jan. 4,'05	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101⅛	Mar. 16,'05	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
" 1st gtd. g. 5's	1935	933,000	J & J	107⅛	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	100½	May 24,'05	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	11,291,000	M & N	120	June28,'05	120	120	7,000
" 2d g. 5's	1909	10,391,000	M & S	102	June29,'05	102	101	42,000
" 3d g. 4's	1921	2,960,500	M & S	80	June16,'05	80	79	26,000
Iowa Central 1st gold 5's	1938	7,650,000	J & D	112¾	June 5,'05	112¾	112¾	1,000
" refunding g. 4's	1951	2,000,000	M & S	85	Apr. 11,'05	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	71⅛	June29,'05	71¼	70⅞	466,000
" registered			A & O	68¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	120	June30,'05	120	119½	5,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	116¼	Apr. 6,'05	....	....	....
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	120	Feb. 20,'05	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	112½	June23,'05	112½	112½	1,000
" registered		....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. (Penn.) g. c. g. 4's	2003	20,100,000	M & N	....	....	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	119¼	May 18,'05	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,114,000	J & J	115	June 9,'05	115	115	1,000
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	99	Jan. 3,'05	....	....	....
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	106⅛	Nov. 3,'04	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	117⅛	Apr. 10,'05	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	101	June15,'05	101	101	3,000
" Ferry 1st g. 4½'s	1922	1,494,000	M & S	105	Jan. 18,'05	....	....	....
" g. 4's	1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
" unified g. 4's	1949	6,860,000	M & S	101¼	June21,'05	101¼	100¼	6,000
" deb. g. 5's	1934	1,135,000	J & D	110	June22,'04	....	....	....
" gtd. refunding g. 4's	1949	12,200,000	M & S	102⅝	June30,'05	102¾	101¾	254,000
" " registered			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	111⅜	May 26,'05	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	109	Nov. 28,'04	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's	1927	2,724,000	M & S	105¼	Apr. 14,'05	....	....	....
Louis. & Nash. gen. g. 6's	1930	7,875,000	J & D	119¾	June28,'05	120	119	10,000
" gold 5's	1937	1,764,000	M & N	118¾	May 23,'05	....	....	....
" Unified gold 4's	1940	31,722,000	J & J	105⅛	June30,'05	105½	104½	95,000
" registered	1940		J & J	101⅞	June18,'94	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	114	Apr. 1,'05	....	....	....
" 5-20yr. col. tr. deed g. 4's	1923	23,000,000	A A O	99¼	June30,'05	99¼	98½	313,000
" E., Hend. & N. 1st 6's	1919	1,675,000	J & D	114¼	June 6,'05	114¼	114¼	4,000
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	109	Mar. 6,'05	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	132	June23,'05	132	132	1,000
" 2d g. 6's	1930	1,000,000	J & J	126½	Feb. 17,'05	....	....	....
" Pensacola div. g. 6's	1920	580,000	M & S	114	Apr. 26,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	121⅛	May 2,'05	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	115¼	Mar. 7,'05	....	....	....
" At. Kx. & N. R. 1st g. 5's	1946	1,000,000	J & D	112½	Nov. 16,'04	....	....	....
" H. B'ge 1st sk'fd. g 6's	1931	1,453,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	100¾	May 26,'05	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	110	Feb. 3,'05	....	....	....
" South. Mon. joint 4's	1952	11,827,000	J & J	96⅞	June27,'05	96⅞	96½	11,000
" registered			Q Jan	95	Feb. 6,'05	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	115	Mar. 3,'05	....	....	....
" Pen. & At. 1st g. g. 6's	1921	2,394,000	F & A	112⅛	Mar. 23,'05	....	....	....
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	116½	Jan. 18,'05	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	98⅝	Oct. 26,'04	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	104½	June28,'05	104⅛	104¼	56,000
" registered			A & O	104	Apr. 5,'05	....	....	....
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	109	June28,'05	109	108½	35,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central, con. mtge. 4's	1911	65,690,000	J & J	79	June30,'05	79	75	270,000
" 1st con. inc. 3's	1939	20,511,000	JULY	21⅝	June29,'05	21¾	19⅛	298,000

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• 2d 3's	1939	11,724,000	JULY	12⅛	June30,'05	13	11¾	114,000
• equip. & collat. g. 5's	1917	550,000	A & O	....	....	....	....	....
• 2d series g. 5's	1919	665,000	A & O	....	....	....	....	....
• col.trust g.4½'s1st se of	1907	10,000,000	F & A	97¼	June29,'05	97¼	96½	26,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
• stamped gtd		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	963,000	J & D	....	....	....	....	....
• registered			J & D	105	May 2,19'	....	....	....
Midland Term'l Ry. 1st g.s.f.5's	1925	472,000	J & D	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	137	Jhne29,'05	137	137	1,000
• Iowa ext. 1st g. 7's	1909	1,015,000	J & D	108¾	June13,'05	108¾	108¾	1,000
• Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120¼	Apr. 19,'05	....	....	....
• Southw. ext. 1st g. 7's	1910	636,000	J & D	113¼	Mar. 10,'05	....	....	....
• 1st con. g. 5's	1934	5,000,000	M & N	114¾	June13,'05	114¾	114½	11,000
• 1st & refunding g. 4's	1949	9,350,000	M & S	97½	June28,'05	97½	96	11,000
DesMoines & Ft. Dge1stgtd g.4's.	1935	3,072,000	J & J	98½	June28,'05	98¼	97½	47,000
Minn., S. P. & S. S. M., 1st c. g. 4's.	1938	32,055,000	J & J	102¾	June24,'05	102¾	102½	7,000
• stamped pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's.	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
• stamped pay. of int. gtd.				89⅝	June 18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's.	1990	40,000,000	J & D	101	June30,'05	102	100½	126,000
• 2d mtge. g. 4's	1990	20,000,000	F & A	87	June30,'05	87	85¼	256,000
• 1st ext gold 5's	1944	3,254,000	M & N	105¾	June28,'05	106	105¼	184,000
St. Louis div. 1st refundg 4s	2001	1,892,000	A & O	90½	June 6,'05	90½	90½	20,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	105¼	Dec. 22,'04	....	....	....
Kan. City & Pac. 1st g. 4s	1990	2,500,000	F & A	95	Apr. 25,'05	....	....	....
Mo., Kan. & East. 1st gtd. g. 5s.	1942	4,000,000	A & O	114	June13,'05	114	112½	4,000
Mo., Kan. & Ok. 40 yr. 1st gtd. 5s.	1942	5,468,000	M & N	106⅝	June26,'05	106⅞	106	69,000
Mo., K. & Tex. of Tex. 1stgtd.g.5s	1942	4,505,000	M & S	107½	June30,'05	108⅛	107	89,000
Sher., Shreve. & So. 1st gtd. g. 5s.	1943	1,689,000	J & D	107½	Feb. 24,'05	....	....	....
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	106	June 5,'05	106	105¾	15,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	121½	June30,'05	122⅝	121½	17,000
• 3d mortgage 7's	1906	3,828,000	M & N	104¾	June10,'05	104¾	104½	10,000
• trusts gold 5's stamp'd	1917	14,376,000	M & S	107	June30,'05	107⅝	107	51,000
• registered			M & S	....	....	....	....	....
• 1st collateral gold 5's.	1920	9,636,000	F & A	108	June28,'05	108⅛	108	11,000
• registered			F & A	....	....	....	....	....
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	98	June22,'05	98	97	19,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	110	Mar. 13,'05	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	105⅛	June19,'05	105⅛	105	18,000
• 2d extended g. 5's	1938	2,573,000	F & A	118¾	June13,'05	118¾	118¾	1,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,709,000	A & O	116	June30,'05	116¾	116	55,000
• stamped gtd gold 5's	1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
• unify'g & rfd'g g. 4's.	1929	30,347,000	J & J	95¾	June30,'05	95⅞	95	118,000
• registered			J & J	87¼	Apr. 23,'04	....	....	....
• Riv & Gulf divs 1st g 4s.	1933	21,177,000	M & N	95	June29,'05	95½	94½	196,000
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111½	Mar. 8,04'	....	....	....
• small		226,000	J & J	90	Feb. 4,'03	....	....	....
• mtg. g. 4's	1945	700,000	J & J	93¼	Apr. 6,'05	....	....	....
• small		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson & Kan. City 1st g.5's.	1946	1,882,000	J & D	100¼	June30,'05	100¼	98¾	85,000
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	125¾	June 7,'05	125¾	125¾	2,000
• 1st extension 6's	1927	974,000	J & D	126	June19,'05	126	124¾	14,000
• gen. g. 4's	1938	9,472,000	Q J	96½	May 12,'05	....	....	....
• Montg'rydiv. 1st g.5's.	1947	4,000,000	F & A	114¾	Apr. 20,'05	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	....	....	....
• collateral g. 4's	1930	2,494,000	Q F	95	Feb. 20,'05	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	123	June29,'05	123	122	16,000
• 1st cons. g. 5's	1928	7,566,000	A & O	115	June14,'04	115	114¼	7,000
• 1st g.6's Jasper Branch.	1923	371,000	J & J	121	Apr. 19,'05	....	....	....
• 1st 6's McM. M.W. & Al.	1917	750,000	J & J	117¼	Mar. 6,'05	....	....	....
• 1st 6's T. & Pb	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat R.R. of Mex. prior lien g.4½'s.	1926	20,000,000	J & J	105⅛	May 11,'05	....	....	....
• 1st con. g. 4's	1951	22,000,000	A & O	81½	June30,'05	81½	80	129,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug. 13,'94	....	....	....
N.Y. Cent. & Hud. R. g. mtg. 3½s.	1997	77,000,000	J & J	100¾	June30,'05	100⅞	100½	79,000
• • registered			J & J	99	June28,'05	99	99	4,000
• deb. g 4s	1934	30,000,000	M & N	101⅛	June29,'05	101⅛	100⅝	249,000
• • registered			M & N	....	....	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	91½	June28,'05	92	91⅜	291,000
• registered			F & A	90	June27,'05	90½	90	58,000
Michigan Central col. g. 3½s	1998	19,336,000	F & A	90½	June27,'05	90¼	89½	8,000
• registered			F & A	89½	May 26,'05	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	107½	Feb. 2,'05	....	....	....
• registered			J & J	102	Mar. 31,'03	....	....	....

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" 2d gtd. g. 5's	1936	500,000	J & J	....	....	....	....	....
" registered		....	J & J	....	....	....	....	....
" ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O	....	....	....	....	....
" registered			A & O	....	....	....	....	....
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D	....	....	....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23,'04	....	....	....
" small bonds series B		33,000	J & J	....	....	....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D	....	....	....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'	....	....	....
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
" reg. certificates			F & A	....	....	....	....	....
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	106	Mar. 2,'05	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	....	....	....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	110	June 28,'05	110	109¼	89,000
" registered			J & J	107½	June 30,'05	109½	107	90,500
Lake Shore g 3½s	1997	50,000,000		100	June 28,'05	100	99¼	30,000
" registered			J & D	99½	June 2,'05	99½	99½	1,000
" deb. g. 4's	1928	40,000,000	M & S	101⅛	June 30,'05	101¼	100⅞	679,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	102	May 22,'05	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J	....	....	....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	May 22,'05	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
" 2d gtd 6's	1934	900,000	J & J	....	....	....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J	....	....	....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
" 5's	1931	3,576,000	M & S	124	Feb. 3,'05	....	....	....
" 5's reg	1931		Q M	119	June 6,'05	119	119	1,000
" 4's	1940	2,600,000	J & J	106¼	June 9,'04	....	....	....
" 4's reg			J & J	106½	Nov. 26,19'	....	....	....
" g. 3½'s sec. by 1st mge. on J. L. & S.		1,900,000	M & S	....	....	....	....	....
" 1st g. 3½'s	1952	13,000,000	M & N	96¼	May 26,'04	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D	....	....	....	....	....
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	105½	Mar. 2,'05	....	....	....
" 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Mar. 31,'05	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	117⅞	June 26,'05	117⅞	117¾	6,000
coup. g. bond currency			A & O	....	....	....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	....	....	....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107½	Feb. 4,'03	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105	June 27,'05	105¼	104½	18,000
" registered			A & O	101	Mar. 28,'03	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	20,000,000	M & S	104	June 30,'05	104	103	123,000
" registered.......$5,000 only.		....	M & S	103½	Jan. 17,'05	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,590,000	M & N	111¼	Feb. 6,'05	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Jan. 23,'05	....	....	....
" imp'ment and ext. 6's	1934	5,000,000	F & A	132½	May 16,'05	....	....	....
" New River 1st 6's	1932	2,000,000	A & O	132½	Dec. 28,'04	....	....	....
Norfolk & West. Ry. 1st con. g. 4s.	1996	39,710,500	A & O	102½	June 30,'05	102½	101⅝	112,000
" registered			A & O	99¾	June 18,'03	....	....	....
" small bonds			A & O	....	....	....	....	....
" div. 1st lien & gen g. 4s.	1944	8,000,000	J & J	100¾	June 30,'05	100⅞	100	66,000
" " registered			J & J	....	....	....	....	....
" Pocahon C.&C. Co. jt. 4's	1941	20,000,000	J & D	96¼	June 30,'05	96¼	94½	264,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	109½	Feb. 20,'05	....	....	....
" Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	101¼	June 23,'05	101¼	101	13,000
N.P. Ry prior ln ry. & ld. gt. g. 4's	1997	101,392,500	Q J	106	June 29,'05	106⅛	105⅛	357,000
" registered			Q J	104¾	June 19,'05	105⅛	104¾	38,000
" gen. lien g. 3's	2047	56,000,000	Q F	76½	June 30,'05	77½	76	186,000
" registered			Q F	75	June 26,'05	75	75	2,500
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	100	Mar. 24,'05	....	....	....
" registered			J & D	....	....	....	....	....
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125¼	Apr. 24,'05	....	....	....
" registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03	....	....	....
" 2d 5's	1917	2,000,000	A & O	109	June 27,'05	109	109	1,000
" 1st con. g. 4's	1968	1,000,000	J & D	100¼	Apr. 12,'05	....	....	....
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	92½	Apr. 14,'05	....	....	....
Nor Pacific Term. Co. 1st g. 6's	1933	3,587,000	J & J	116¾	June 14,'05	116⅝	116⅝	2,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	118¼	Feb. 2,'05	....	....	....
" gen. mortg. g 6's	1937	2,428,000	A & O	111½	June 13,'05	111½	111½	2,000
[illegible]k & Cher. Cent. Ry. 1st gtd g 5s	1913	2,880,009	A & O	100	June 8,'05	100	100	1,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	112	June 7,'05	112	112	1,000

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Panama 1st sink fund g. 4½'s	1917	2,371,000	A & O	103	Apr. 11,'05			
• s. f. subsidy g 6's	1910	715,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111	June29,'05	111	110½	3,000
• reg	1921		J & J	106	Jan. 13,'05			
• gtd. 3½ col. tr. reg. cts.	1937	4,843,000	M & S	98	July 16,'04			
• gtd. 3½ col. tr. cts. ser B	1941	9,687,000	F & A	94	June 7,'05	94	94	1,000
• Trust Co. ctfs. g. 3½'s	1916	15,998,000	M & N	97	May 4,'05			
• gtd. g. 3½'s tr. cts. s. C.	1942	5,000,000	J & D					
• gtd. g. 3½'s tr. cts. s. D.	1944	10,000,000	J & D					
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	120	June19,'05	120	120	6,000
• registered		....	A & O	110	May 3,'92			
Cin., Leb. & N. 1st con. gtd. g. 4's	1942	900,000	J & J					
Clev. & P. gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03			
• Series B	1942	1,561,000	A & O					
• • int. reduc. 3½ p.c.		439,000	......					
• Series C 3½s	1948	3,000,000	M & N					
• Series D 3½s	1950	1,990,000	F & A	96	Jan. 8,'04			
E. & Pitts. gen. gtd. g. 3½s Ser. B.	1940	2,240,000	J & J	102	Nov. 7,19'			
• • • C.	1940	2,218,000	J & J	98¾	Apr. 4,'04			
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s								
• Series A	1940	10,000,000	A & O	113	June 7,'05	113	113	7,000
• Series B gtd	1942	8,786,000	A & O	112¾	June 3,'05	112¾	112¾	3,000
• Series C gtd	1942	1,379,000	M & N	112½	June12,'05	113	112½	5,000
• Series D gtd. 4's	1945	4,983,000	M & N	103	June14,'05	103	103	3,000
• Series E gtd. g. 3½s	1949	10,257,000	F & A	93	May 25,'05			
• Series F c. gtd. g. 4's	1953	9,000,000	J & D					
Pitts., Ft. Wayne & C. 1st 7's	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
• 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
• 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walhonding Vy. & O. 1st gtd. bds 4½'s series A	1931	1,500,000	J & J					
• 4½'s series B	1933	978,000	J & J					
• 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	107	Feb. 28,'05			
con. sterling gold 6 per cent	1905	22,762,000	J & J					
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept. 21,'04			
• registered			Q M					
con. gold 4 per cent	1943	2,769,000	M & N	106	Aug. 28,'03			
• ten year conv. 3½'s	1912	20,523,000	M & N	103¼	June30,'05	103¾	101⅝	629,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'			
Belvedere Del. con. gtd. 3½'s	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	110	Jan. 19,'05			
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A					
G. R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111¼	June 5,'05	111¼	111¼	5,000
Phila. Balto. & Wash. 1st g. 4's	1943	10,570,000	M & N	106¾	May 6,'05			
• registered			M & N					
Pitts. Va. & Charl. Ry 1st gtd g. 4's	1943	6,000,000	M & N					
Sunbury & Lewistown 1st g. 4's	1936	500,000	J & J					
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept. 28,04'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	123⅛	Jan. 18,'05			
• 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	121½	June22,'05	121½	121½	5,000
• 1st con. gold 5's	1939	2,850,000	M & N	112¾	June16,'05	112¾	112¾	1,000
• Port Huron d 1st g 5's	1939	3,325,000	A & O	114	June15,'05	114	114	3,000
Sag'w Tusc. & Hur. 1st gtd. g. 4's	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'98			
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01			
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112½	Dec. 13,'93			
Pitts., Shena'go & L. E. 1st g. 5's	1940	3,000,000	A & O	120	Mar. 8,'05			
• 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'			
Pittsburg. Y & Ash. 1st cons. 5's	1927	1,562,000	M & N	116	May 24,'05			
Reading Co. gen. g. 4's	1997	66,232,000	J & J	103⅝	June30,'05	104	102¾	522,000
• registered			J & J	100	Jan. 27,'05			
• Jersey Cent. col. g. 4's	1957	23,000,000	......	100⅞	June29,'05	101	99¾	88,000
• • registered			......					
Atlantic City 1st con. gtd. g. 4's	1951	1,063,000	M & N					
Philadelphia & Reading con. 6's	1911	7,304,000	J & D	113¼	Feb. 25,'05			
• registered		663,000	J & D					
• 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04			
• • registered		3,339,000	J & D	118	Jan. 7,'05			
Rio Grande Junc'n 1st gtd. g. 5's	1939	2,000,000	J & D	109	Mar. 11,'05			
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	76	June28,'05	76	76	4,000
• guaranteed		2,277,000	......	89	Jan. 4,'05			

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Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	99	June23,'05	99	99	3,000
Rutland Canadian 1stgtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2-3½2.......1947	3,500,000	J & J	95⅞	June30,'05	96	95¾	6,000
St. L. & Adirondack Ry. 1st g.5's.1996	800,000	J & J	....	....	....	....	....
• 2d g. 6's.............1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	103	June14,'05	103	103	17,000
• 2d g. 6's, Class C......1906	829,000	M & N	104⅛	Feb. 21,'05	....	....	....
• gen. g. 6's............1931	3,681,000	J & J	131	May 26,'05	....	....	....
• gen. g. 5's............1931	5,803,000	J & J	113⅝	June17,'05	115⅛	113⅝	17,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	100¼	May 9,'05	....	....	....
• S. W. div. g.5's........1947	829,000	A & O	101	May 5,'05	....	....	....
• refunding g. 4's.......1951	58,997,000	J & J	90⅞	June30,'05	91¼	90¼	800,000
• • registered...		J & J	....	....	....	....	....
• 5 year 4½'s gold notes.1908	5,728,000	J & D	96	Dec. 8,'04	....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	124⅛	June15,'05	124⅛	124⅛	2,000
Kan.Cy Ft.S &MRyrefggtd g4s.1936	16,853,000	A & O	89¼	June29,'05	89¾	88⅝	327,000
• registered...............		A & O	78⅛	Jan. 14,'04	....	....	....
Kan.Cy&M.R.&B.Co.1stgtdg5s.1929	3,000,000	A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	98⅛	June28,'05	99	98	185,000
• 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	85⅞	June10,'05	85⅞	85⅞	15,000
• con. g. 4's.... 1932	16,678,000	J & D	81⅛	June30,'05	82	80⅝	471,000
Gray's Point, Term. 1stgtd.g.5's.1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	6,932,000	A & O	108⅛	May 19,'05	....	....	....
• 1st con. 6's............1933	13,344,000	J & J	139	June 9,'05	139	139	24,000
• 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
• 1st c. 6's. red'd to g.4½'s...	19,322,000	J & J	113¾	June 5,'05	113¾	113⅛	7,000
• 1st cons. 6's register'd......		J & J	115¼	Apr. 15,'01	....	....	....
• Dakota ext'n g. 6's...1910	5,284,000	M & N	110½	May 19,'05	....	....	....
• Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	103¼	June24,'05	103¼	103	17,000
• registered...............		J & D	106	May 6,'01	....	....	....
• Pac. Ext. sterl. gtd. 4s..1940 $5=£1.	£4,000,000	J & J	....	....	....	....	....
Eastern R'y Minn. 1std. 1stg.5's..1908	4,700,000	A & O	104¾	Mar. 8,'05	....	....	....
• registered...............		A & O	....	....	....	....	....
• Minn. N. div. 1stg.4's..1940	5,000,000	A & O	....	....	....	....	....
• registered...............		A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	124	May 4,'05	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Jan. 25,'05	....	....	....
• 1st 6's, registered.........		J & J	134¾	Dec. 20,'04	....	....	....
• 1st g. g. 5's........... 1937	4,000,000	J & J	118⅛	Feb. 20,'05	....	....	....
• registered...............		J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
• registered...............		J & D	....	....	....	....	....
Salt Lake City 1st g. s. f. 6's......1913	297,000	J & J	....	....	....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's. 1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	108	May 10,'05	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000	A & O	89⅛	June30,'05	89¾	86	188,000
• registered...............		A & O	....	....	....	....	....
• col. trust refdg g. 5's..1911							
CarolinaCentral 1st con. g. 4's.1949	10,000,000	M & N	103⅝	June29,'05	103⅝	102½	40,000
Fla Cent & Peninsular 1st g.5's.1918	2,847,000	J & J	99	Mar. 20,'05	....	....	....
• 1st land grant ext g.5's.1930	3,000,000	J & J	139	Feb. 2,'05	....	....	....
• cons. g. 5's. 1943	410,000	J & J	....	....	....	....	....
Georgia & Alabama 1st con.5's.1945	4,370,000	J & J	109¼	Mar. 3,'05	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's.1929	2,922,000	J & J	112⅛	June26,'05	112⅛	112⅛	3,000
Seaboard & Roanoke 1st 5's....1926	5,360,000	J & J	110	Jan. 16,'05	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	2,500,000	J & J	....	....	....	....	....
Southern Pacific Co.	500,000	J & J	102	Jan. 20,'03	....	....	....
• g. 4's Central Pac. coll..1949	28,818,500	J & D	93¼	June30,'05	93⅛	92¼	260,000
• • registered......		J & D	94	May 4,'05	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	109⅛	Feb. 3,'05	....	....	....
Cent. Pac. 1st refud. gtd.g.4's..1949	76,351,000	F & A	101⅞	June29,'05	101⅞	101¼	257,000
• registered......		F & A	98	Apr. 7,'05	....	....	....
• mtge. gtd. g. 3½'s...1929	17,493,000	J & D	88⅝	June29,'05	88⅛	87⅛	115,000
• • registered........		J & D	....	....	....	....	....
• throughSL1stgtdg.4's.1954	8,300,000	A & O	....	....	....	....	....
• registered...............		A & O	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	108⅛	Mar. 1,'05	....	....	....
• Mex. & P. div 1st g 5's.1931	13,418,000	M & N	115	Feb. 24,'05	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.1924	1,514,000	M & N	107⅛	June 3,'05	107⅛	107⅛	6,000
Houst. E. & W. Tex. 1st g.5's..1933	501,000	M & N	105¼	Jan. 27,'05	....	....	....
• 1st gtd. g. 5's.........1933	2,199,000	M & N	107¼	Feb. 20,'05	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	4,842,000	J & J	112¾	June 7,'05	112¾	112	5,000

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• con. g 6's int. gtd.	1912	2,430,000	A & O	113	Dec. 15,'04	....	....	....
• gen. g 4's int. gtd.	1921	4,275,000	A & O	100⅛	June27,'05	100¼	99⅛	12,000
• W&Nwn.div.1st.g.6's	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....	....	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Dec. 6,'04	....	....	....
• 1st 7's	1918	5,000,000	A & O	129½	Nov. 5,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept.14,'04	....	....	....
• gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,631,000	J & J	104½	June13,'05	104½	104⅛	1,000
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	90	June27,'05	90	89⅝	127,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	108¼	Apr. 14,'05	....	....	....
• • •	1910	4,000,000	J & J	109⅝	Jan. 6,'05	....	....	....
• of Cal. 1st g 6's ser. B	1905	16,738,500	A & O	103	June19,'05	103	103	1,000
• • • C. & D.	1906		A & O	104½	Dec. 22,'04	....	....	....
• • • E. & F.	1902		A & O	115	Mar. 17,'05	....	....	....
• • •	1912		A & O	116	June29,'04	....	....	....
• 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
• stamped	1905–1937	21,470,000	......	108¼	June21,'05	108¼	108⅛	25,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
• of N. Mex. c. 1st 6's	1911	4,180,000	J & J	109½	Feb. 23,'05	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	103	Oct. 3,'04	....	....	....
• Sabine div. 1st g 6's	1912	2,575,000	M & S	112½	Feb. 24,'05	....	....	....
• con. g 5's	1943	1,620,000	J & J	108½	Mar. 4,'05	....	....	....
Southern Railway 1st con. g 5's	1994	41,177,000	J & J	120⅝	June30,'05	121¼	119⅞	100,000
• registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	8,029,000	M & S	98½	June27,'05	98½	97	24,000
• registered			M & S	....	....	....	....	....
• Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	118¾	June 8,'05	118¾	118¾	2,000
• registered			J & J	....	....	....	....	....
• St. Louis div. 1st g. 4's	1951	11,750,000	J & J	99⅞	June30,'05	100¼	99⅞	30,000
• • registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118	June20,'05	118	118	1,000
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98½	Mar. 8,'05	....	....	....
• 2d mtg	1948	775,000	J & J	90½	Dec. 6,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116½	May 8,'05	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	116	May 11,'05	....	....	....
• con. 1st g 5's	1956	12,770,000	M & N	120⅛	June29,'05	120⅛	120	4,000
• reorg. lien g 4's	1938	4,500,000	M & S	114	Mar. 10,'05	....	....	....
• registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	125	June16,'05	125	124⅞	18,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	June 6,'05	126¾	126¾	2,000
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116⅞	June10,'05	116⅞	116⅞	2,000
• deb. 5's stamped	1927	3,368,000	A & O	112⅝	Jan. 24,'05	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	98	Feb. 18,'05	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	108⅛	May 9,'05	....	....	....
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
• small			M & S	....	....	....	....	....
• ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
• small			M & S	....	....	....	....	....
• ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
• small			M & S	....	....	....	....	....
• ser. D 4-5's	1921	950,000	M & S	110	Dec. 22,'04	....	....	....
• small			M & S	....	....	....	....	....
• ser. E 5's	1926	1,775,000	M & S	114	Jan. 11,'05	....	....	....
• small			M & S	....	....	....	....	....
• ser. F 5's	1931	1,310,000	M & S	113	May 31,'05	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	114½	June 5,'05	114½	114½	3,000
• gen. 5's. gtd. stamped	1926	2,466,000	M & N	114½	June20,'05	114½	114½	4,000
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	97¾	May 15,'05	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	116⅛	Mar. 16,'05	....	....	....
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	100	Nov 22,'04	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111⅛	Apr. 20,'05	....	....	....
• 1st con. g. 5's	1894–1944	5,000,000	F & A	122½	June12,'05	122½	122	10,000
• gn. refdg. sg. fd. g. 4's	1953	18,000,000	J & J	101	May 25,'05	....	....	....
• " " registered.			J & J	....	....	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29,'04	....	....	....
Tex. & Pacific, 1st gold 5's	2000	25,000,000	J & D	121¼	June27,'05	121¼	121	20,000
• 2d gold income, 5's	2000	963,000	MAR.	96¼	June28,'05	96½	94	47,000
• La. Div. B. L. 1st g. 5's	1931	4,241,000	J & J	111⅝	Apr. 6,'05	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106½	Nov. 7,'04	116¾	115¼	3,000
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	116¾	June28,'04	....	....	....
• 1st M. g 5's West. div.	1935	2,500,000	A & O	111	May 31,'04	....	....	....
• gen. g. 5's	1935	2,000,000	J & D	107	Sept. 8,'04	....	....	....
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	96½	June21,'05	96½	95⅛	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.	June Sales. High.	June Sales. Low.	June Sales. Total.
Toledo, Peoria & W. 1st g 4's....1917	4,900,000	J & D	94½	June29,'05	94½	94½	5,000
Tol., St.L.&Wn. prior lien g 3½'s.1925	9,000,000	J & J	91⅞	May 31,'05	....	....	....
" registered..................		J & J	....	....	....	....	....
" fifty years g. 4's........1925	6,500,000	A & O	84½	June30,'05	84½	83¼	94,000
" registered..................		A & O	....	....	....	....	....
Toronto, Hamilton&Buff 1st g 4s.1946	3,230,000	J & D	97	June22,'05	97	97	2,000
Ulster & Delaware 1st c. g 5's....1928	2,000,000	J & D	110⅝	June16,'05	110⅝	110⅝	1,000
" 1st ref. g. 4's............1952	700,000	A & O	95¼	Jan. 13,'05	....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	107¼	June30,'05	107¼	106	414,000
" registered..................		J & J	106	June19,'05	106¼	106	8,000
" 1st lien con. g. 4's......1911	31,989,000	M & N	126½	June30,'05	128⅜	119⅝	1,667,000
" registered..................		M & N	137¾	Apr. 15,'05	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	102¼	June19,'05	102¼	102	9,000
Oreg. Short Line Ry. 1st g. 6's.1922	14,931,000	F & A	126	June29,'05	126	125½	20,000
" 1st con. g. 5's.1946..........	12,328,000	J & J	119¼	June23,'05	119¼	119¼	8,000
" gtd. refunding g. 4's..1929	45,000,000	J & D	96¼	June30,'05	96¼	95⅛	390,000
" " registered....		J & D	....	....	....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
" g. 5's..................1926	1,802,000	J & J	114½	Apr. 19,'02	....	....	....
Vandalia R. R. con. g. 4's........1955	7,000,000	F & A	104½	June28,'05	104⅝	104½	100,000
" registered..................		F & A	....	....	....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	110	Mar. 1,'05	....	....	....
Wabash R.R. Co., 1st gold 5's....1939	33,011,000	M & N	117¾	June30,'05	117¾	117	58,000
" 2d mortgage gold 5's...1939	14,000,000	F & A	109¼	June28,'05	109½	108½	66,000
" deben. mtg series A...1939	3,500,000	J & J	90	Feb. 4,'05	....	....	....
" series B.................1939	26,500,000	J & J	73¼	June30,'05	74½	72	465,000
" first lien eqpt. fd.g. 5's.1921	2,600,000	M & S	103	June 7,'05	103	102	4,000
" 1st lien 50 yr.g.term4's.1954	1,715,000	J & J	92	Apr. 17,'05	....	....	....
" 1st g.5's Det.&Chi.ex..1940	3,349,000	J & J	112	May 31,'05	....	....	....
" Des Moines div.1st g.4s.1939	1,600,000	J & J	97	Nov.16,'04	....	....	....
" Omaha div. 1st g. 3½s..1941	3,173,000	A & O	88	Apr. 6,'05	....	....	....
" Tol.&Chic.div.1stg.4's.1941	3,000,000	M & S	97	May 27,'05	....	....	....
St.L.,K.C.& N.St.Chas.B.1st6's1908	463,000	A & O	109¼	Mar. 13,'03	....	....	....
Wabash Pitts Terml Ry 1stg.4's.1954	27,000,000	J & D	90¾	June29,'05	91½	90¼	245,000
" 2d g. 4's..................1954	20,000,000	J & D	40	June30,'05	41⅜	37½	924,000
Western Maryland 1st 4's... 1952	30,522,000	A & O	89	June30,'05	89⅝	88	112,000
Western N.Y. & Penn. 1st g. 5's..1937	9,990,000	J & J	119½	June 9,'05	119½	119½	1,000
" gen g. 3-4's.............1943	9,789,000	A & O	98½	June28,'05	98½	97½	32,000
" inc. 5's.................1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	112	May 18,'05	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	114¾	Mar. 28,'05	....	....	....
" Wheeling div. 1st g. 5's.1928	894,000	J & J	114½	May 27,'05	....	....	....
" exten. and imp. g. 5's...1930	343,000	F & A	114	June23,'05	114	114	5,000
" 20 year eqptmt s.f.g.5's.1922	2,152,000	J & J	102	Jan. 3,'05	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,618,000	M & S	94	June29,'05	94¾	93¼	150,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,743,000	J & J	96	June30,'05	96	94¼	199,000
Mil. & L. Winnebago 1st 6's.....1912	1,430,000	J & J	....	....	....	....	....
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	109	June27,'05	109	108¼	16,000
" 1st ref. conv. g. 4's....2002	17,000,000	J & J	90⅞	June30,'05	91¼	87¼	1,448,000
" " registered........		J & J	....	....	....	....	....
" City R. R. 1st c.5's1916.1941	4,373,000	J & J	108⅜	May 17,'05	....	....	....
" Qu. Co. & S. c. gd.g. 5's.1941	2,255,000	M & N	106	Feb. 9,'05	....	....	....
" Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	110¼	June28,'05	110¼	110¼	39,000
" stamped guaranteed......		......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	93	June22,'05	93	93	4,000
" stamped guaranteed		......	94	June30,'05	94	93	106,000
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	89	June28,'05	89½	87¾	95,000
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	10,913,000	J & J	101¼	June23,'05	101¼	101¼	30,000
" stamped guaranteed........			103½	June28,'05	103½	103½	11,000
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97½	June13,19'	..	....	....
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	....	....	....	....	....
DetroitCit'ensSt.Ry.1stcon.g.5's.1905	5,485,000	J & J	103	Nov.23,'01	....	....	....
Detroit United Ry 1st c. g. 4½'s...1932	3,450,000	J & J	96	June30,'05	96	95	15,000
Grand Rapids Ry 1st g. 5's........1916	2,750,000	J & D	....	....	....	....	....
Havana Elec. Ry. con. g. 5s.....1952	6,957,000	F & A	93	June29,'05	93	92½	64,000
Louisville Railw'y Co. 1st c. g. 5's. 1930	4,800,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's. 1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry N.Y.g. col. tr.g. 5's.1997	12,500,000	F & A	115	June28,'05	116	114¼	33,000
" refunding 4's..........2002	15,134,000	A & O	91	June30,'05	91½	90	1,118,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,650,000	J & D	116¾	June16,'05	116¾	116¾	6,000
" registered		J & D	119½	Dec. 3,19'	....	....	....

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.	June Sales. High.	June Sales. Low.	June Sales. Total.
Columb.& 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	120½	May 25,'05			
" registered		M & S					
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	120	June17,'05	120	120	1,000
" registered		M & S					
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	97⅜	June29,'05	97½	95½	60,000
" registered		J & J					
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118¼	Apr. 24,'05			
Met. West Side Elev.Chic.1stg.4's.1938	9,808,000	F & A	104¾	Mar. 24,'05			
" registered		F & A					
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99			
Minn. St. R'y (M. L. & M.) 1st con. g. 5's.....1919	4,050,000	J & J	106	Nov. 22,'01			
St.Jos.Ry.Lig't,Heat&P.1stg.5's.1937	3,763,000	M & N					
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04			
" gtd. gold 5's.....1937	1,138,000	J & J	112	Nov.28,'99			
Undergr'd Elec.Rys.of London Ltd.		J & D	98⅛	June30,'05	98½	97⅝	131,000
5% profit sharing notes 1908 series A		J & D					
" series B	16,550,000	J & D					
" series C		J & D					
" series D		J & D					
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	109½	Dec. 14,'99			
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	89	May 4,'05			
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	89⅛	June29,'05	90	87⅞	56,000
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			
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	103⅝	June20,'05	104	103½	21,500
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02			
Bklyn.FerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	48	June15,'05	49½	48	6,000
Chic.Junc.& St'k Y'ds col. g. 5's.1915	10,000,000	J & J	107¾	Nov. 4,'03			
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,655,000	A & O	74	Apr. 14,'05			
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J					
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94			
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97			
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02			
Newport News Shipbuilding & Dry Dock 5's.....1890-1990	2,000,000	J & J	94	May 21,'94			
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	97	June17,'05	97	96⅛	7,000
" registered		F & A					
Provident L. Soc. of N.Y. g.4's .1921	2,000,000	M & S	100	Mar. 20,'05			
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J					
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	112	July 27,'04			
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'			
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's.....1907-1917	1,000,000	J & D					
" F 4's.....1908-1918	1,000,000	M & S	100	Mar. 15,19'			
" G 4's.....1903-1918	1,000,000	F & A					
" H 4's.....1903-1918	1,000,000	M & N					
" I 4's.....1904-1919	1,000,000	F & A					
" J 4's.....1904-1919	1,000,000	M & N					
" K 4's.....1905-1920	1,000,000	J & J					
Small bonds							
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	3,000,000		98¾	May 5,'05			
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	97	June29,'05	97½	96½	36,000
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	96	May 26,'05			
Am.Thread Co..1st coll.trust 4's.1919	6,000,000	J & J	90	June27,'05	90	87½	43,000
Am. Tobacco Co. 40 yrs g, 6's....1944	50,769,750	A & O	114⅝	June30,'05	115⅝	112¾	820,000
" registered		A & O	111½	May 8,'05			
" g. 4's.....1951	72,757,000	F & A	75½	June28,'05	75¼	73¾	1,863,000
" " registered		F & A	74⅞	June30,'05	75⅛	74	186,000
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,'04			
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	80½	June30,'05	81	78½	82,000
" registered		F & A	85¼	Dec. 3,'04			
Dis. Secur. Cor. con. 1st g. 5's....1927	13,609,000	A & O	79¾	June30,'05	80	78½	710,000
Dis. Co. of Am. coll. trust g 5's..1911	2,030,000	J & J	99	Sept.16,'03			
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99			
" non. conv. deb. 5's.....1910	7,000,000	A & O	92	Feb. 23,'04			
Internat'l PaperCo. 1st con.g 6's.1918	9,724,000	F & A	109¾	June29,'05	109¾	109½	74,000
" con.conv.sinkgfundg5s1935	5,000,000	J & J	94¼	June28,'05	95	93¾	132,000
Int. Steam Pump 10 year deb. 6's.1913	2,500,000	J & J	105½	June23,'05	105½	105½	10,000

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MISCELLANEOUS BONDS—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int't paid.*	LAST SALE.		JUNE SALES.		
			Price.	*Date.*	*High.*	*Low.*	*Total.*
Knick'r'ker IceCo.(Chic)1st g 5's. 1926	1,937,000	A & O	98	Feb. 3,'05	....	....	....
Lack. Steel Co., 1st con. g. 5's.... 1923	15,000,000	A & O	105¾	June30,'05	105¾	105	48,000
Nat. Starch Mfg. Co., 1st g 6's... 1920	2,846,000	J & J	85	June21,'05	88	85	23,000
Nat. Starch. Co's fd. deb. g. 5's.. 1925	4,137,000	J & J	70	June28,'05	71¼	59	31,000
Standard Rope & Twine 1st g. 6's. 1946	2,740,000	F & A	50	June23,'05	52	50	5,000
Standard Rope & Twine inc. g. 5s.. 1946	6,806,000	......	4¼	June28,'05	4¼	4¼	2,000
United Fruit Co., con. 5's........ 1911	2,249,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's... 1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb.. 1915	5,280,000	M & N	109	June29,'05	110	109	51,000
U. S. Reduction & Refin. Co. 6's.. 1931	....	......	102	June30,'05	103	95	379,000
U. S. Realty & Imp. con. deb. g. 5's. 1924	13,284,000	......	102⅛	June30,'05	102¾	101	168,000
U. S. Steel Corp. 10-60 yr. g. sk. fd 5's 1963	....	M & N	94⅛	June30,'05	94¾	92¼	5,645,000
" " " reg. 1963	170,000,000	M & N	94¾	June28,'05	94¾	92⅞	8,500
Va. Carol Chem. col. tr. s. fd. g. 5's.. 1912	6,500,000	A & O	99⅞	May 26,'05	....	....	....
BONDS OF COAL AND IRON COS.							
Col. Fuel & Iron Co. g. s. fd. g 5's.. 1943	5,355,000	F & A	105	June 1,'05	105	105	9,000
" conv. deb. g. 5's 1911	1,710,000	F & A	85	May 16,'05	....	....	....
" " registered..............		F & A	....	....	....	....	....
" " Trust Co. certfs......	12,358,000	......	87⅛	Apr. 19,'05	....	....	....
Col. C'l & I'n Dev. Co. gtd g. 5's.. 1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's....... 1919	600,000	M & N	107½	Oct. 7,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's. 1919	949,000	A & O	102½	July 26,'02	....	....	....
Col. Inds. 1st cv g & col tr gt 5s ser A 1934	12,378,000	F & A	72	June30,'05	73	70	313,000
" registered...................	....	F & A	....	....	....	....	....
" 1st g & col tr gt 5s ser B. 1934	12,537,000	F & A	70¾	June30,'05	71	68⅛	817,000
" " registered.............	....	F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's.. 1952	2,750,000	F & A	107⅝	Dec. 12,'04	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's 1926	1,588,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5 s................... 1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal & Coke 1st g. 5's 1951	3,000,000	J & J	107	May 4,'05	....	....	....
Pleasant Valley Coal 1st g. s. f. 5s. 1928	1,131,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts. Cl & Ir. Co. pur my 5's. 1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's.. 1912	835,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's.. 1951	3,526,000	J & J	99½	June29,'05	100	98½	85,000
" Tenn. div. 1st g. 6's...... 1917	1,160,000	A & O	110	June15,'05	110	110	6,000
" Birmingh. div. 1st con. 6's 1917	3,603,000	J & J	112⅝	June24,'05	112⅝	112⅝	2,000
Cahaba Coal M. Co., 1st gtd. g. 6's 1922	854,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&I Co. gtd. g. 6's 1910	2,716,500	F & A	104⅜	May 29,'05	....	....	....
Utah Fuel Co. 1st s. f. g. 5's...... 1931	839,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's... 1949	6,335,000	M & S	90	June27,'05	90	86	184,000
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's.. 1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union Gas Co. 1st con g. 5's. 1945	14,493,000	M & N	114	June30,'05	114	113	7,000
Buffalo Gas Co. 1st g. 5's......... 1947	5,900,000	A & O	69	June15,'05	69	68½	11,000
Columbus Gas Co., 1st g. 5's...... 1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
Consolidated Gas Co., con. deb. 6's.. 1909	19,857,500	J & J	175	June26,'05	175	169	120,500
Detroit City Gas Co. g. 5's....... 1923	5,608,000	J & J	103⅛	June29,'05	103⅛	102¾	34,000
Detroit Gas Co. 1st con. g. 5's..... 1918	381,000	F & A	105	June 2,'03	....	....	....
Eq. G. L. Co. of N.Y. 1st con. g. 5's. 1932	3,500,000	M & S	102½	Nov. 5,'04	....	....	....
Gas. & Elec. of Bergen Co. c. g. 5s. 1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	91	June22,'05	91	91	2,000
Grand Rapids G. L. Co. 1st g. 5's. 1915	1,225,000	F & A	107¾	Dec. 17,'04	....	....	....
Hudson Co. Gas Co. 1st g. 5's.... 1949	10,290,000	M & N	109½	Feb. 10,'05	....	....	....
Kansas City Mo. Gas Co. 1st g 5's. 1922	3,750,000	A & O	100	May 5,'05	....	....	....
Kings Co. Elec. L. & Power g. 5's.. 1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's.... 1997	5,010,000	J & J	123	June 2,'05	123	123	1,000
Edison El. Ill. Bkln 1st con. g. 4's. 1939	4,275,000	J & J	94½	Apr. 28,'05	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's. 1919	10,000,000	Q F	109½	June30,'05	109½	108¾	55,000
" small bonds................							
" refdg. & enten 1st g. 5s. 1934	5,000,000	A & O	105⅛	May 20,'05	....	....	....
Milwaukee Gas Light Co. 1st 4's.. 1927	7,000,000	M & N	92	May 27,'05	....	....	....
Newark Cons. Gas, con. g. 5's.... 1948	5,274,000	J & D	90¼	July 30,'04	....	....	....
N.Y. Gas EL. H & P Co 1st col tr g 5's. 1948	15,000,000	J & D	110¼	June30,'05	110½	108¼	108,000
" registered....................		J & D	110¼	Dec. 30,'04	....	....	....
" purchase mny col tr g 4's. 1949	20,927,000	F & A	92¼	June27,'05	92¼	92	84,000
Edison El. Illu. 1st conv. g. 5's. 1910	4,812,000	M & S	104⅜	June21,'05	104½	104⅜	10,000
" 1st con. g. 5's........... 1995	2,156,000	J & J	119½	Apr. 19,'05	....	....	....
N.Y. & Qns. Elec. Lg. & P. 1st. c. g. 5's 1930	2,272,000	F & A	106	May 31,'05	....	....	....
N.Y. & Richmond Gas Co. 1st g. 5's. 1921	1,000,000	M & N	103	May 22,'05	....	....	....
Paterson & Pas. G. & E. con. g. 5's.. 1949	3,317,000	M & S	105¼	May 10,'05	....	....	....
Peo. Gas & C. C. 1st con. g 6's... 1943	4,900,000	A & O	124	June20,'05	124	124	16,000
" refunding g. 5's........ 1947	2,500,000	M & S	107½	June17,'05	107½	107½	3,000
" refuding registered....		M & S	....	....	....	....	....

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.	June Sales. High	June Sales. Low.	June Sales. Total.
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	110	June29,'05	110	108¾	11,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	109	May 25,'05			
Eq.Gas&Fuel,Chic.1stgtd.g.6's.1905	2,000,000	J & J	102	Apr. 6,'05			
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	104⅛	June30,'05	104⅝	104⅛	6,000
" registered..							
Syracuse Lighting Co. 1st g. 5's..1951	2,000,000	J & D					
Trenton Gas & Electric 1st g.5's.1949	1,500,000	M & S	110	May 13,'05			
Utica Elec. L. & P. 1st s. f'd g.5's.1950	1,000,000	J & J					
Westchester Lighting Co. g. 5's.1950	5,330,000	J & D	113	Jan. 31,'05			
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	48,000,000	J & J	98⅛	May 9,'05			
Commercial Cable Co. 1st g. 4's.2397.	10,051,100	Q & J	92	Dec. 17,'04			
" registered		Q & J	100⅛	Oct. 3,19'			
Total amount of lien, $20,000,000.							
Metrop. Tel & Tel. 1st s'k f'd g.5's.1918	1,823,000	M & N	109½	May 18,'05			
" registered		M & N					
N. Y. & N. J. Tel. gen. g 5's......1920	1,261,000	M & N	105¾	July 2,'03			
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	113	June19,'05	113	113	1,000
" fundg & real estate g.4½'s.1950	20,000,000	M & N	105¼	June24,'05	105½	104½	113,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	110¼	Mar. 25,'04			
Northern Tel. Co. gtd fd.4½'s..1934	1,500,000	J & J	108	July26,'04			

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME Principal Due.	Amount.	Int'st Paid.	Year 1905. High.	Year 1905. Low.	June Sales. High.	June Sales. Low.	June Sales. Total.
United States con. 2's registered...1930	542,909,950	Q J	104⅞	104½			
" con. 2's coupon............1930		Q J	105⅝	104½	104½	104½	2,000
" con. 2's reg. small bonds..1930		Q J	104⅝	104⅝			
" con. 2's coupon small bds.1930		Q J					
" 3's registered...........1908-18	77,135,300	Q F	104¾	103⅞	104	104	7,000
" 3's coupon..............1908-18		Q F	106	103¾	104¼	103¾	15,000
" 3's small bonds reg.....1908-18		Q F					
" 3's small bonds coupon.1908-18		Q F					
" 4's registered..............1907	156,591,500	J A J&O	106	104	104¾	104	2,000
" 4's coupon..................1907		J A J&O	105⅞	104½			
" 4's registered..............1925	118,489,900	Q F	132⅞	132½	132⅞	132½	29,500
" 4's coupon.................1925		Q F	133	132¼	133	133	1,000
District of Columbia 3-65's...........1924	14,224,100	F & A					
" small bonds....................		F & A					
" registered.....................		F & A					
Philippine Islands land pur. 4's...1914-34	7,000,000	Q F	110	109	109	109	4,000
" public works & imp. reg.4's.1935	2,500,000	Q MCH.					
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	101½	101½			
" " small...........							
" Class B 5's..................1906	575,000	J & J					
" Class C 4's..................1906	962,000	J & J					
" currency funding 4's.......1920	954,000	J & J					
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's...............1914	10,752,800	J & J					
" " small bonds..........							
North Carolina con. 4's...............1910	3,397,350	J & J					
" small.......................		J & J					
" 6's..........................1919	2,720,000	A & O					
N. Carolina fundg. act bds......1866 1900	556,500	J & J					
" " 1868-1898		A & O					
" new bonds.............1892-1898	624,000	J & J					
" "		A & O					
" Chatham R. R..................	1,200,000	A & O					
" special tax Class 1.............		A & O					
" " Class 2.............		A & O					
" " to Western N. C. R....		A & O					
" " Western R. R		A & O					
" " Wil. C. & Ru. R........		A & O					
" " Western & Tar. R......		A & O					

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME. *Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1905. *High.*	YEAR 1905. *Low.*	JUNE SALES. *High.*	JUNE SALES. *Low.*	JUNE SALES. *Total.*
South Carolina 4½'s 20-40.............1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde. 1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	97	96	....	....	......
" registered......................	6,079,000	J & J	....	....	....	....	......
" small bond....................	362,200	J & J	95	95	....	....	......
" redemption 4's........... 1907	469,000	A & O	....	....	....	....	......
" 4½s.........................1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........1912	600,000	A & O	....	....	....	....	......
Virginia fund debt 2-3's of...........1991	17,087,009	J & J	97½	96¾	97½	96¾	28,000
" registered......................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	2,274,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	10,416,565	....	13⅞	10	11½	10	15,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901	14,302,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.							
Imperial Japanese Gov. 6% ster loan.1911	£10,000,000	A & O	103½	94½	102	100⅝	1,425,000
" " second series..........	£12,000,000	A & O	99½	98⅛	99½	98⅛	2,986,000
Imperial Russian Gov. State 4% Rente....	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.							
Quebec 5's............................1908	3,000,000	M & N	....	....	....	....	......
Republic of Cuba g. 5's extern debt.1904	35,000,000	M & S	108	103¼	107	105½	231,000
" registered......................		M & S	...	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................	....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200............................	£21,988,200	......	101⅛	100	100⅞	100¼	48,000
Small bonds denominations of £20	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	...	....	......
U. S. of Mex. 4'5 gold debt 1904 ser. A..1954	39,870,000	J & D	95	92	93¾	92	469,000
" " " ser. B..1954		J & D	....	....	....	....	......

THE SPLENDOR OF SUCCESS.—In a recent sermon at the Broadway Tabernacle, New York city, the pastor, Rev. Charles E. Jefferson, said:

"We are a people easily imposed upon by size. We like cleverness and ingenuity, and success we are ready to adore. If trickery can accomplish big things magnificently, if falsehood can deceive brilliantly, if cruelty can win a crown with dash and glitter, we find it hard to abhor the evil, so fascinated are we by the large and splendid way in which the victory has been won. Has he succeeded? Has he done a big thing? Has he gotten there? If so, let us not be over particular in regard to the righteousness of the methods by which he has achieved his triumph. This is the temper of our age."

A MODERN FIDUCIARY DEVELOPMENT.—"Cumulative Trust Estates" is the title of an attractive booklet issued by the Lincoln Trust Company, of New York. This brochure takes rank with the best of the instructive monographs that have been issued by our financial institutions in their work of educating the public in the facilities offered by modern methods of conservative finance. The plan is that of the adaptation of what is perhaps the oldest legal provision for the financial future of dependents—namely the trust estate—to the needs of the present rank and file of people. It is worth reading for its form and it is worth studying for its matter.

TRANSVAAL GOLD PRODUCTION.—The figures of the output from the Rand mines for the month of May at length establishes an undisputed record, the total being 416,395 ounces of fine gold, valued at £1,768,734, which compares with 399,166 ounces, valued at £1,695,550 for April, 1905, and with 314,480 ounces, valued at £1,335,826 for May, 1904.

BANKERS' OBITUARY RECORD.

Atkins.—Hugh Atkins, senior member of the banking firm of H. & T. E. Atkins, Maysville, Ga., died June 14, aged about seventy-three years.

Campbell.—Wm. A. Campbell, Cashier of the First State Bank, Chester, Ill., former sheriff of Randolph county, Ill., and at one time Cashier of the Bank of Evansville, Ill., dropped dead on the street, June 8.

Campbell.—Edward S. Campbell, President of the National Newark Banking Company, Newark, N. J., died July 2 at the Hotel Sagamore, Lake George, where he and his wife had been staying a month. He was born in Middlesex county, N. J., fifty-one years ago. He went to Newark in 1894, after being Cashier of the National Bank of New Jersey at New Brunswick for ten years, and, in 1902, was elected President of the Newark Banking Company, which was chartered in 1804 as the Newark Banking and Insurance Company and was one of the eight earliest banks on the continent. Mr. Campbell was president of the New Jersey State Bankers' Association, treasurer of the Provident Loan Association, a member of the Newark Social Settlement Society, the State executive committee of the Y. M. C. A. and of the Essex Club and the Newark Board of Trade, of which he was treasurer. He represented his district at the National Monetary Convention in Indianapolis. He was married in 1877 to Elizabeth M. Meeker of Brooklyn.

Chambers.—Dr. Martin L. Chambers, Vice-President and director of the First National Bank, Port Jefferson, N. Y., and former president of the board of education there, died June 12, aged sixty-two years.

Myers.—Lawrence Myers, who had been engaged in banking and real estate in Pittsburg for over half a century, and who had amassed a large fortune, died June 14, aged eighty-six years.

Parkhurst.—L. K. Parkhurst, President of the First National Bank, Reed City, Mich., died recently. He was born at Elkland, Pa., in 1856, and had been a resident of Reed City for fifteen years.

Raven.—Richard M. Raven, President of the South Side Bank, Bay Shore, N. Y., died June 16, aged seventy-seven years. He was the founder of the bank and continued to be its President from its organization till his death.

Seney.—George E. Seney, President of the Tiffin (Ohio) Savings Bank, died June 11.

Sims.—M. L. Sims, for twenty-five years President of the Red River National Bank, Clarksville, Texas, died May 16, aged seventy years.

Sumner.—William H. Sumner, President of the Schuyler (Neb.) National Bank, died at the home of his sister in Belfast, Me., June 18, aged fifty-six years.

Respect for Law.—Every man of great wealth who runs his business with cynical contempt for those prohibitions of the law which by hired cunning he can escape or evade, is a menace to our community; and the community is not to be excused if it does not develop a spirit which actively frowns on and discountenances him.—*President Roosevelt.*

THE

BANKERS' MAGAZINE

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

FIFTY-NINTH YEAR. AUGUST, 1905. VOLUME LXXI, NO. 2.

THE SECRETARY OF THE TREASURY has begun the usual preparation for providing the additional currency which he believes will be required to meet the autumnal demand for crop-moving purposes. By a slight use of imagination one can picture the astute Secretary busily engaged in figuring out just how much currency will be called for—so much here, so much there—and taking the utmost pains to see that every section is furnished its due share. One thought must sometimes arise to perplex the Secretary: suppose the supply of Government bonds should run short? This dilemma could be met by calling an extra session of Congress and issuing more bonds, but it would take some time to apply the remedy, and in the interim, of course, the crops would lie rotting for lack of means to get them to the markets! Much criticism has been aimed at the Chinese for their lack of progressiveness; but the spectacle of the United States being unable to market its crops because the public debt is not big enough to supply the basis upon which alone the additional currency required for crop-moving purposes can be issued, is certainly on a par with any antiquated ideas that China can produce.

Mr. SHAW is undoubtedly an able Finance Minister, and with the clumsy tools with which he is equipped has upon the whole done excellent work in managing the affairs of the Treasury in a manner to cause the least possible disturbance of the money market. But neither the astute Secretary, nor any one else, can determine with any degree of accuracy how much extra currency is wanted to market the crops, or whether any additional amount whatever is needed. That the harvesting and marketing of a large crop of the staples of our farms are operations that give rise to an enlarged demand for banking accommodations, can not be questioned. But it is by no means certain, even with the prospects of the abundant harvests of the present season, that more bank notes are either necessary or desirable. At all events, it is little short of the ludicrous to see the Secretary of the Treasury engaged in coaxing—

almost in begging—the banks to do what they would do without any urging if there were any profit in it.

Perhaps, with the enormous amount of currency now available, it might be profitable for the banks to learn how to employ it so as to make it respond to the business needs of the community, without having to be tutored by the Secretary of the Treasury once or twice a year.

THE IMPERTURBABLE CHINAMAN seems to be waking up to the possibilities of some of the devices of Western civilization. One of the modern weapons now coming into favor in China is the boycott, which is being employed against the sale of American goods in that country. This action is taken in retaliation for the harsh manner in which the Chinese exclusion act has been administered in the United States. There is apparent ground for complaint on this score, and President ROOSEVELT has found it necessary to issue strict instructions that the law shall be applied without harshness.

Whether the exclusion act itself ought not to be amended, is being widely discussed. It is charged that the law was passed, not as a result of sober deliberation, but to appease a somewhat noisy element of professional labor agitators. Indeed, the assertion has been made that the agitation for the law was helped along by an organized Chinese syndicate in this country, who desired to make use of the act to extort money from their countrymen desiring to gain admission to the United States.

Whatever may be true in regard to either of these assertions, it would appear to be reasonable to consider whether the admission of the Chinese would be beneficial to us or otherwise, and also to give some attention to the effects of the exclusion act on American trade in China.

That there is any great menace to American labor from Chinese immigration has not been conclusively shown. On the contrary there is considerable evidence going to prove that while the ranks of skilled workers in this country are well filled, there is room for a great many servants and unskilled laborers. It is this latter demand that has attracted Italian immigrants in such large numbers in recent years. That the Chinese laborers are as a rule industrious, sober, honest and peaceable, is indisputable. Two objections are urged against them—they do not become citizens, and are exceedingly frugal in their habits. In respect to the first of these two objections it may be said that they might in time become citizens if given a chance, and with regard to the second, it can hardly be asserted that an example of frugality, at the present time, would be without some good effects.

The unrestricted immigration of Chinese into this country would doubtless be objectionable; but the same can be said in regard to other races. It is, however, worth while considering whether the time has not arrived to treat the question of Chinese immigration not from the standpoint of politics or race prejudice, but from the standpoint of enlightenment, justice and common sense.

THE CHINESE BOYCOTT has not only been placed upon American goods, but a New York bank having a branch at Shanghai has also come under the ban. Moreover, the concession granted some years ago to an American syndicate to construct a railway from Canton to Hankau has been cancelled by the Chinese Government, and it is reported that the work will be done under Japanese auspices. That both the Government and industries of China will gradually come under Japanese tutelage as a result of the war between Japan and Russia, may be expected. In fact, Japan will take the place that Russia has occupied for some time, but perhaps with the distinction that Japan is seeking extension of her commerce rather than her territory. It may be expected also that Japan will be somewhat more liberal than Russia has been, and understanding the Chinese people better, the change can hardly be otherwise than beneficial to China as well as to Japan, and in a somewhat lessened degree to other nations as well. Although Japan will doubtless pursue an enlightened policy, it is not to be supposed that her motives in going to war with Russia were largely altruistic. Incidentally other countries may gain indirectly as a result of the change of tutors for China; but Japan has waged this desperate conflict, not for other countries, but for the protection of her own territory and the extension of her commerce and industries. If Russian statesmanship had had the foresight to seize the opportunity presented in **Manchuria**, and had pursued a course that would have gained the sympathetic coöperation of the rest of Europe and of the United States, the situation might have been very different from that now presented. That Japan is best fitted, however, to become the preceptor of China, and to lead that country into the ways of modern civilization and progress, would seem to be manifest from the proximity of the two nations and the racial resemblance existing between them. It remains to be seen whether the stimulus of this enlightened leadership will be sufficient to arouse the Celestial Empire from the lethargy that for centuries has paralyzed the energies of the people.

THE INCREASED EXPENDITURES on the part of the Federal Government will require the serious attention of Congress on its assembling next December. That the business of the country has grown is generally admitted. Receipts of the Treasury have grown also, but not so fast as the expenditures. The latter have been mounting up very rapidly of late, and amounted in the last fiscal year to a total of $567,000,000, compared with $365,000,000 in 1896-97—an increase of more than $200,000,000, although as "The Chronicle" points out, there was a reduction in the interval of $13,000,000 in interest charges. In the period named the expenses for the Navy went up from $34,000,000 to $117,000,000; of the War Department from $48,000,000 to $122,000,000, and civil and miscellaneous expenditures increased from $90,000,000 to $146,000,000. As both the volume of imports and of internal business is near the highest figures ever known, the growing difference between income and outgo can not be laid to dull times. The fact is, as shown above, that the country is spending a great deal of money, and spending it at a rate that is increasing steadily and rapidly. But it is so common now to talk in large terms about everything pertaining to the country, that there can be little hope of getting expenditures brought down to a more modest scale. In making appropriations, Congress appears to proceed on the theory that inasmuch as "the foreigner pays the tax" anyway, there is no particular reason why he should be treated with consideration.

THE BOND ISSUES likely to be made to pay the cost of constructing the Panama Canal may have an influence on the business interests of the country greater and more important than has yet been realized. Whether the cost of building the canal will be $200,000,000 or $500,000,000 is not definitely known; but it is safe to say that the amount required will be very large.

In view of the fact that the bonds issued for this purpose are likely to be used as a basis for increasing the circulation of National banks, the possibility of such an enormous inflation of the currency, within a comparatively short period, becomes a matter worthy of serious attention. If the bonds are issued in large amounts, the tendency will be to depress their price and thus stimulate the organization of National banks, besides furnishing an incentive to existing banks to increase their circulation. Perhaps this tendency could be checked by issuing the bonds in amounts not exceeding $50,000,000, new issues to be offered as the proceeds might be needed. This would prevent a sudden inflation of the currency, but it would not avoid the large permanent addition to the National bank circulation that is almost sure to follow as a result of constructing the canal by the Government.

If it could be definitely ascertained that the canal could be built for $200,000,000 or $300,000,000, the cost might be defrayed by increased taxation, and no bonds need be issued at all. Shortly after the close of the Spanish-American War, it was stated in debate in the House that the cost of that war could have been met without difficulty by an increase in taxation, and that the bonds issued to meet the expenses of the war were unnecessary. They not only caused a considerable increase in the permanent paper currency, but provided a large surplus which tempted extravagant appropriations. The statesmen of the time failed to take an accurate measure of the immense resources of the country and how quickly they could be made available. Moreover, war always contains the possibilities of sudden and unforeseen contingencies, for which it is always well to be prepared.

But, while the total expenditures on account of the canal may not be estimated with exactness, it will not be impossible to tell, approximately, what the annual expense to be incurred on this account will be. This sum could be provided for by a moderate increase in taxation, especially if reasonable economy were practiced in other directions.

As pointed out by Professor CLEVELAND in a recent work, "the effect of the increase in bank notes on the money circulation is identically the same as an increase of like amount in greenbacks would have been." There are, perhaps, few people who would advocate an addition of from $200,000,000 to $500,000,000 to the greenback circulation, and yet, if Professor CLEVELAND is right, that will be what will happen, in effect, if the bonds issued for canal purposes are used as a basis for more bank circulation. This will tend to enhance prices; and, further, considering the interest to be paid on the bonds, it is at least an open question whether it would be more economical to meet the yearly charges for canal construction by increased taxation.

THE EXCESSIVE LOANS to one person, firm or corporation, which seem to be the cause of many bank failures, have again been fatal, this time to one of the prominent banks of Kansas—the First National, of Topeka. With a capital of only $300,000 this bank allowed one person to become indebted to it in one way or another in the sum of $1,200,000. How long it took the borrower in question to get this amount is not stated, but it is probable that his operations extended over a considerable period. When the bank was finally closed it had loaned its entire capital and surplus and the bulk of its deposits to one person.

It would be enlightening to know whether this case is to be taken as a standard of probable allowable borrowing before action is taken to close a bank. Doubtless some thrifty borrowers, particularly officers who organize and manage banks as a means of promoting their private business enterprises, have supposed that it was risky to borrow more than two or three times the capital of the bank. They will be encouraged by the Topeka financier's exploits to extend the limit of their loans. Just what is a safe percentage can not be stated with exactness, but it would seem a fair deduction from the Kansas case, that so long as the borrowings of one person do not exceed three or four times the capital nothing more annoying than an epistolary reproof from the Comptroller's office need be expected. If these letters become at all threatening in tone the ambitious financier will be given an opportunity of extending the limit so as to get practically all the funds of the bank in his possession before the final crash comes.

As pointed out by Deputy Comptroller KANE, while the National Banking Act prohibits loans in excess of ten per cent. of a bank's capital to "any person, company, corporation or firm, including in the liabilities of a company or firm, the liabilities of the several members thereof," the liabilities of a member of a corporation are not to be taken into consideration in fixing this limit. The Topeka financier, who seems to have been interested in a number of corporations, was therefore able to get a large share of the funds of one bank without making the bank amenable to the law. Mr. DEVLIN as a member of one corporation borrowed, say, $600,000, and as a member of another corporation, $600,000 more. He would therefore seem to be in fact, though possibly not in law, the "person" who actually got $1,200,000. The provision of the law mentioned by Mr. KANE offers a convenient loophole of escape for those who wish to avail themselves of it. There is another clause in the statute which also affords an opportunity for completely evading the provisions of the entire section. The elastic clause is 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." If this provision were lived up to in good faith, it would be unobjectionable; but there can hardly be a doubt that in many cases "commercial and business paper" is manufactured to meet the requirements of the law, so far as its letter is concerned, but entirely in violation of its intent.

In restricting the loans which a bank may make to one person, firm or corporation to ten per cent. of the bank's capital, Congress intended to apply what is believed to be a wise policy in bank management—a distribution of loans. This law was designed for the protection of stockholders and depositors. The wisdom of Congress in enacting this law has been vindicated by statistics showing that the greater number of bank failures are caused by loans made in excess of this restriction.

Obedience to the law has not been insisted on, as the punishment provided is considered excessive—the forfeiture of the bank's charter. Where a bank is practically wrecked, however, it seems that it would be much better to inflict this apparently harsh penalty than to permit the violation of the law to continue until one man gets practically everything in sight. The closing of a bank on the manifestation of the first signs of a policy that, as experience has shown, is so likely to lead to its downfall and ruin, would, in the long run, be less injurious to all concerned than to permit that policy to continue unchecked until the bank ignominiously fails. If the law itself is not wise, an agitation for its modification or repeal should be instituted. There is a practical certainty that if the banks that now permit the law to be violated were convinced that a suit for the annulment of their charters would follow, violations of the law would cease.

A CHECK TO STATE SOCIALISM was administered by the Supreme Court of Kansas in a late decision to the effect that an appropriation of money to build an oil refinery, to be operated partially by convict labor, and for the purpose of competing with the Standard Oil Company, was unconstitutional. What the court evidently decided was not that the State of Kansas could not embark in the business of oil refining, but that no warrant for such an enterprise is to be found in the existing constitution of the State. Such a departure would involve so radical a change in the purpose of government that it was not to be entered upon without the greatest deliberation. Of course, if the State may engage in oil refining it may also go into all sorts of industrial, transportation and commercial enterprises. There is no doubt if the people so decide, that a State may go into any of these undertakings, but such a step would be a radical innovation and would almost wholly revolutionize the basis upon which business is carried on at present.

Quite irrespective, therefore, of the merits of the controversy between the people of Kansas and the Standard Oil Company, the decision may be regarded as favoring a calmer view of the subject than seems to have prevailed heretofore.

If in any line of business intolerable extortions should be practiced, the right of the people to relief in some way can not be denied; for the right to live is fundamental, and whatever comes in conflict with this primary right—even constitutions—must yield or be changed to meet the popular will. Perhaps when the trusts that are seeking to establish monopolies and high prices realize that in the background there is always lurking this reserve power of the people to manage their own industries, under State control if need be, there will be less of a high-handed disregard of the interests of the public.

There is, apparently, a considerable trend of opinion toward State socialism in this country. This probably does not originate so much in altruistic motives as in the desire to get even with some of the great corporations whose gouging propensities have aroused popular wrath. It is somewhat contradictory, with the present disposition to bemoan the alleged universal corruption of political life, to propose to turn the management of all public utilities, and even industries as well, into the hands of politicians. It is admitted that municipal control so far as it now extends is frequently very bad, but the remedy that seems to find greatest favor is not that the powers of municipalities should be curtailed, but that they should be greatly enlarged. This proposal is given an air of plausibility by the assertion that whereas at present the people are so slightly affected by what a city does that they take but little active part in shaping its government; but, on the other hand, it is claimed that if the city were given control of additional utilities, such as lighting, transportation, etc., the people would have so much at stake that they could no longer afford to be indifferent.

Even if this ideal state of affairs should come to pass, it is greatly to be feared that the almost unbounded opportunities for fraud and corruption that would be presented would not fail to attract the attention of political adventurers.

The benefits either of municipal ownership or State operation of industries do not appear to be so clearly established as to warrant the overthrow of existing conditions, bad as some of these latter undoubtedly are. Kansas went rather impetuously into the oil business, and the decision of the Supreme Court of the State will give the people time for sober reflection. If they then conclude that they want a State oil refinery, they will no doubt find a way to get it, even if they have to amend their State constitution.

THE EXAMINERS OF NATIONAL BANKS come in for a great deal of criticism whenever there is a bad bank failure. Some of these criticisms are just, but many of them have no substantial foundation. As a rule, irregularities that lead to the failure of a bank extend over a considerable period. But there are many exceptions to this rule. Frequently at the time of examination a bank may make a satisfactory showing to the examiner, and in a very short time it may be wrecked. Another criticism is to the effect that the examiners do not discover irregularities until after the bank fails. Occasionally this is true; but generally it will be found that the bank is closed by the Comptroller because of irregularities reported by the examiner. Of course, the public can learn of the condition of affairs only when the crash comes.

Successive Comptrollers have recommended that the law in regard to the compensation of National bank examiners be changed, so that they shall be paid a salary instead of fees. It is probable, also, that the number of examiners (about seventy-five for over 5,600 banks) is far too small to make efficient work possible. Congress has heretofore paid little attention to the suggestions of the Comptroller made with a view to improving the administrative features of the National Bank Act. The time seems to have arrived, in view of the great expansion of the National banking system, when these suggestions should be given proper consideration.

FEDERAL CONTROL OF ALL BANKS was a future possibility which occupied the attention of the recent convention of bank clerks at Minneapolis. Although this can hardly be called a practical question at the present time, the discussion was valuable in bringing out a comparison of the relative merits of the State and National systems.

In contrasting the records made by State and National banks, the comparison is sometimes carried no further than the number of failures and the amounts realized from the assets of the respective classes of institutions. This method fails to take account of the services which the banks rendered to the community, and thus omits one of the most important elements to be studied in this connection.

The safety of a bank is, of course, highly desirable; but if it could be shown that one class of banks rendered more efficient service to the business interests of the community than another, even though having a somewhat higher percentage of failures, it would be of great importance to learn whether the percentage of failures could be reduced without any loss of efficiency. It might be found, for example, that the National banks make a somewhat better showing in regard to failures than the State banks, solely because the former class of banks have a higher average of capital and are, perhaps, on the whole under a closer system of inspection than the State banks. On the other hand, because of their greater latitude in some respects, it might be found that the State banks meet the general requirements of the community better than National banks. If this greater freedom of operation did not entail any additional risk, it would be an injustice to the community to curtail the freedom of the State banks.

The only reforms necessary, if the surmises above stated were found actually to exist, would be to extend to the State banks the same requirements as to capital and examinations and reports as now apply to National banks.

It would be taking a short-sighted view of the matter to conclude that if National banks appear to make a somewhat better exhibit of realization from assets in case of failure than State banks do, all banks should be brought under Federal control.

Without attempting to decide as to which of the existing systems affords the greater safety, it may be said that the real question to be determined is, which system can be made most useful and at the same time maintain the highest possible degree of safety?

Aside from the consideration set forth, there does not seem to be any good reason why all banks should be brought under a uniform law. The deposit business is largely local, and in the case where one bank desires to make deposits with another, or send paper for collection, or transact any inter-State business, it can, if it so prefers, choose a National bank. Actually, however, in most instances, there is little choice, as the State regulation and supervision of banking, in the majority of the States, is very much like the regulation and control exercised by the Federal Government. Furthermore, with respect to commercial paper, the Negotiable Instruments Law is gradually bringing about a uniform system.

The proposal to hand over to Congress absolute authority over all the banks in the United States is not likely to commend itself to the unprejudiced judgment of careful observers of the growth of American banking.

A RUSSIAN LOAN of large proportions may be necessary to meet the indemnity which Japan will receive for terminating the war in the East.

In a recent communication to the "Wall Street Journal," Mr. ALEX DEL MAR points out that Americans appear to be losing sight of the opportunities afforded by Russia for the investment of American capital. For a long time the loans placed abroad by the Russian Government have been absorbed chiefly by the Paris market, which was to have been expected, seeing that France and Russia are allies. But it is not improbable that it may be found advantageous to seek the assistance of other markets when the new loans are issued, and with the possible exception of Berlin, the most natural source of replenishment of the Russian exchequer will be New York.

Mr. DEL MAR calls attention to the great size of Russia, its natural resources, large population, and the industrial activity of the people. He also says that the recent disturbances in Russia have been greatly exaggerated.

Although the disasters of the present war will entail a heavy tax upon Russia for many years to come, it is not improbable that the net result will be beneficial in the end. Relieved of the necessity of maintaining a large army in the Far East, closer attention can be paid to the internal development of the Empire.

AMERICAN SECURITIES IN EUROPE, 1783–1845.

The key to a correct appreciation of American institutions, generally, and of American finance, in particular, is a clear grasp of their unique character. Whatever their merits or demerits may be, their national type is always unmistakable. It shows alike in their weakness and their strong points. This is all the more remarkable if we consider the great variety of alien elements they have absorbed. It was not till an advanced stage in its evolution that American finance acquired the national note now so dominant in it.

For well-nigh a century it was under foreign influences of various kinds —British, Dutch and German. In the early days it received a large amount of help from Europe. Previous to the great reorganizations of 1894–1896, American railroads were largely controlled from London. Some of them were planned, surveyed and built by Englishmen. Few of the older roads but had British capital, British labor and British materials put into them.

To go still farther back to the gloomy days of the Civil War, when Secretary Chase had to raise money anywhere and anyhow, could Wall Street have taken hundreds of millions of six per cent. bonds from him if London, Amsterdam and Frankfort had not stood behind it to receive the overflow? Still farther back in the forties, the golden key that first opened the Great West and revealed its boundless possibilities of wealth was, in no small degree, of foreign origin. Back to the very birth of the Republic we find traces of foreign finance. Possibly the Republic would have been still-born but for the alliance with France, concluded in the nick of time, which procured for the Continental Army the few million dollars of hard cash that were absolutely necessary to keep it in the field. The War of Independence was not wholly won at Lexington, Saratoga and Yorktown. Dr. Franklin and his loan operations at Versailles had a very considerable share in it.

The history of American securities in Europe is an essential aspect of American finance and also one of the most interesting. It begins with the birth of the Republic, but we need hardly go so far back as that. The close of the War of Independence, say 1783, will be our most convenient starting-point. That will give us nearly a century and a quarter of evolution to deal with. Certain historical peculiarities divide this century and a quarter into two periods of about sixty years each. The first, which extended from 1783 to 1845, was distinguished by a very narrow and primitive selection of securities. Down to 1825 it was limited to national bonds which then gave place to State bonds. From 1825 to 1845 the latter constituted the principal American market in London. In the decade 1835–1845 they experienced both their climax and their anti-climax.

The first sixty years of the American market in London may be distinguished as the State bond period. Railroad stocks then began to come in, and from 1845 onward will be known in history as the railroad period. It may assist us in illustrating this long process of evolution if we take note of the large amounts of British capital that had been sunk in the thirteen original States of the Union while they were still British colonies. It embraced not only trade debts owing for goods imported, but investments of various kinds in land, local banks, trading and shipping ventures, etc. The volume of these it is impossible even to guess at, and we note them merely as primitive elements which doubtless contributed to the financial growth of the Republic.

Dr. Franklin as a Financier.

But American finance, as a distinct and definite power in history, began with the French loans negotiated by Dr. Franklin, at Versailles. These exhibited in the germ, as it were, some of the most characteristic features that subsequently distinguished not only American finance but American diplomacy as well. Dr. Franklin was a typical American who always knew what he wanted and invariably succeeded in getting it. He was a born diplomatist who, without any training or any of the social advantages usually associated with diplomacy, beat the professionals at their own game. More remarkable still, he was a statesman for whom no political problem was either too great or too small. His scientific gifts, superficial as they may be considered now, added immensely to the personal influence which he knew so well how to exercise. If he had a weak side at all it was finance. He did not even profess to be a man of business. Printing, politics and physical science, he was quite at home in, but at the mention of money or accounts his self-confidence deserted him. Lord Bute had a similar weakness—it was the only point of affinity between the two men.

Nevertheless, this financial tyro, with no faith in himself, achieved one of the greatest feats of national finance on record. He coaxed money out of three European States—France, Holland and Spain—not only without having any tangible security to offer them, but when the very act of lending involved risk of war with Great Britain, a country then more powerful than all the three lenders together. As a money-raiser, the Morgans, Schiffs and Harrimans of the present day are not to be named beside Franklin. He borrowed from very unwilling, and often very impecunious, lenders, of whom the most impecunious was Louis XVI. When the King's own coffers were empty, Franklin induced him to guarantee a Dutch loan. Even the royal guarantee could not wholly disarm Dutch caution, but sundry small advances were obtained through it.

Franklin's diplomatic career at Versailles was very appropriately crowned by his final loan of six million francs which he obtained on the eve of his return home. He had offended the French court by secretly arranging the preliminary articles of peace with England. The Minister, Count de Vergennes, was particularly wroth about this, regarding it as a personal slight. Nevertheless, American diplomacy was irresistible. As a farewell favor Franklin obtained the promise of a further six million francs. The first installment of it—six hundred thousand francs—was shipped on the packet that carried the preliminaries of peace to New York, and the rest was remitted as it could be spared.

Incredible and even ludicrous as it may sound to-day, the best part of the hard cash that the Americans put into the War of Independence was what Dr. Franklin raised for them at Versailles and his fellow-commissioner, Mr. Jay, at Madrid. Between 1777 and 1783 these two active agents negotiated advances to the amount of six and a half million dollars—a large sum for those days. The Spanish share of it was insignificant—only $174,000—a mere token of sympathy with the revolutionists and of ill-will to the Power they had revolted against. But the French contributions were numerous and substantial, a striking proof of the Anglophobia which still rankled in France over the loss of Canada. Apart from the loans, which in seven years totalled $6,352,500, France spent over six million dollars on naval and military expeditions in support of the revolution. Much of this may be attributed to the anti-British enthusiasm of the French which showered on Franklin both political and personal honors. He knew how to make the most of that enthusiasm while it lasted. In the American vernacular, he "ran it for all it was worth." His friends in Congress went farther and overworked it. So freely were the European agents of the Republic drawn upon from home, that desperate appeals had to be made again and again to the French Government to save the bills from being dishonored. Franklin had not only to protect the bills drawn on himself, but those of his colleagues as well. A graphic account of his troubles is given in a letter of Mr. Silas Deane from Paris to a correspondent in New York.

"Congress," it says, "drew bills on Mr. President Laurens as being in Holland many months before he sailed from America. They drew on Mr. Jay long before his arrival in Spain. These bills have been honored and you in America have been taught to believe that it was from money received in Spain and Holland. No such thing. These bills have been uniformly sent to Dr. Franklin for payment. Even the salaries of Mr. Jay and Mr. Adams and their suits have been drawn for on Dr. Franklin who has paid them out of the moneys received here."

Though there was, no doubt, a good deal of sentiment in the ardor with which the French Government espoused the American cause, it had its business side also. The trade of the Thirteen Colonies which Great Britain had so foolishly thrown away was well worth capturing. The French were keen to secure it and elaborate arrangements were made both at Paris and the principal outposts for working it. Agents were appointed to act as consignees for cargoes of American produce and to realize them. Other agents were employed to do the financing, and a special nominee of the French Government, M. Beaumarchais, exercised a general supervision over all. The practical results were not satisfactory on either side. Many cargoes fell into the hands of English cruisers. Some were run away with by their crews and sold in foreign ports. Even the cargoes that came to hand yielded, as a rule, poor results. As for the accounts, they got into such a tangle that it took years to straighten them out. Dewey frankly acknowledges the failure of this sanguine scheme.

"Attempts," he says, "were early made to obtain loans to be repaid in France secured by the exportation of goods from America, particularly tobacco, but the danger of capture by English cruisers broke this policy. The earlier negotiations were clothed in secrecy for fear on the part of France and Spain of political complications with England. The intercouse of the American agents, and later of the envoys, with the French officials reveals most pathetically the financial straits of the American Government. Without warning, the envoys were drawn upon by Congress, and only by repeated pleadings with the French Government could they secure funds with which to honor the drafts."

Thus early did the founders of the Republic begin "to take risks" and occasionally to be overtaken by them. Their French patrons were almost as hard up as themselves, and could not long bear the strain of fighting for them and financing them at the same time. The importunities of Dr. Franklin gradually wore out his welcome at Versailles and, for other reasons as well, the French court desired to extricate itself from an embarrassing connection. In 1783, France closed her purse to her American protégés, and they had to find a new banker in Europe. But that was no longer so difficult as it had been. The revolution was now an accomplished fact and the young Republic was definitely, though by no means firmly, established. American credit, which had started on a six per cent. basis, had so far improved that Dutch capitalists were willing to lend at five per cent. In 1782, John Adams arranged with certain bankers in Holland for a loan of $720,000 at the latter rate, and next year he obtained further advances to the amount of $582,000.

The First Bank of the United States.

Those were the first purely business loans raised in Europe. The Dutch are, consequently, the oldest financial allies of the United States, and to that distinction may be added another: they have also been the most faithful and persistent. From 1782 onward, they have never lost interest in American finance. Of all Europeans they have studied it most systematically and been the quickest to appreciate its great possibilities. Many of their historical associations with it have been broken or have died a natural death, but new ones have always sprung up again. They did not even hesitate to take shares in the first Bank of the United States which began business in 1791, and with their help became an important international institution.

It was, in fact, the first international bank on modern lines. It had a nominal capital of ten million dollars, less than a fourth of which was paid in cash. The Federal Government subscribed for two million dollars, but only gave "I O U's" for the amount extending over ten years. Then it borrowed from the bank far more than it paid in. By 1796, it had run up a debt of over six million dollars, and as the bank could give it no further accommodation it had to realize its salable assets, of which its bank shares were the most valuable. No doubt they found their way to Europe and, among other places, to Amsterdam.

Private shares followed those of the Government, until fully three-fourths of the capital of the Bank was held in Europe. But this circumstance, instead of proving an advantage to the Bank, as it might naturally have been expected to do, only aggravated its later difficulties. Its original charter was for twenty years, and during the first half of the term it had a fairly quiet existence. Meanwhile State banks had been multiplying rapidly, and during the second ten years they became not only powerful but bitter rivals of the central institution. The fierce contest which ensued showed in a very aggravated form some of the worst traits of American finance.

One of these was the irrational jealousy of foreign influence which till lately biased even intelligent Americans. Another was the tendency of the American politician and the American financier to regard each other as natural enemies. But the worst and most pernicious of all was embodied in the fatal phrase, "State rights." Whenever or wherever the battle-cry of "State rights" was raised, there was sure to be fierce and furious fighting. No matter what the occasion—it might be currency or slavery, a bank charter or an inter-State commerce law.

The first Bank of the United States was in the doubly unfortunate position of being both a Federal and a quasi-foreign institution. All the forces of Americanism and of "State rights" were consequently arrayed against it. According to Dewey:

"The United States Bank was also unpopular because of the large foreign holdings in the Bank's stock, amounting to 18,000 shares out of a total of 25,000. This use of foreign capital was construed to be a large foreign tribute in dividends, and though foreign stockholders could not vote, indirectly they could exert a 'malignant influence.' The extravagant character of this opposition was summed up by Senator Crawford in the following language: 'The member who dares to give his opinion in favor of the renewal of the charter is instantly charged with being bribed by the agents of the Bank, with being corrupt, with having trampled on the rights and liberties of the people, with having sold the sovereignty of the United States to foreign capitalists, and with being guilty of perjury by having violated the Constitution.'" *

The bill for renewing the charter of the Bank was defeated in the Senate by the casting vote of the Vice-President. The European investor had here his first of many misadventures in American finance. Holding as he did three-fourths of the shares in the boycotted Bank, he took fright and liquidated prematurely as he has often done since. But the recoil on the Americans themselves was far more disastrous than the original offence. While the final struggle over the United States Bank was being carried on, the country was on the brink of a new war with the mother country. It broke out in June, 1812, and found the Government with neither money nor credit to finance it. London was of course a closed door; Paris had long outgrown its American craze, and Amsterdam, the only money market in Europe where a loan might have been negotiated, was smarting under the ill-treatment it had received from Congress. The war had consequently to be financed at home with Treasury notes and six and seven per cent. loans. The last of these had to be issued at eighty per cent., payable in State bank notes worth sixty-five, so that their yield in hard cash was only fifty-two.

Introduction of United States Stocks on the London Stock Exchange.

The War of 1812 was happily much less serious than the original quarrel between the United States and the mother country. It was more of a commercial than a political dispute. Among its other bad effects it upset for the time being a movement lately started for introducing United States stocks on the London Stock Exchange. It was somewhere about 1811 that dealings in these securities were first officially recognized. The earliest mention of them in Wetenhall's list occurs in that year. Presumably, business had then begun to outgrow old limits and to call for larger organization. In January, 1811, we find the official list suddenly trebled in size and many new securities ad-

* Dewey's "Financial History of the United States," p. 127.

mitted to it. A rude attempt at classification also presents itself. Foreign stocks are grouped by themselves, and a small list of Americans makes its appearance. For the sake of its historical interest I produce it verbatim:

The First American Stocks Quoted in the Official List, Tuesday, January 15, 1811.

Three per cents	65
Old six per cents	101-2
New " "	.....
Bank shares*	107-8
Louisiana six per cents	105

*Shares of the First Bank of the United States.

With some difficulty I have traced the three per cents and the old sixes back to Alexander Hamilton's consolidation scheme of 1790. London stock brokers set a good example to their countrymen of letting bygones be bygones when they condescended to deal in bonds that symbolized the loss of their best colonies. The new six per cents, it may be presumed, were part of a new issue that had been made in 1810 to cover urgent necessities of the Treasury. The shares of the United States Bank may have had two sources—Philadelphia and Amsterdam. A circumstance in favor of the theory of direct dealings with America is that in October, 1811, a new column was added to the American table, giving the latest New York prices. As they had to come by sailing packets they could not be very close up to date. In fact, the first New York prices published are nearly six weeks old, and in the winter they are often two months behind. The first set of double prices (shown below) appeared on October 8, 1811.

	London, Oct. 8, 1811.	*New York, Sept. 1, 1811.*
Three per cents	70.71	60
Old six per cents	.....	101
New six per cents	.....	101
Bank shares	92	360-64
Louisiana six per cents	112	100

Considerable discrepancies will be noted between the London and New York prices. They were due to the sterling exchange in New York being about twenty per cent. premium. This continued through the war of 1812, but afterwards a reverse movement set in. By 1816, the tables had turned in favor of New York, and sterling exchange fell to 9 or 10 discount. Nominal prices of stocks, instead of being as hitherto lower in New York than in London, became higher. This appears very clearly in the Wetenhall list of January 2, 1816.

	London, Jan. 2, 1816.	*Philadelphia, Dec. 23, 1815.*
Three per cents	51	61
Old six per cents	.....	.....
New six per cents	81½-82	92
Seven per cents	.....	.....
Louisiana six per cents	82½-83	93

On comparing the list of 1816 with those of 1811, two significant changes will be noted. The shares of the United States Bank have disappeared and a new seven per cent. figures among the United States bonds.

INCREASE IN AMERICAN STOCKS—SECOND BANK OF THE UNITED STATES.

Let us now skip over a decade and look into Wetenhall of 1825. Several new developments here challenge attention. First we find two new Government issues—a four and a half per cent. and a five per cent. Next we have a new Bank of the United States—that of 1816–36. Four States—New York, Pennsylvania, Virginia and Louisiana—are represented by special issues, as are also two cities—New York and New Orleans. None of these issues can have been very large for it has not been deemed worth while in any case to state the amounts outstanding. The year 1825 opened as follows in the London-American market:

UNITED STATES BONDS.	*London, Jan. 4, 1825.*	*New York, Dec. 8, 1824.*
Three per cents	80	89⅛
Four and a half per cents, 1832-34	....	104-5
Five per cents, 1832-36	....	....
Six per cents, 1825-6-7-8	99	101⅛-102⅛
STATE BONDS.		
New York five per cents, 1837	....	110
New York five per cents, 1845	....	111
New York six per cents, 1837	....	122-⅛
New York six per cents, 1845	....	....
Pennsylvania five per cents, 1841	....	....
Virginia six per cents, 1844	....	....
Louisiana five per cents, 1834	105	110-12
Louisiana five per cents, 1839	106	....
Louisiana five per cents, 1844	107	....
Louisiana five per cents, 1849	108	....
CITY BONDS.		
New York five per cents, 1850	....	....
New Orleans seven per cents, 1832-3-4	112	....
United States Bank	£24, 12s.. 6d.	118¾

A significant feature in the above list is the favor shown for Louisiana bonds. Judging by the quotations they seem to have had the freest market among the State issues, and to have commanded as high a price as any other not even excepting New York. Their popularity may have been derived, to some extent, from the old Louisiana bonds of the United States. The latter were issued by the national Government in 1803 when Louisiana was purchased from France. The purchase money agreed upon was $15,000,000, of which the Treasury was able to provide nearly $4,000,000. The remaining $11,250,000 was raised by means of six per cent. bonds having fifteen years to run. They were on the London market in 1811, if not earlier, but they must have disappeared soon after their maturity in 1818. Louisiana State bonds speedily took their place and inherited a share of the favor they had enjoyed.

We skip now another decade and come to 1835, when many more new developments will be discovered. All but one of the United States issues have vanished, for the good reason that the Government was now virtually out of debt. It had a larger surplus in the Treasury than would have paid off all its outstanding bonds. This gave the States their opportunity and they did not neglect it. State bonds now form a large majority of the list published by Wetenhall. The number of issues separately quoted has, since 1825, increased from ten to twenty-eight. Not only have the four original borrowers added to their issues, but half a dozen new States have joined in, namely, Maryland, Ohio, Indiana, Illinois, Alabama and Mississippi.

About 1835, the amount outstanding of each issue begins to be stated, and we are enabled thereby to gauge more accurately the rapid and dangerous growth of these loans. The total amount listed in London increased, as will be seen in the subjoined table, from thirty-six million dollars, in 1835, to nearly seventy million dollars in 1845. A few years later, only two or three stragglers survived of that immense group. It is a significant fact that since 1845 the American market in Capel Court has undergone complete renovation. There is not a national bond or a State bond or a railroad stock of that day now left in the official list. The State bond decade of 1835–45 has completely vanished with all its booming repudiating reorganizing and scaling down. The table on the following page will, to intelligent readers, be grimly reminiscent.

Anglo-Dutch-American Finance.

Anyone who had access to the archives of old American houses like the Barings or Brown, Shipley & Co., might throw some interesting light on the growth of Anglo-Dutch-American finance. Outside of these the only information available as to such firms is to be obtained from casual references to their operations in the press and elsewhere. Even such references are few and far between. They barely suffice to indicate the trend of financial events. From Franklin's letters and other contemporary records we know that the original creation of United States securities in Europe took place at Versailles, that later on Amsterdam co-operated with Versailles and ultimately superseded it. How the business came to be transferred from Amsterdam to London, is more difficult to ascertain. The Dutch bankers who acted for Franklin had, doubtless, correspondents in London—very likely the Barings—and when anti-American resentments began to die down there, the large return which American securities offered would naturally prove tempting.

Another anomaly connected with the Franklin loans is that the agents through whom they went to Holland were not Dutchmen but Swiss. They were two brothers named Grand, friends of Count de Vergennes, the French Minister. Sir George Grand was partner in a banking house in Amsterdam, with which the French Government appears to have had some kind of financial relations. There was nothing unusual in that, however. Very few European sovereigns in those days could get on without a Dutch banker. Frederick Grand, the other of the two brothers, lived at Versailles, probably as resident agent for the bank. It was no doubt through him that Louis XVI gave his guarantee for a six million franc loan, which after all seems to have hung fire.

The United States Government, when definitely organized, kept up its connection with the Grands and probably had their assistance in promoting the first Bank of the United States. Through them a large number of the Bank shares were placed in Holland, and it may have been from Holland that they ultimately found their way to London. When dealing in them was established here—and that may have been long before they were admitted to Wetenhall's list in 1811—other shares had doubtless come over from Philadelphia and New York. In fact there may have been from an early period in the nineteenth century a three-cornered market in United States banks—American, Dutch, English. With their usual luck, English investors got in at the top and out at the bottom. In the Wetenhall list of January, 1811, bank shares are quoted 107–8. In the list of January, 1816, they have disap-

American Securities in London, 1835 and 1845.

CLASS OF SECURITY.	*Per cent.*	*Maturity.*	*Amt. listed, Jan. 2, 1835.*	*Price.*	*Amt. listed, Jan. 3, 1845.*	*Price.*
UNITED STATES BONDS	5	....	$4,735,296	92	....	......
STATE BONDS.						
Alabama........................	5	1852	3,800,000	96	$500,000	......
" ....sterling	5	1858			2,000,000	......
"	5	1863			3,500,000	......
Indiana........................	5	1852	200,000	107	....	......
" ....sterling	5	1861	....	.....	1,000,000	......
"	5	1861-66	....	.....	1,600,000	......
Illinois........................	6	1850	100,000	.....	....	......
"	6	1870	....	.....	5,000,000	......
" ....sterling	6	1870	....	.....	1,000,000	......
Louisiana........................	5	1839 49	3,466,677	101	....	......
"	5	1844-52	7,000,000	102½	7,000,000	......
" ....sterling	5	1848	....	.....	1,000,000	......
"	5	1853	....	.....	150,000	......
"	6	1867	....	.....	300,000	......
Maryland........................	5	1859	....	.....	750,000	......
" ....sterling	5	1888	....	.....	3,000,000	......
Massachusetts........................	5	1857	....	.....	1,000,000	......
" ....sterling	5	1868	....	.....	300,000	......
Kentucky	6	1868	....	.....	1,250,000	......
Michigan	6	1863	....	.....	5,000,000	......
Mississippi	5	1850-58	500,000	103⅛	....	......
"	6	1861-71	....	109	2,000,000	......
New York	5	1837-47	5,551,270	104	....	......
"	5	1856-60	....	.....	4,001,270	......
"	6	1837-45	2,943,500	114½	....	......
Ohio	6	1850	....	.....	4,000,000	89
"	6	1856-60	....	.....	4,000,000	89
Pennsylvania	5	1839-50	2,600,000	100	....	......
"	5	1854	5,000,000	.....	3,202,500	68-70
"	5	1856	2,483,162	103	2,733,162	68-70
"	5	1858	....	.....	3,070,661	68-70
"	5	1860	2,000,000	104	2,648,680	68-70
"	5	1862			2,295,450	68-70
....	5	1864	....	.....	1,700,000	68-70
South Carolina (Barings)........	5	1866	....	.....	1,000,000	......
Tennessee........................	6	1868	....	.....	1,000,000	......
Virginia........................	5	1845-51	500,0 0	.....	....	......
"	6	1844	400,000	.....	400,000	......
Florida........................	6	1858-64	....	.....	1,000,000	......
" ....sterling	6	1862-68	....	.....	2,000,000	......
Total State bonds..........	....	....	$36,544,599	.....	$69,401,723	......
CITY BONDS.						
New York	5	1851-60	....	.....	$9,600,000	......
Philadelphia........................	5	....	....	.....	175,000	......
Baltimore	5	1850	....	.....	4,600,000	......
New Orleans	5	1863	....	.....	1,500,000	......
"	6	1854	....	.....	250,000	......
Total city bonds..........	....	....	....	.....	$16,125,000	......
BANK SHARES.						
Bank of the United States......	Stock ..	....	$35,000,000	£22¾	$35,000,000	1
" " " debs.	6	....	....	.....	*8,500,000	......
Bank of Louisiana	Stock...	....	4,000,000	27	4,000,000	......
Bank of New Orleans...........	Stock...	....	450,000	.....	450,000	......
Louisiana State Bank...........	Stock...	....	1,250,000	26¼	2,000,000	......
New Orleans C. & B. Co.........	Stock...	....	4,000,000	23	....	......
New Orleans City Bank	Stock...	....	1,000,000	.....	....	......
Total bank shares..........	....	....	$45,700,000	.....	$49,950,000	......
MISCELLANEOUS.						
New York Life and Trust Co...	......	....	....	98	....	......
Tennessee Planters.............	......	....	....	23⅛	....	......
Mississippi Planters...........	......	....	....	26¼	....	......
New Jersey Canal	5	1864	£210,000	105¼	£210,000	......
" "	6	1861	$800,000	.....	....	......
Camden & Amboy R R. bonds..	5	1864	....	.....	210,000	......
" " " ..	6	1884	....	.....	225,000	......
Phila. & Reading R.R. bonds ...	6	1860	....	.....	210,000	......
Total..........................	....	....	....	.....	£645,000	......

* £1,700,000 sterling.

peared, the bank having in 1812 been forced into liquidation by the refusal of Congress to renew its charter.

CLOSER FINANCIAL RELATIONS BETWEEN LONDON AND NEW YORK.

In spite of this discouraging experience, London and New York began to draw closer together financially. When the second Bank of the United States was projected in 1816, London agents were found indispensable. Messrs. Baring Brothers & Company were induced to accept the office and they discharged it in a most generous spirit. The Bank exercised very freely its drawing powers just as the Continental Congress had done on its friends at Versailles. In 1819 a halt had to be called and, on examining the accounts of the Bank, it was found to be due the Barings $900,000. This pinch was got over, however, and ten years of quiet prosperity followed. It is an interesting conjecture what the Bank might have grown to if President Jackson had left it alone. Some curiosity is also excusable as to how the Barings got out in the final liquidation twenty years later.

The second Bank of the United States was in itself an important financial institution, and it set in motion many new financial developments. Large as its domestic business became, its foreign operations were of still greater consequence. It was, even more than its predecessor, an international bank operating on a large scale and over a wide area. It was also the first bank to launch into finance business as distinguished from regular banking. Through it the first assortment of State and municipal bonds was placed in Europe. Wetenhall's list in January, 1825, shows no less than a dozen of these. Ten years later the number had grown to nearly thirty. Some of them are marked "sterling" issues though the amounts are given in dollars. This indicates that the London market was being specially catered for. A few sterling issues were made in London, generally by Messrs. Baring. One of these, a South Carolina loan for £200,000, is distinguished in the list as "Barings." The bank share list had also begun to expand at this period, and in 1835 it included half a dozen eight to ten per cent. dividend payers.

The fortunes of finance, like the fortunes of war, have many ups and downs. One great American house having, as we have seen, made itself by the introduction of American securities on the London market, another firm arose out of their collapse in 1839. This was George Peabody & Company, which after various changes is now known as J. P. Morgan & Company.

Mr. Peabody was one of the first discoverers of the chief secret of successful speculation. It is to buy anything and everything you can lay your hands on in a demoralized market. He laid the foundation of his fortune by wholesale buying of State bonds when they were being thrown away by the Rev. Sydney Smith and other British investors after the collapse of 1839. There is an octogenarian veteran on the London Stock Exchange who remembers Mr. Peabody commencing business in a small office in the old Warnford Court. The old court has since been swept away and replaced by a new one more in the American style. American pilgrims to the Peabody shrine may easily find the latter huge barrack on the north side of Throgmorton street, facing one of the doors leading into the American department of the Stock Exchange.

When he began buying, Mr. Peabody had his choice of sixteen States and more than twice as many issues, all officially quoted in London and New

York, to say nothing of Amsterdam. Quite unconsciously and unintentionally, the victims of repudiation played into his hands. The more frightened and disgusted they became, the cheaper they sold their bonds and the more assiduously Mr. Peabody snapped them up. If he had paid the city editor of the "Times" for his diatribes about State repudiation, and Sydney Smith for his caustic wit on the same exciting theme, these two gentlemen could not have served him better. The plain truth was that the British investor lost his head as he generally does in a financial disaster, and sold when he should have been buying. He has repeated the mistake pretty often since then, notably during the Turkish collapse of 1875 and the Egyptian smash which followed soon after.

On both these occasions the British investor threw away his stocks just as he had for still less cause thrown away his "repudiation" bonds. He was much chagrined to learn years after that he had only given millionaires like the late Baron Hirsch a chance to add to their millions by buying "Turks" and "Egypts" in the thirties. Let it not be imagined that I defend repudiation or offer any excuse for it. The most indulgent critic of American finance could not honestly do that, nor would any self-respecting American expect it of him. On both sides of the Atlantic, it must be admitted that the wild gamble in State bonds which culminated in 1839 had many reprehensible features. From the standpoint of the issuing States, it was almost as mad as the deluge of paper money let loose by the Continental Congress during the War of Independence.

We have seen that on the eve of the collapse no less than thirty-six and a half million dollars of State bonds were outstanding. Hard cash had been paid for most of them, and it had gone in land booms and other wild cat ventures. But the wasting of the money was not the worst of it. English bondholders could have borne that, as they have borne similar losses good-naturedly, had they been fairly treated afterwards by the defaulters. What stuck in their gizzard most was their higgling and sharp practice, amounting at times to chicanery, that was practiced on them in the subsequent negotiations for a settlement. Some of the defaulting States, instead of trying to do the best they could for their creditors, did the best they could for themselves. A few of them even defaulted again on the dividends they had undertaken to pay! This was the unkindest cut of all, and Sydney Smith had reason to be bitterly sarcastic over it. So angry did he get in his once famous, but now forgotten, "Letters on American Debts," that even his powers of sarcasm failed to give sufficient vent to his feelings. Nothing short of jeremiads and Cassandrine denunciations seemed to him to rise to the occasion. In that vein, however, he was as harmless as Madame Angot. I don't suppose that our grandfathers took outbreaks like the following seriously, and to-day they only provoke a smile:

"I repeat again that no conduct was ever more profligate than that of the State of Pennsylvania. History cannot pattern it, and let no deluded being imagine they will ever repay a single farthing. These people have tasted the dangerous luxury of dishonesty and they will never be brought back to the homely rule of right. The money transactions of the Americans are become a byword among the nations of Europe."

The reverend satirist overshot his mark as reverend gentlemen often do when they meddle with business affairs. He went much farther than his ally, the city editor of the "Times," could follow him. The "Times's" indictment of Pennsylvania as quoted below is moderate and rational compared with the other:

"Pennsylvania has never, in the general sense, been a repudiator, but her financial character suffers from a wound which derives its worst feature from its smallness. She issued bonds for arrears of interest and when these fell due with an accumulation of such interest she refused to pay them unless the holders would accept a lower rate."—"*Times*," *July 21, 1861.*

It will be seen from the date of the above extract that it appeared at the beginning of the Civil War *apropos* of the question which was then exercising the London Stock Exchange, whether it would be safer to lend to the North or to the South. The "Times" concluded that the safest course would be not to lend to either. In enforcing its argument it rather ungenerously brought up the old State repudiation grievance. It may now, however, be forgiven for the sake of two or three interesting facts which it resurrected:

"Finally, it must be remarked that the aggregate population of such of the Northern States as may have been compromised by default is 5,000,000, and that of the South only 800,000. Under these circumstances it would seem there is not much to encourage our capitalists to interfere by supplying means to either side, while in a political sense it is certain that any such movement would injure our future good relations, since we should have a strong prospect that on the termination of the contest, either by force or by compromise, the reunited friends would join to attribute the greater part of the miseries they had inflicted on each other to the British gold maliciously supplied by our aristocracy for the very purpose of giving intensity to the contest and destroying free institutions."

Unhappily for the people of 1861, too many Americans had that idea of the British aristocracy, and too many Englishmen considered the American people capable of turning round on us as the "Times" suggested that they might do. Happily for the people of to-day, all such alienating prejudices have completely disappeared from the minds of both nations. They are only recalled here in order to note the very bad effect they had at the time on American securities in England. But for the repudiation scandals of 1839 and the following decade, and for the bitter controversies which arose out of them, the British investor would have been much better disposed than he was toward the war loans of 1861–64.

Both countries were serious losers in consequence. New York got only a fraction of the support from London it might otherwise have had, and London made only a fraction of the profit it should have done out of United States six per cent. bonds. But all is well that ends well, though in this case the end has been rather long in coming. From the standpoint of the perfect understanding at which they have now arrived, the two nations can look back with a smile on the mistakes and misadventures which provoked the diatribes of the "Times" and the Rev. Sydney Smith sixty years ago.

W. R. LAWSON.

LONDON.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

CHAPTER VI.

BOOKS, RECORDS AND FORMS FOR THE TRUST DEPARTMENT.

It is a trite but eminently correct remark to make regarding the books and records of any financial institution, that they ought to be as simple, clear and accurate as skill and experience can make them. The remark applies with special force to the books and records of the trust company, and especially to those of its trust department. Here is need of special care, because of the fiduciary nature of the business, because of the necessity of using the records as the basis of frequent reports to the beneficiaries of the various trusts and to the courts, because the history of business handled in trust for others ought to be complete and self-explanatory.

The wise trust department manager will therefore see to it that provision is made at the start for books and records that shall approach the golden mean between the two extremes of too great fullness of detail and the unnecessary labor and time required thereby, and of too little fullness and detail, resulting either in fatal omission of facts that may be of the utmost importance, or in the waste of much labor and time in the work of supplying the omitted information.

To attain to such an ideal set of books requires large experience and careful study, together with a liberal endowment of "common sense." The records will be inadequate if they do not contain a complete history of all the essential matters pertaining to the trust; they will be cumbersome and unwieldy if they contain more than such necessary information. Yet it is better to err on the side of too great fullness, if one must err at all, and it is better for the forms for the records to contain blank spaces for details which the intelligent bookkeeper may omit at his discretion in particular cases, than to make no provision to suggest such details to the careless, lazy or incompetent worker.

The matter of simplicity and clearness is of the greatest importance from many standpoints. The books ought to be simple enough to be understood by any officer or intelligent employee of the company, without the necessity of special experience or explanation. This has been learned by costly experience in many institutions. The writer knows of one case in which a company had a set of books so complex that the man who regularly kept them was the only one in the company, officers included, who could interpret them without much study. When he was out for lunch or away for the day, it was necessary to await his return to ascertain the simplest facts regarding

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

those accounts. The books were devised by an expert accountant, were perfect from the theoretical standpoint, and were beautifully arranged by the printer, but they required an expert to translate them, and were soon discarded. Similar experiences have been met with by many companies, and there is a distinct trend towards simplicity by the older institutions.

Another consideration is that the bookkeeper on an any particular set of books may at any time meet with accident or sickness which may occasion his long absence or death; and it is obviously important that another man be able to take his place without the necessity of a long course of training, or the making of numerous errors in starting the new work.

Where it can be afforded, it is of decided advantage to have the books specially prepared with printed headings for the various columns and spaces. To the man who works on the books daily, these headings may seem unnecessary; he knows what the various spaces are for without the labels. But it is not enough to have the books understood by the man who keeps them; they must be readily understandable by any intelligent person, so that the officers may know the state of things at a glance, and so that a new man may take up the work at any time. This proposition seems clear enough on its face, yet it is astonishing how little it is heeded by some institutions.

Because of the frequent reports required, it is of great advantage to have the records in such form that the stenographer may copy them on the typewriter just as they stand. This precaution saves a great amount of work and many errors.

There should be a general system of accounting, of which each book and record is a part, and through all of them should run a chain of entries that binds them together. This insures accuracy and prevents manipulation. Each entry should show whence it was derived.

Some companies, especially where loose-leaf books are used, consider it of advantage to have all leaves of the same size, thus insuring uniformity in the size of all the books and records. This adds much to neatness and general appearance, and is often of convenience. If this is done, the size should be large enough for those records which need considerable space. This requires making some records larger than necessary, but the fault is not a bad one. The size used by one of the best companies is 15⅝ inches high by 13⅞ inches wide. This makes a book of convenient shape and size.

Use of Loose-Leaf Books and Cards.

The question of the use of loose-leaf books and records is one on which opinions differ, and the opinions for and against their use are often quite emphatic. That they are convenient is generally conceded. The essential objection against them is the ease with which leaves may be removed, and the records changed or the leaves lost. This objection is largely removed by the plan of having the keys to the books in the sole charge of one official or trusted clerk, who is held responsible for any irregularities due to removal of leaves. Where there is objection to the general use of loose-leaf records, they may be used only on ledgers and other secondary books, the books of original entry being bound in the usual way. It argues much for the convenience and safety of the system that few cases are on record where a company has discarded loose-leaf books after having given them a trial.

The use of card records is open to much the same objections as the loose-leaf book, and its advantages are of the same kind, but more pronounced where adapted to the needs. The use of cards for various purposes is steadily growing, and in many institutions has entirely displaced books in some departments.

Of course the cash and securities should not be in the keeping of the ones who keep the records concerning them. Audits should be made at frequent and irregular intervals, and the cash and securities on hand must then agree with the amounts called for on the books kept by another.

However complete and carefully arranged the set of books may be, the matter of accuracy and care in their keeping depends upon the men who do the work day by day. The books of the trust department ought never, even for a day, to be in the charge of novices or incompetents. The best bookkeepers in the institution ought to be in charge of these books. They ought to be well paid and well treated. This is done in most of the best-managed institutions. In others there seems to be a lack of appreciation of the importance of such work. The writer knows of an instance in the metropolis of the country where an unusually competent and painstaking manager of the bookkeeping department was informed that, as his department added nothing to the earnings of the company, its expenses must be kept down to the lowest possible figure. The shallowness of such an argument is obvious enough.

The number and kinds of books needed by the trust department depend upon the size of the company and the character of its business. Trust business necessarily accumulates slowly and usually requires years to reach considerable proportions. The greater part of the business of the average trust company, especially of the small and the new ones, is in the banking department, and what trust records are necessary may often be kept in the general ledger. In the following pages will be given descriptions of the books, records and forms required by companies doing considerable trust business. Many of these are not needed at all by the smaller companies, and often two or more of them may be combined in one book. There is such variety of business done by different companies that it is quite impossible to devise sets of books applicable to all, and each company is under the necessity of devising books suited to its individual needs. To what extent it is desirable to discount the future in a new company, and to provide at once sets of books in anticipation of a large and diversified trust business, will necessarily depend upon the individual prospects of the company.

Relation of the Trust Books to the General Books.

It is usual for the trust department (or departments) to keep separate records of its own work. For its cash it keeps an account with the banking department just as any customer would; and some companies keep bank accounts for some of their trust funds with other trust companies or banks. Only the totals of such accounts appear on the general or individul books of the company. For example, if at any time the trust department has on hand $300,000 in cash, accumulated or awaiting investment, such sum appears on the books of the banking department as a deposit to the credit of the trust department. Regarding the details of this deposit the banking department has no more to do than with the details of the deposit of any customer.

THE TRUST REGISTER.

When a new trust is taken on by the company, the first book in which record needs to be made is the trust register or register of trusts. The purpose of this book is to give a list of the trusts held by the company, together with a concise history of each trust, its conditions, etc. Some companies use two or more books for this purpose, keeping trusts received through the probate court in one book, and other trusts in another book. Considerable discussion on the wisdom of this course was brought out at the meeting of the Trust Company Section of the American Bankers' Association at Milwaukee in 1901.* The best usage seems to be to have but one trust register in which are kept records of all trusts, from whatever source.

In 1900 a committee was appointed by the Trust Company Section of the American Bankers' Association to print a book of trust company forms. In Fig. 1 is given the register of trusts recommended by this committee, with sample entries on same. When a trust is received, memorandum of same is

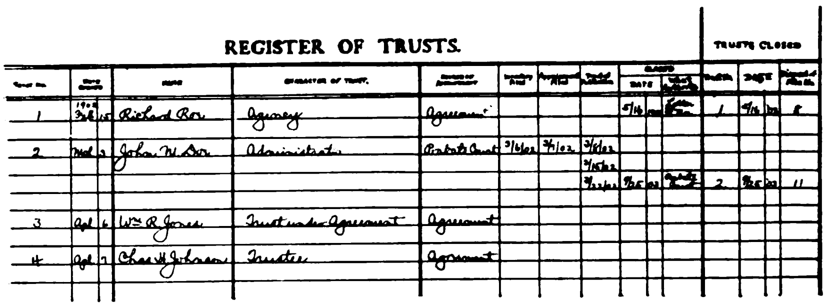

FIG. 1.

at once made on this register, and the trust is given the next consecutive number. By this number it is thereafter known, and its papers and securities are filed under that number. This is not only a great convenience when the number of trusts becomes large, but is a decided safeguard in filing documents. It becomes of special importance, too, when more than one trust is held from the same party. The numbers also show the order in which the trusts were received and the total number received up to any given date. It does not show the number of open trusts, as many may be closed.

In Fig. 1 the first column is for the number of the trust. The second column is for the date when the trust was opened. Care should be exercised here —and in all books—to have the year, as well as the month and day, correctly and plainly indicated. After the book has been in use for a term of years, this becomes of the utmost importance. Young bookkeepers frequently overlook this.

The next column, headed "name," is for the name in which the trust stands.

The next column, headed "character of trust," describes briefly the capacity in which the company is to act, or the general nature of the work undertaken by it.

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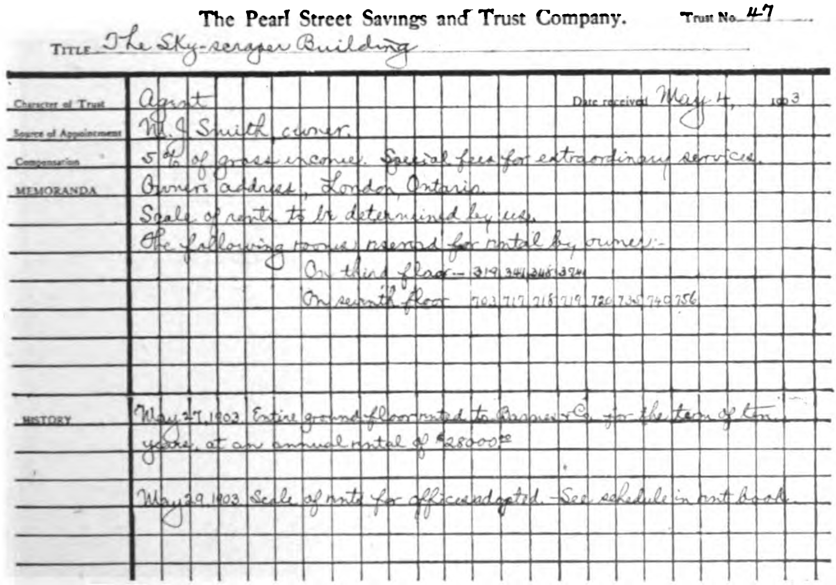
* Proceedings Trust Company Section American Bankers' Association, 1901, pp. 22-27.

The next column, headed "source of appointment," shows whether the trust was received by appointment of court, by private agreement, or otherwise.

These are all the entries that can be made at the time that the trust is received. In cases where an inventory, an appraisement and a proof of publication are required, the dates when these were attended to are inserted in the proper columns. When a trust is closed, entries are made in the next columns showing the date when closed, and the authority for such closing.

It is a convenience to have a special file, called the "disposed of file," for trusts which are closed, so that the live trusts can be kept separate. The last section of Fig. 1, headed "trusts closed," is for use in connection with this file. At a convenient time, the papers of closed trusts are placed in boxes or envelopes in this file, the package is given a number, which is in-


The Pearl Street Savings and Trust Company. Trust No. 47

TITLE The Sky-scraper Building

Character of Trust: Agent — Date received May 4, 1903

Source of Appointment: W. J. Smith, owner.

Compensation: 5 % of gross income. Special fees for extraordinary services.

MEMORANDA: Owners address, London, Ontario.

Scale of rents to be determined by us.

The following rooms reserved for rental by owner:-

On third floor — 319 341 348 374

On seventh floor 703 717 718 719 720 735 740 756

HISTORY: May 27, 1903 Entire ground floor rented to [illegible] & Co. for the term of ten years, at an annual rental of $28000.00

May 29, 1903 Scale of rents for offices adopted. See schedule in rent book.

FIG. 2.—The above form is a reduction of the original, which was about 15 inches long by 11 inches wide, the space between "Memoranda" and "History" being about 7 inches.

serted in the last column in the register, and the number of the trust and the date of closing are inserted in the columns shown. But some companies do not give new numbers to closed trusts, but file same by the original number.

There should be an alphabetical index to the register of trusts, giving the number of each trust and, if desired, the page on the register in which it is entered. The regular size of page for this register is 21 by 15½ inches.

It will be seen that this register permits of only a meagre record of the facts regarding each trust. It serves as a convenient means of keeping a list of trusts and of learning at a glance the proper number to give to each new trust. But fuller details regarding the trusts must be written out elsewhere. Some companies have such details on a specially-printed page inserted in the loose-leaf trust ledger at the beginning of the account of each trust.

Many companies dispense with the use of this form of trust register entirely, and register all trusts in a book devised on quite a different

Form A.

TRUST DEED TRUST NO. 216

TITLE The Smithville Electric Traction Company. TOTAL ISSUE $ 300,000.00

MEMORANDA

The Cleveland Trust Company. SHEET NO. 1 FROM 7/3/02 TO

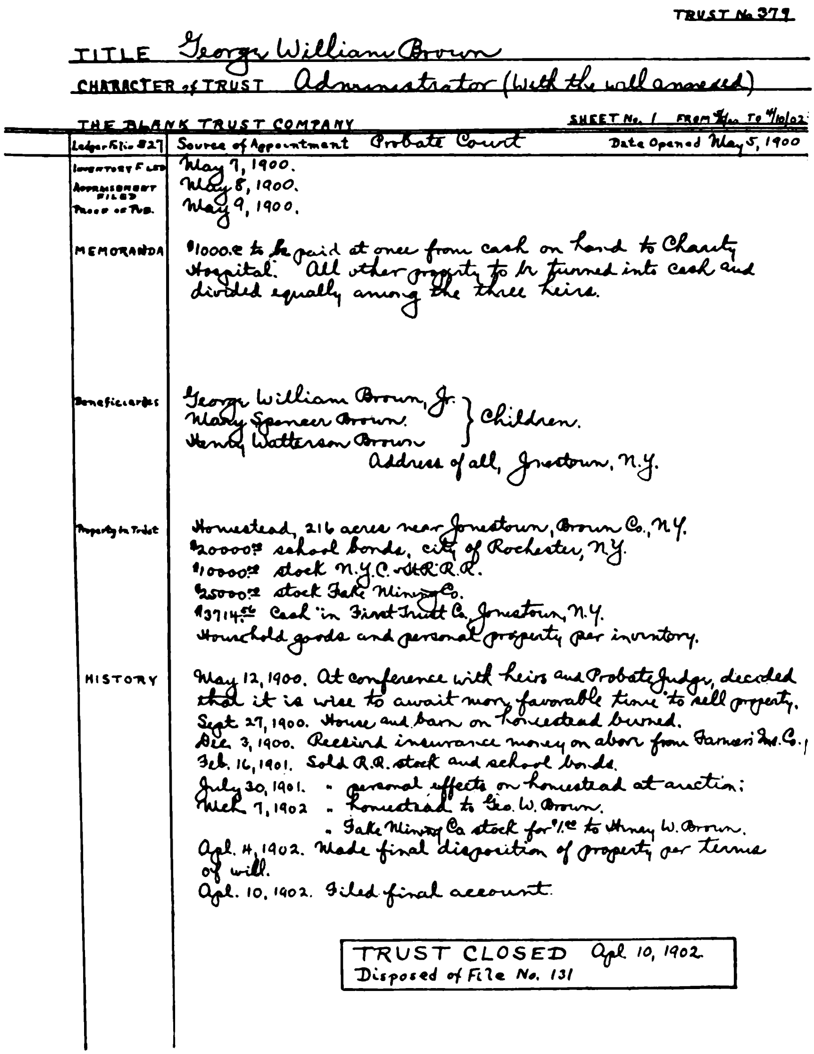
COMP. $ 300.00	RECEIVED July 3, 1902. ACCEPTED BY EXEC. COM. July 2, 1902. APPROVED BY TRUST COM. June 15, 1902.	
LAWS OF	New Jersey.	FOLIO
DATE OF	MORTGAGE July 1, 1902. EXECUTION July 1, 1902. BONDS July 1, 1902.	
RECORDED	CITY Smithville. COUNTY AND STATE Sussex, New Jersey. DATE July 1, 1902.	
AS TO CHATTEL	CITY Smithville. COUNTY AND STATE Sussex, New Jersey. DATE July 1, 1902. June 20, 1903.	
BONDS PROVIDED FOR	300 BONDS NOS. 1 TO 300 INCLUSIVE $1000.00 EACH TOTAL $ 300,000.00	
BONDS PAYABLE	IN New York ON July 1, 1922. AT Blank Trust Co.	
INTEREST PAYABLE RATE 5 %	IN New York ON Jan. 1 & July 1. AT Blank Trust Co.	374
DESCRIPTION OF PROPERTY	Franchise. Nine and one-fourth miles of track, wires, etc. Power house and eight acres of land, cor. 8th Ave. and 17th St., and equipment on same. Car barns and equipment and five acres of land, cor. 12th Ave. and 53rd St. 107 cars with motors, etc. Sundry property per description in deed. All located in Sussex Co., N.J.	
INSURANCE	$30,000. on Power house and adjacent buildings. $40,000. on equipment. $15,000. on barns and contents.	
SINKING FUND	$14300.00 down and same amount on July 1 of each year to 1921 inclusive, to be paid in trust to the Blank Trust Co.	219
IN CASE OF DEFAULT TRUSTEE MAY	Sell property. See trust deed.	
IN CASE OF DEFAULT BONDHOLDERS MAY	Three-fourths in interest may demand action on part of trustee. See trust deed.	
OVER.		

FIG. 3.

plan. In the book, one page (or more, if necessary) is given to each trust, the facts regarding the trust being treated at greater or less length, as the case in hand may require. The trusts are given the proper consecutive numbers as received, the same as in the brief form of register. The pages are either ruled across like an ordinary record book for writing, or are entirely blank if they are to be filled in with a book-typewriter. The book may be specially printed, but unless loose leaves are used it will not be of advantage to have much printing, as the record needed for different classes of trusts varies greatly. In any event the matter to go in the trust register should either be dictated by an officer or inserted by an intelligent clerk who is thoroughly familiar with the work.

Fig. 2 shows a page for such a register. The history of the trust may be continued on the other side. The page is quadrille-ruled, as a convenience in tabulating items when necessary.

If the trust business is large, the best plan is to use a loose-leaf trust register, with pages specially printed for different classes of trusts that are common, and blank pages for others. As each trust is received, the proper kind of page is inserted, and the next consecutive number is given to the trust.



TRUST No. 379

TITLE George William Brown

CHARACTER of TRUST Administrator (With the will annexed)

THE BLANK TRUST COMPANY — SHEET No. 1 FROM 5/5/00 TO 4/10/02

Ledger Folio 827 — Source of Appointment Probate Court — Date Opened May 5, 1900

INVENTORY FILED May 7, 1900.

APPRAISEMENT FILED May 8, 1900.

PROOF OF PUB. May 9, 1900.

MEMORANDA
$1000.00 to be paid at once from cash on hand to Charity Hospital. All other property to be turned into cash and divided equally among the three heirs.

Beneficiaries
George William Brown, Jr.
Mary Spencer Brown. } Children.
Henry Watterson Brown
Address of all, Jonestown, N.Y.

Property in Trust
Homestead, 216 acres near Jonestown, Brown Co., N.Y.
$20000.00 school bonds, city of Rochester, N.Y.
$10000.00 stock N.Y.C. & H.R.R.R.
$25000.00 stock Fake Mining Co.
$3714.56 Cash in First Trust Co. Jonestown, N.Y.
Household goods and personal property per inventory.

HISTORY
May 12, 1900. At conference with heirs and Probate Judge, decided that it is wise to await more favorable time to sell property.
Sept. 27, 1900. House and barn on homestead burned.
Dec. 3, 1900. Received insurance money on above from Farmers Ins. Co.
Feb. 16, 1901. Sold R.R. stock and school bonds.
July 30, 1901. " personal effects on homestead at auction;
Mch. 7, 1902 " homestead to Geo. W. Brown.
" Fake Mining Co. stock for $1.00 to Henry W. Brown.
Apl. 4, 1902. Made final disposition of property per terms of will.
Apl. 10, 1902. Filed final account.

TRUST CLOSED Apl 10, 1902.
Disposed of File No. 131

FIG. 4.

Figs. 3 and 4 shows two different pages for such use; and the page shown in Fig. 2 may also be so utilized.

Fig. 3 gives the front page of a leaf used by a large company for the registering of trust deeds. This company uses a book typewriter, with which the entries are made, as shown in the figure. The abbreviation "Comp." at the upper left-hand corner refers to the compensation received by the company for its services. Most of the entries are self-explanatory. It will be noticed that the memoranda opposite the headings, "in case of default trustee may" and "in case of default bondholders may" are not extended. The utility of extended memoranda on such points is doubtful. If action is to be taken in such matters, such action should be put in the hands of the attorney of the company, and he will not be content with less than a study of the trust deed itself. Especially will this be true if there is any question regarding the interpretation of the instrument. It is a safe rule never to put into the trust register any memoranda regarding whose correctness there might be the least question. The blank space is much more useful than such a memorandum, and capable of less damage.

On the reverse side of the leaf the record is continued with the following headings: "In case of sale," "liability of trustee," "sale or exchange," "delivery of bonds."

Fig. 4 shows a page adapted to record of trusts received through the probate court. The first part calls for the same information as in Fig. 1. Under the "list of property in trust," need be given such property only as is not itemized on the trust ledger. Some companies put into the ledger only the cash in the trust; others add the securities at the appraised value and some at the face value, and some include all the property in the trust, items of uncertain or doubtful value being listed at the nominal appraisal of one dollar. The last plan is a safeguard against overlooking any item of the trust property. If this plan is followed the list of property in the register may be omitted.

Under the head of "memoranda" are entered any special remarks regarding the terms of the trust, matters to be attended to and, if desired, the names of the beneficiaries, regular remittances, etc. The best usage, however, is to enter the latter memoranda on a page preceding the account in the trust ledger, as will be described later. Indeed, some companies register their trusts only on pages (like that shown in Fig. 2, or blank pages) which are inserted in the trust ledger, thus keeping all memoranda regarding each trust in one place. In such cases a numerical index to trusts must be kept in a separate book.

Under "history" should be given a complete record of all essential matters in the administration of the trust down to the time of its final disposition. The careful keeping of this record is of great convenience and importance. It should contain such matters as important conferences with the makers or beneficiaries of the trust, changes in the written agreement, death of interested parties, etc. When necessary the history should be continued on the reverse side of the leaf.

For the registering of trusts for which neither of these forms is adapted, blank pages should be used, the entries to be dictated by the trust officer or other experienced person. It is convenient to have these blank pages ruled as in Fig. 2 or Fig. 4.

A convenient size for these pages for use in a loose-leaf binder is 15⅜ by 13⅞ inches.

Fig. 5 gives the first page and an outline of the other pages of the form used by another large company, on a somewhat different plan. This form

[Page 1]

ESTATE OF Amos B. Green

No. 349

THE UNION TRUST COMPANY

Administrator

APPOINTED 9/18/02 BY Probate Court

TRUST CREATED BY Will of Amos B Green

TRUST TERMINATES 9/18/04, or sooner, upon completion of work.

ACCOUNT MUST BE FILED before 9/28/04.

COMPENSATION per statute

LEDGER NO. 37

M. M. White ATTORNEY.

[Page 2]

TERMS OF THE TRUST AND POWERS OF TRUSTEE

[Page 3]

BENEFICIARIES AND THEIR INTERESTS

PROPERTY, WHEN AND FROM WHAT SOURCE RECEIVED

EXECUTORY INTERESTS AND EXPECTANCIES

[Page 4]

HISTORY

FIG. 5.

is made of card-board, size 5¼ by 10½ inches, containing eight pages and no cover.

At the top of the second page is the heading "terms of the trust and powers of trustee." The third page is divided into three equal parts, with the headings shown in Fig. 5. The fourth page is headed "history," and this is to be continued as far as necessary on the remaining five pages. These forms are arranged in numerical order in specially-prepared files, which contain only the live trusts, the forms being removed to a transfer file as each trust is closed and its record completed. This plan is convenient in that when one wishes to consult the record of a given trust he may remove the form from the file, and have the record in compact and convenient shape without the handling of a large book, and without interfering with the work on other trusts. It requires care lest a record be lost or misplaced. Where such records are used, it is a good plan to have printed forms of receipts, one of which the person taking the form signs and puts in the place from which the form is removed, thus showing who is responsible for that particular document until it is replaced.

Some companies use a probate settlement docket, the standard form of which is shown in Fig. 6. The headings and sample entries are self-explanatory. This book is indexed for months, and thus serves as a tickler to show settlements due each month on this particular class of trusts. All probate

PROBATE SETTLEMENT DOCKET.

Estate of	Name of Beneficiary.	Date of Appointment	Nature of Trust	Court No.	Trust No.	Settlement Due	Final Settlement Filed	Discharged
H. L. Badman	Mary Badman, wife	Mch 2, 1902	Admir	37642	1	Mch 2, 1904	Mch 4, 1904	Mch 4, 1904
	Chas. R. Badman, son							

FIG. 6.

trusts are here entered, so that the book contains a complete record of settlements of such trusts.

The use of this docket is of course unnecessary if the large form of trust register is adopted, and a suitable general trust register used, as all the information here contained, and more, is easily recorded on the register. It is of advantage where, for any reason, it is deemed important to keep such memoranda regarding probate trusts separate from those of trusts received from other sources.

It should be said that there is great difference in the ways in which various companies use their trust registers. Some make the memoranda exceedingly brief, depending upon reference to the papers in the trust at frequent intervals. Others have lengthy entries made, even copying wills and other documents in full. In favor of this practice it is urged that many trusts, especially as trustee under wills, may last for twenty or thirty years, during which time the will itself may become displaced or worn by constant usage. In case of the loss of the original paper the *verbatim* copy becomes invaluable.

CLAY HERRICK.

(*To be continued.*)

A PRACTICAL TREATISE ON BANKING AND COMMERCE.

THE SUCCESSFUL MERCHANT.

Persons of little experience in the world may think it strange that a man whose character and capacity have been such as were sketched in the preceding paper should not succeed in business. Experience, however, shows that they do so fail. But that we may understand what is meant by success or failure let us remember that commercial business in this treatise is considered in relation to banking. Following this clue, it must be answered that the successful merchant is simply and essentially one who is able, from the beginning to the end, to meet his engagements; to perform every obligation he has entered upon, and to close his business career without being in debt to any man. He may and ought to aim at more, but considering the number of persons who fail in this primary condition, this must be looked on with no little satisfaction. But if the idea of success is to be carried no further than this, the mercantile world will generally pronounce it to be inadequate. Every man on entering business aspires after something beyond this, otherwise he might as well have remained an employee. What he generally aspires after is, at least, a competency—a sufficiency over and above his liabilities to support him when old age has deprived him of his powers.

No man could conduct his business with comfort if he were always on what may be called "the ragged edge" of this world's affairs, being barely able to pay his debts and nothing more. A captain may at times have to sail close to the wind, but if he made a practice of so doing he would undoubtedly lose his ship. There must be a *margin* if there is to be any satisfaction in business; and this margin in the case of a merchant is his Capital. Of this a few words require to be said. And the first thing is that the capital, so called, must be a man's own. There is hardly a more dangerous delusion than for a merchant to talk of "borrowed capital," and no more dangerous practice than to enter in his balance sheet as "capital" money that does not belong to him. Borrowed money is not "capital," it is a liability. No matter though the loan has been arranged for a long term, though there may be an apparent certainty of the loan being renewed when due, or what is more dangerous, that no period of payment has been fixed at all—money borrowed, no matter from whom or under what circumstances, is not "capital."

Traders sometimes think it does no harm to reckon as capital an amount of money which is certain to remain in the business for a considerable period. But it does this harm, that a merchant, if he so consider it, will incur risks, buy goods, and give credit to a larger amount than he would do, if he rigidly thought of this supposed capital as a debt of which payment would some day be demanded.*

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*A very common form of the delusion spoken of is apt to arise when a partnership is dissolved, and the retiring partner leaves his money to those

Capital, then, is *what a merchant owns himself*, on which no other person has a claim, the surplus over *all liabilities*, no matter to whom.

To ensure success in business, capital must be sufficient; an elementary truth, indeed, but capable of a great variety of applications. For example, it may be taken as a well established truth, that other things being equal, the larger the business the larger the capital needed. But the proviso, other things being equal, must be carefully noted. The slower the course of the business, the more the capital required to conduct it. The country store doing business where payments are only made once a year, requires more capital than a town store that sells a good deal for cash, and gives no credit for longer than a month. And the cash store, that gives no credit to anybody requires *pari passu* least of all. The business of a saw miller or the maker of timber is one that calls for an unusually large capital in proportion to the annual production; for expenditures go on continuously for a whole year before the article is ready for market. At the other end of the scale, we find a grain merchant where the article is bought and sold on the spot for cash. This consideration, of course, determines the percentage of profit called for.

Credit Does Not Supplant Capital.

It is argued by some theorists that credit answers every purpose of capital. It answers some purposes of capital, for a time, beyond doubt. But such theorists are apt to forget that *credit must always be paid for*, no matter in what shape it is taken, whether in goods or in money. And experience shows that what is paid for credit in the shape of interest sometimes absorbs all that remains of profit, after expenses and losses have been provided for. Young men, for example, who buy out the assets of an established firm, paying a small amount down and giving notes for the balance, may find that interest absorbs their profit year by year, and renders progress impossible. The same thing is likely to happen when a young man is set up in business by a wholesale house, he having nothing worth the name in the shape of capital. The house sells him a stock of goods, and keeps him supplied with what he needs. He is compelled to buy from them, for if he buys elsewhere, they can bring his business to a stand. Under these circumstances, he invariably pays a high price for everything he orders, which high price really represents the interests on his indebtedness, together with compensation for the risk run by the supplying house. If a man determines to break the chain and get free, bending his energies to effect it by a steady course of economy and industry, he may possibly make progress, and in time acquire a competency. But if not, he will almost certainly toil on through life, and be as poor at the end as he was at the beginning. But in a majority of cases he will fail during the process, and if the supporting house fails, he will fail, too.

As to the approximate amount of capital required for safety, it may be roughly estimated as follows: For a storekeeper, a merchant whose business is moderately brisk, about one-fifth or sixth of his annual sales; in a slower style of business, about one-third or fourth. A manufacturer of any kind should have at least as much capital as his factory or mill with its

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who remain. The remaining partners are then under constant temptation to consider the capital of the house to be as much as before, and to carry on business accordingly. From this delusion they sometimes receive a rude awakening.

plant, water power or machinery have cost together with the price of the land. In the case of a saw miller, the value of his limits or timbered lands must be added. A merchant in agricultural products, during the season of navigation, may do a large business on a smaller capital than a merchant in any other line of business; for the movement is so quick that he may be able repeatedly to turn over his whole capital in a week. To do this, however, he must act on the principle of steadily selling as fast as he buys.

But when navigation is closed in river and canal, a produce merchant may find at times that he cannot profitably move his product at all. He should therefore have as much capital, at least, as will enable him to meet not only the fluctuations of the market, but unfavorable conditions of trade.

Paradoxical as it may sound, it is undoubtedly true that, on entering upon business it is not desirable for a firm to have too much capital. If they have they will be apt to indulge in an easy-going style of conducting business, crediting too much, not collecting sharply, carrying too much stock, all of which are bad habits and may lay the foundation of future embarrassment.

If a father is setting up his son in business, the wisest course to pursue is to give him such an amount of capital only as will necessitate his being both industrious and careful. Better he should learn the value of money by being occasionally short of it. Better he should learn to be economical in personal and business expenses by its being rendered impossible for him to be otherwise. The law of necessity is a wholesome one, though many a man has fretted by reason of its pressure. Experience, in the majority of cases and in due time, will convince him that it is salutary.

VALUE OF A GOOD BUSINESS LOCATION.

An important element of success in mercantile business is a *good stand* in a *proper locality;* and, in the case of such a business as dry-goods, a well arranged, well lighted, and convenient warehouse or store.

But, even in the same locality and in the same street there are differences in the eligibility of a stand. The chance of obtaining a choice corner has not seldom been the making of a business. On the other hand, the energy and skill of an able man may be neutralized by a badly lighted store, or one placed on the wrong side of the street.

With regard to the building in which he is to carry on business, a young merchant will beware of entering upon a warehouse too large for his means. If he makes this mistake, he is in danger of either attempting too large a style of business for his capital, and being continually hampered for money, or of paying out too much of his profits on rent and taxes.

THE EXTENSION OF CREDIT.

But now on the supposition that a merchant who knows his business, has secured a warehouse in a good position, that he has a proper amount of capital, that with the judgment of a good buyer he has laid in a seasonable stock of goods, he will immediately be confronted with the difficult question of *giving credit.* In all lines of wholesale business, this may be said to be the question of questions. It is even so to some extent with a retailer, especially in a country store.

The giving of credit in a country where the average of failures is so high at times as it is in Canada is so difficult a function to exercise, that, in a large establishment, it is well for one partner to devote his whole attention to it.

In this matter, a few general rules and principles may be indicated as the result of experience, some of which are applicable to the wholesale merchant and some to the retail storekeeper. It may be said, also, by the way, that most of them apply to a banker also.

With regard to the former, the importance of correct information cannot be too much emphasized. *Get information, and be always on the lookout for more;* that should be the rule. Day by day, it should be the merchant's business to keep his information up to date. The things he knew about his customer a year ago may utterly mislead him now. Solvent a year ago and doing well, a man may now be losing ground and even unable to pay his debts. But while the present condition is important, the past has also to be considered. A man's antecedents are an important element in considering whether he is deserving of continued credit or not. Information requires sifting, for there are false reports as well as true. The working of a customer's account will tell him much. Conversation with the customer himself will elicit what could not otherwise be learned. The traveller who waits upon him will bring information also.†

It is always desirable for a mercantile house to have a *maximum sum* beyond which they will trust nobody. This maximum will be carefully considered in relation to the capital of the house itself, and so regulated that the failure of no five or six persons could bring the firm into embarrassment. But the bulk of the accounts carried by a firm will be far smaller than this. That good old trade maxim, "Divide your risks," can never safely be forgotten. A tendency to be watched is for the large customers of a firm to drift into a habit of leaning upon the house. Such accounts have a general tendency to go on increasing, and their very size makes it difficult to throw them off. It is always known in the trade that such and such customers are "supply houses" of this firm or that, and the fact of the parties desiring to open an account elsewhere raises a suspicion that the supporting firm desires to get rid of them. Hence they cannot be got rid of at all; the only alternative being, either to bring them to a stop and face a loss, or carry them on with a constant endeavor at reduction, which is generally futile.

In the ordinary run of accounts the amount of credit will vary with the means and standing of the customer, a theory which is unquestionably true, but which requires a firm hand and watchful oversight to carry out. For some customers, when kept strictly within bounds by one house, will endeavor to run up an account with another. A dangerous amount of credit may arise when dealings are with a number of houses; each one imagining its own line to be judicious, while the whole, collectively, are unreasonable in a high degree. The remedy is to keep well informed, and to require periodical statements from customers, in addition to which the partner at the head of the credit department will find it useful to have statements rendered him by his clerks *in comparative form*, showing the progress of accounts from month to month, or year to year, indicating the amount of a customer's purchases during these comparative periods. From this it could readily be seen whether the account was sufficiently active for the indebtedness.

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†All this will be more fully considered further on.

The head of the credit department of a house will also do well to note any hints he may receive from his banker. The banker often knows what the merchant does not. He deals with other houses in the same trade, and has branches in other cities. He may therefore be able to say to a wholesale merchant: "You are aware, I suppose, that such a customer of yours is running an account with a house in another city?" The banker need not violate confidence by going into details. "A word to the wise is sufficient." But if a hint is not sufficient, a banker may sometimes render an essential service by throwing out the paper of that customer.

The real test as to whether a merchant is crediting judiciously is the average *percentage of his losses to his sales.* Some percentage every merchant may expect. But in ordinary times this percentage should be so moderate as to make no serious impairment of profits. Even in times of depression, when insolvencies are double or treble the average, the losses ought never to be so much as to impair the stability of the house, though they make serious inroads into its profits.

The foregoing observations have reference wholly to dealers in imported goods. The dealing in exports, however, is governed by other considerations. It may be laid down as a general rule that the exporter of Canadian products, partly from the nature of the products themselves, and partly from other circumstances, should usually give no credit at all. For how can he keep himself informed of the changing position of merchants in a foreign country? A partner may die or retire, yet the conservative habits of English houses will lead to the *name* being retained, while the capital may have been withdrawn. Even the ratings of firms in reference books may be kept as before, although a vital change has taken place in their composition and capital.

The true position for the Canadian exporter to take is, that if the buyer abroad wants credit, he should get it in his own country; an idea which is undoubtedly reasonable, and has led to the habit, now general in many lines of export trade, of attaching bills of lading to bills of exchange, and requiring the bill to be paid before the security is given up. All this will be fully considered later.‡

With regard to the credit given by retailers, a distinction must be made between those in the city and the country.

The accounts of respectable families in cities are seldom a source of loss, though some householders do occasionally run up tradesmen's accounts to an unreasonable extent. Such accounts, however, seldom give rise to discountable bills; and if such are presented to a banker he will generally do well to decline them.

But the credit given by country storekeepers to farmers rests on different

‡It is to be said, however, that the houses in Great Britain with whom our timber exporters deal are almost invariably of a high class, both in wealth and credit, merchants of long standing and unblemished antecedents, who have never failed to meet obligations in the worst of times. Yet it is singular how cautiously English bankers speak when asked an opinion of even these. Circumstances prove that there is a good reason. A timber merchant in England who had maintained a high position through a long course of years became embarrassed and stopped payment, with heavy loss to his creditors. To the astonishment of them all, his bankers included, it was found that he had engaged in reckless speculation in an article that had nothing to do with his trade, which speculation going wrong, had resulted in such heavy loss as to ruin him. This affair was the occasion of considerable loss to Canadian firms who had dealt with him continuously for years.

grounds. The farmer has property which can be seen, both real and personal, and though often slow, is generally sure. The danger with farmers' accounts is not so much of ultimate loss, as of their degenerating into what bankers call "lockups." A storekeeper with his books full of such accounts is apt to become as slow as the farmer himself. His interest account therefore becomes heavy and tends to eat up his profits. He is made also to feel in times of pressure that his account is undesirable. In dealing with farmers, storekeepers need to be careful to consider whether their customer is owner or tenant; and if owner, whether his land is free of encumbrance or not. The utmost limit of credit to a farmer should be the amount of one season's supplies. When an account gets beyond this, it should be stopped. No consideration of ease in getting bank discount should prevail to alter this rule.

Economy in Business Expenditures.

This is another condition of success. By this is not meant mere saving and cheese-paring. Economy primarily means *management*, as the derivation of the word implies to begin with; careful calculation of what charges can be afforded according to the size of the business. The primary charge in a mercantile business is the rent of the warehouse. To rent too large a store is a serious mistake. But it is poor economy to rent one too small; or that is situated on a back street, or is badly lighted, or badly laid out for business. Saving of this kind will be far more than offset by loss of customers.§

The salaries of clerks, salesmen and travellers is another item of even more importance than the other. Here again it is poor economy to employ an inferior class of men. Such are apt to injure the business by inefficiency. More men, too, are required to do a certain amount of business when they are below a proper standard. Three competent men will do as much work as four of an inferior class, and while they cost no more in the aggregate, they help to build up the business by wise attention to the wants of customers. A merchant will do well to have young men about him who are undergoing training in the methods of the business. This tends to economy, but must not be carried too far, as no warehouse or office can be carried on well when there are too many juniors in it.

Closely connected with this matter of employees and making the most of their capacity, is that of the treatment of the *seniors*. Some of these, although they grow in years, and can be more and more trusted, do not develop business capacity. Men of this kind have their value; as they save the principal much anxiety, and need no supervision. They can also be useful in the training of juniors. They gradually therefore grow up to the position of old servants of the house, who have a comfortable salary and are contented with it, on whom reliance can be placed and who never aspire to anything beyond. It is always good economy to treat such servants well.

But there are others who develop a capacity for business. Such as these not only work, but think. They suggest improvements and economies. They

§It need scarcely be pointed out that the rent of a store is a charge upon the business, even when the premises are owned by the firm. And in an adjustment of accounts, or stock-taking, rent should be charged as part of the annual expense of business exactly as if it were paid to an outside person. Where the business belongs to one person, and he owns the warehouse or store, he is deluding himself as to the expense of the business if he omits to charge it with rent, and he is of course deceived as to the percentage of increase to charge on his goods.

calculate how much things cost, and sometimes find out where they can be bought cheaper. Such employees as these should be noted and encouraged, and sometimes taken in as partners.

It is thus that the traditions of a house are preserved from generation to generation, the firm going on doing service to the community and securing wealth for its members, many examples of which may be seen on both sides the Atlantic, but especially in Great Britain.||

INSURANCE.

Another item of expenditure and one in which serious mistakes are made is that of *insurance*. This will be fully treated of hereafter. It may, however, be noted in this connection that insurance is as reasonable a charge as rent and taxes, and if business, as carried on, will not bear the expense of insurance, there is something wrong with the business.

INTEREST AND DISCOUNT.

Another item of expense which, in some cases, is the most serious of all, is *interest and discount*. Few firms are in a condition to conduct their business without bank loans or discounts at all. But there is a reasonable use of bank credit, and an imprudent use. When a wholesale merchant's line of discounted paper averages more than one-fourth of his annual sales, it is generally a sign that his credit to customers is too long, or that he does not collect sharply, or that he is too easy in renewing. But when, in addition to discounted paper, he borrows directly and regularly from his banker, he has reason to revise the whole methods of his business. Bank credit to some men is a dangerous luxury. Such loans may serve a useful purpose, provided they never amount to more than one-fifth of the average line of discounted paper and that they never extend beyond one or two months. But when such loans are required constantly, and exceed the amount above named, it is, as a rule, a sure sign that the credit department of the house is loosely managed, or that it is carrying too much stock.

When times of difficulty set in, and the general average of failures rises, the pressure will show itself in a tendency to require more of this kind of bank credit. But this state of things is best met, not by taking more credit, but by curtailing the business. As to the interest account of a merchant in agricultural products, it will not amount to more than one-third or one-half of one per cent. on the total sales, if the business is as active as an exporter's should be. But should such products be held month after month, in our long winters, interest and charges will almost certainly swallow up the profit, even of an ordinary rising market.

||A mistake has sometimes been made by the head of a commercial house who has one or more sons growing up, whom he naturally desires to succeed him in business. While they are growing up one or more of his employees are developing a capacity for management; yet he hesitates to take them into partnership, fearing they may displace members of his own family. The result often is, that these employees leave the house, enter into business for themselves, and become serious rivals. If the sons prove to have managing capacity, the firm may not ultimately be damaged. But if not, the chances are that a business founded and maintained by the father may disappear under the incapacity of the sons. It is, therefore, wise to keep managing capacity in the firm, even if, under such a regime, sons have to become little more than sleeping partners. The prevailing tendency to convert firms into joint stock companies affords, however, an easy method of dealing with this state of things.

ADVERTISING.

There are other items of expense, such as *advertising*, which every merchant must think out for himself, for no general rules can be laid down, except this, that advertising should be in a proper medium, that it should be arranged so as to attract attention, and that it should be changed from time to time so as not to become monotonous. In the nature of things some kinds of business depend more on advertising than others. Those who deal in articles that are constantly changing must bring their novelties before the public; on the other hand, those who deal in staple goods with a limited range of customers, and where the price is a matter of market quotations, such as grain, etc., never need to advertise at all.

But in the general matter of charges and expenses, when they have been arranged so as to comport with the size of the business, the thing to be kept constantly in view is to get *good value* for the expenditure, whether of rent, salaries, insurance, advertising, or what not.

PERSONAL DRAWINGS.

It goes without saying that personal drawings from the firm and personal expenditures should be on an economical scale also. This is a matter requiring careful adjustment where there are two or more partners, and careful consideration where there is only one proprietor. The amount to be drawn is usually set forth in the deed of partnership and should obviously be on a scale that will allow a considerable margin between drawings and profits. But in case the amount is for any reason exceeded by one or more partners, the amount of the excess should by no means be entered as among the open accounts due to the firm. This is a most delusive practice and has not seldom been the means of deceiving a firm's bankers. Right and proper it is between partners to keep accounts so as to show how the members of the firm stand to each other; but for a firm to enter amongst its available assets sums that are due by one member to the rest, and to render an account to a creditor in that shape, is a proceeding that borders upon fraud. This practice is particularly dangerous when a partner, by arrangement with the other member of the firm, is allowed to draw out a considerable sum, possibly to build himself a house, or enter on a speculation. The real capital of the firm may be largely depleted in this way without its being apparent in their statements.

In these days of increasing competition where business is apt to assume the form of a contest and only the fittest survive, it is essential that the principals of a firm shall be constantly on the watch to note new developments, new markets, new methods, new economies, new styles of goods, new methods of transportation. All the world is rapidly becoming one country, and the successful merchant will keep an eye upon whatever is going on that bears upon his business.

In dealing with his customers a merchant will observe the maxim, "Civility costs nothing, but is worth a good deal." Many a merchant spoils his trade by a deficiency in this respect. He is impatient, and if his customers don't like the goods he is showing them, he will not take the trouble to show them something else. True, a merchant sometimes knows what will suit a customer better than does the customer himself. But it is bad policy to say so, or to show that he thinks so. A dry goods merchant should make a practice of systematically clearing out all goods that are *passé*, or becoming so. That was another of Mr. Stewart's cardinal rules. He made a point of having nothing but salable goods on his shelves. But there is a great temptation to hang on to stock that has once been bought, and some men constantly do it, hoping against hope that it will be sold in ordinary course. It is an unpleasant thing to sell goods at a loss, but it is often true economy in the end. The process of weeding will, of course, be carried on by the principal, so as to ensure that good plants may not be pulled up with the weeds.

Value of Careful Accounting.

The final element of business success is the keeping of *accurate accounts*, and the systematic balancing of them once a year at least. It has been said of many a merchant, but perhaps more frequently of a manufacturer, that he does not know what his goods cost, and therefore he is deluding himself during the whole time that he is selling them. The only efficient check upon this is the careful taking of stock, and periodically balancing of books. In stock taking, when goods on hand are written down to what the merchant could buy them at for cash, or what he would be willing to give for them; when all accounts are put at their collectible value, and written off if they have none; and when due allowance has been made for depreciation in fixed property, a merchant will sometimes be astonished to find that he has not made half the profit he had anticipated, or perhaps none at all. This being so, he will naturally endeavor to ascertain where the leak is, overhauling every department of his business for the purpose. He will, after this, buy more carefully, sell more closely, economize expenditures, collect more sharply, and borrow less money—thus laying a foundation for a satisfactory result in future.

It may be objected to this that many a man has prospered and made a competency in Canada who conducted his business by "rule of thumb" and never made out a balance-sheet in his life. There have been cases, no doubt, where great natural shrewdness and ability in buying and selling have brought out such results. But these were exceptions, even in the early days of the country. But now that population has increased and competition increased with it, the "rule of thumb" must perforce give way to the keeping of accurate accounts.

G. H.,

Former Gen. Manager Merchants' Bank of Canada.

New York State Banks.—Showing the aggregate of resources and liabilities of the banks of the State of New York, at the close of business on Wednesday, June 7, 1905, as exhibited by their reports to the Superintendent of Banks:

Resources.		Liabilities.	
Loans and discounts, less due from directors	$264,151,489	Capital	$29,880,700
Liability of directors as makers	9,614,800	Surplus fund	24,681,479
Overdrafts	142,061	Undivided profits	11,461,967
Due from trust companies, banks, bankers and brokers	48,186,449	Due depositors on demand	350,663,526
Real estate	13,342,564	Due to trust companies, banks, bankers and brokers	42,506,028
Mortgages owned	5,149,859	Due savings banks	18,174,862
Stocks and bonds, notes	38,111,086	Due building and loan associations	593,676
Specie	33,398,504	Due the Treasurer of the State of New York	1,891,754
U. S. legal tender notes and notes of National banks	21,807,108	Amount not included under any of the above heads	958,768
Cash items	45,577,506	Add for cents	329
Assets not included under any of the above heads	1,331,058		
Add for cents	605		
	$480,813,089		$480,813,089

EVOLUTION OF THE GOLD-EXCHANGE STANDARD.

The extension of the gold-exchange standard in recent years to countries formerly upon a silver basis has been one of the most striking illustrations in monetary history of the adaptation to actual conditions and local needs of constructive legislation. The adoption of this standard in Java and British India was a recognition by law of the evolution of events; but while their experience afforded an illuminating example, the adoption of the gold-exchange standard in the Philippine Islands, Mexico, and Panama was the result of a definite constructive policy based upon the application to existing conditions of sound monetary theory.

The terms "gold-exchange standard" and "limping standard" are to some extent interchangeable. If, however, a distinction may be made, it is that the limping standard represents a crystallization by law and custom of accidental conditions which have not always been favorable to the smooth working of the system; while the gold-exchange standard represents a monetary system consciously constructed upon a sound basis, adapted to conditions and fully guarded in its actual operation.

Origin of the Limping Standard.

The limping standard came into operation in the countries of the Latin Union as a natural result of the wide departure of the relative bullion values of silver and gold from the official ratio fixed by the coinage laws. These causes were considered by the law-making powers of those countries as compelling action to prevent the loss of their gold and their descent to the silver basis. It was recognized that gold was the preferred money of modern commerce by reason of its large value in small bulk, its facility of transportation, and its availability for foreign trade and bank reserves. But it was recognized from the beginning that none of these countries could well afford to part with their entire mass of silver at bullion price, and that the attempt to part with it at the price prevailing at any given date would so weigh down the market with silver bullion that it could be sold only at a still greater loss, if it could be sold at all. Events, rather than deliberate choice, forced upon the countries of the Latin Union the continued use of their silver coins.

If the annual gold production of the world had continued nearly stationary in the face of a growing demand, as was the case from 1873 to 1888, and the countries of the Latin Union had deliberately sought to replace the bulk of their silver coinage with gold as in the monetary systems of Great Britain and Germany, then indeed, with the expanding demand for gold in the arts, "the scramble for gold," which has been the nightmare of bimetallic dreams, might have become a reality. Such an influence was probably more felt about the time of the international conference of 1881 than even at a later date, although the anxiety then expressed on the subject of the scarcity of gold was as exaggerated as were the fears felt after 1850 over the abnormal increase of gold. It was at the conference of 1881 that the German delegates came forward with the suggestion that Germany would check her sales of old silver bullion, withdraw small gold pieces, and notes of small denominations, and break up her large silver coins into smaller pieces.[1] It was of especial significance that such proposals should come from Germany, because that Government had refused to send delegates to the international conference of three years before. It was at the conference of 1881 also that Mr. Broch, the delegate of Norway, arguing strongly in favor of the gold standard among the civilized countries of the West, declared that the true field for silver was to be found,[2] "not by arbitrarily raising the value of this metal in Europe and America, but by encouraging its use in the countries of the Orient which still have a preference for it; in that vast Chinese Empire scarcely yet opened to Europe, in that immense African Continent, which is to-day invaded from all sides, and where trade is still carried on under the primitive form of barter, but where it would no doubt be easy to introduce the use of silver money."

These expressions of Mr. Broch anticipated to some extent the actual course of events. The influence of the *status quo* always imposes itself with compelling force upon statesmen, however it may be disregarded by theorists. In the case of the countries of the Latin Union and the United States, it was not possible, without great loss to the budget and an economic upheaval, to substitute gold currency for the silver in use. It was possible to rescue the monetary system from disaster by taking under Government control the output of silver coins, and thereby withholding the premium offered to owners of silver bullion to deluge the country with their product through the mints.

The Experience of British India.

Under the pressure of events this theory took form in British India, where use is found for nearly $500,000,000 in full legal-tender silver, but where all this silver is maintained at a fixed ratio with gold. The British Government by the act of 1899 established a gold fund in India and at London, for the purpose of maintaining the parity of the standard silver coin with gold. This coin, known as the rupee, contained silver worth originally a little less than fifty cents in American money, but it fell gradually to nearly the level of silver bullion until 1893. In that year, as the result of the report of the Indian Currency Commission, the free coinage of rupees was suspended, and the attempt was made to fix their value at sixteen pence, or about thirty-two cents in American money. At first the experiment was difficult. There was a surplus of rupees, and they poured out in great quantities from hoards when it was found that their legal value had been raised above their bullion value. The Government, however, persevered in selling exchange on India at London at rates as near the new ratio as could be obtained, and in receiving rupees at that ratio for public dues. Under ordinary conditions these measures would almost of themselves have maintained a limited silver coinage at par with the standard. While this result was delayed in India,

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[1] "International Monetary Conference of 1881," pp. 29-30.

[2] "International Conference of 1881," p. 45. A similar suggestion had been made by Feer Herzog of Switzerland at the Paris conference of 1867: "The world is divided in its monetary relation into two considerable and very distinct groups: on one side the Western States, where gold tends more and more to prevail; on the other, the countries of the extreme East, where silver continues to predominate.—"International Monetary Conference of 1878," p. 824.

it was so completely achieved by 1899 that in that year the Indian Government felt strong enough to establish a gold reserve and offer to deliver silver rupees for gold. The offer was not made at first to pay gold for rupees, but it was soon found that the limitation of the coinage had created a demand for rupees which drew gold into the Treasury instead of drawing it out.

After the failure of the last efforts to secure bimetallism by international agreement in 1897, the course of exchange between the gold countries and the silver countries became still more erratic and disturbing to trade than it had previously been. Maximum and minimum quotations for silver bullion in the London market were as far apart in 1901 as 29 9/16 pence and 24 15/16 pence, or a variation of more than fifteen per cent. In 1902 the maximum quotation fell to 26 1/16 pence per ounce, and the minimum finally dropped in December to 21 11/16 pence per ounce, or about thirty per cent. below the maximum of the year 1900.[3]

THE MOVEMENT IN FAVOR OF THE GOLD-EXCHANGE STANDARD.

It was keenly realized by the financiers and economists of the silver countries that their trade was being greatly hampered by these violent fluctuations. Accordingly, the Government of Mexico took the initiative in the autumn of 1902 in seeking the co-operation of the Imperial Government of China and the Government of the United States in a new method of steadying the exchanges. There was a strong movement in Mexico to adopt the gold standard, but it was felt that this could not be done upon the same basis as in the richer gold standard countries, because of the importance to Mexico of her silver mining interests. Mexico and the United States were the largest producers of silver in the world, producing between them two-thirds of the world's entire product. The problem was more important, however, to Mexico than to the United States, because silver formed nearly forty per cent. of the value of her exports. It was felt, therefore, by Mexican statesmen, that it was a condition of vital importance in changing to the gold standard that steps should be taken to prevent another serious fall in the value of silver.

The method decided upon by the Mexican Government for remedying the evils of fluctuating exchange was substantially the adoption of the gold-exchange standard. The Government of the Philippine Islands had recently requested authority from the Congress of the United States to adopt a definite gold-exchange system in the Philippines, and official commissions were sitting in London and Paris, to consider the adoption of some means of steadying exchanges in the British colonies in the Orient and in French Indo-China. It was, therefore, with a view to harmony among these nations that Mexico asked the co-operation of the United States and China in seeking to bring about greater stability of exchange between the moneys of the gold standard countries and silver-using countries. The support of the American Government was cordially granted, and a commission was appointed to confer with the powers having important colonial and commercial interests in the Orient.[4] The objects of the commission in visiting Europe were to explain to the representatives of European powers the benefits of putting China upon a gold-exchange standard, and bringing British, French, German,

[3] The London price is for "standard silver," 0.925 fine, while the New York price is for "fine silver," 0.999 fine; so that the equivalents of London prices in American currency require other calculations than the reduction of the currencies.

Russian, and American dependencies in the Orient to a similar coinage basis.

The result of the American mission was an agreement between representatives of all the governments visited—those of Great Britain, France, The Netherlands, Germany and Russia—which was well expressed by the first resolution adopted at London:[5]

There was not absolute agreement among the various powers in regard to the best means of reaching this result, but in most cases it was agreed that the ratio of thirty-two to one should be adopted as the relation between the gold standard and the new silver coins. This fundamental resolution was an endorsement of the principle of the gold-exchange standard. It remained to put this resolution in force in as many countries and dependencies as circumstances permitted.

Gold-Exchange Standard in Mexico and the Philippines.

The Government of the United States took action before the departure of the American commission for Europe by enactment of a law for the establishment of the gold-exchange standard in the Philippine Islands.[6] Subsequently, in the summer of 1904, by agreement between the governments of the United States and the Republic of Panama, a similar system was established for use in Panama and in the Canal Zone, which was leased to the United States.[7] Action was not taken by Mexico until near the close of 1904, but the gold-exchange standard was put in full operation from May 1, 1905. The relative stability of silver during the year 1904 tended to promote stability of exchange between Mexico and New York, and made the transition easy from the standard of the Mexican silver peso to the new parity of two to one in American gold. The mere announcement of the adoption of the gold-exchange standard brought exchange down to about 205, and soon after to 202, or, with due allowance for the costs of shipping gold, substantially to the new parity. In the Oriental dependencies of Great Britain and France the movement towards a fixed exchange has been somewhat slower, but free coinage of silver has been suspended and eventually in both countries the silver unit will be given a fixed parity with gold at a ratio of about thirty-two to one.[8]

In two important particulars the plans adopted for a gold-exchange

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[4] The appointment of this commission was preceded by an informal conference in the City of Mexico in March, 1903, between representatives of the Mexican Government and three Americans who were invited to Mexico for the purpose—Prof. Jeremiah W. Jenks of Cornell University, Mr. Edward Brush of Greenwich, Conn., and the writer of the present work. The members of the American commission appointed by President Roosevelt were Hugh H. Hanna of Indianapolis; the present writer; and Professor Jenks.

[5] "That the adoption in silver-using countries of the gold standard on the basis of a silver coin of unlimited legal tender, but with a fixed gold value, would greatly promote the development of those countries and stimulate the trade between those countries and countries already possessing the gold standard, besides enlarging the investment opportunities of the world." Report of the Commission on International Exchange, 1903, p. 141.

[6] Act of March 2, 1903, Vide Report of the Commission on International Exchange, 1903, p. 403.

[7] Report of the Commission on International Exchange, 1904, pp. 22-26.

[8] Pierre Leroy-Beaulieu, in an article referring to the Philippine currency system, remarks that "it would be an example easy and extremely useful to follow in our Indo-China, where we are losing precious time in Oriental discussions on this subject, as on many others."—"Economiste Francais, June 10, 1905, p. 830.

standard in the Philippines, Panama, and Mexico differed from the limping system brought about by circumstances in Java, France, British India and the United States. These particulars were that the coinage ratio between gold and silver was adjusted to the fall in the gold value of silver after 1866, and that definite provision was made for keeping the silver coins at parity with the gold standard by the offer to sell gold bills of exchange at fixed rates for the silver coins.

The ratio adopted in the Philippines was approximately thirty-two to one—a recognition of the fact that silver had fallen in relation to gold fifty per cent since the adoption of the ratio of 15½ to 1 by France and fifteen to one by the United States at the close of the eighteenth century. In recognizing this fact and in adopting a coin of the same weight as the Mexican peso, the new system for the Philippines practically consecrated existing conditions of the value of the coin in use and thereby prevented the disturbance of contracts and customary prices which would have occurred if a different system had been adopted. The exchange value of the new unit was fixed at fifty cents in American gold and the coin was made of approximately the same weight and fineness as the Mexican peso—416 grains, nine-tenths fine. The adoption of a coinage "ratio" of about thirty-two to one was not intended to control the value of silver bullion, but simply to conform to its recent price tendencies.[9] It was necessary, however, to allow some margin for changes in the gold price of silver by deliberately fixing the exchange value of the new unit at a price above its bullion value at the moment. The reasons for such an allowance were set forth elsewhere by the present writer as follows:[10]

> "It is obvious if a coin were adopted which represented the gold price of silver at a given moment, and silver should afterwards rise in price, the silver coins would become more valuable as bullion than as coins. They would go to the melting-pot, and the country would be denuded of its currency. For this reason a margin of about fifteen per cent. between the bullion value of the coins and the value given them by law was adopted in the Philippines, and has caused no difficulties in the acceptance of the coins at their full face value."

Practical Workings of the Measure.

Government control of the quantity of instruments of exchange goes far to fix their value if it restrains the quantity within the limits of demand; but the effective test of these limits (as we shall see when we come to the discussion of paper currency) is the ability of the holder of the currency to convert it into the standard at will. Whenever an excess appears in the currency of a country, that excess tends to go to other countries where it is likely to earn a higher return. The only money which is thus accepted

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[9] The American Commission of 1903 were careful to explain thus their use of the term: "The use of the term 'ratio' in this connection is not intended to imply that the adoption of a given ratio of weight would in itself fix the relation of value between the coins and the gold unit, as is sought by the policy of free coinage of two metals. The term is used here simply to define the relationship between the weight of the silver coins and the gold unit. It is not proposed that the new coins shall depend upon this ratio for their value; that value will depend upon the measures taken to maintain the coins at par with the gold unit."—Report of The Commission on International Exchange, 1903, p. 25.

[10] "Putting China on the Gold Standard," "Wall Street and the Country," p. 193.

abroad among commercial nations to-day is gold. A nation, therefore, which proposes to maintain its currency at absolute equality with gold must face the necessity of furnishing gold on demand for export. This is, perhaps, the most vital principle in the maintenance of a gold-exchange standard—that while tokens and instruments of credit serve well the purposes of interior circulation they must respond to the touchstone of exchangeability with gold to meet demands abroad.

Inasmuch, however, as the demand for gold is a demand for the use of the metal in other countries rather than at home, such a demand will be effectively met by furnishing the gold at the points where it is intended to be delivered. What has been done by the Government of the Philippine Islands is to establish a gold fund in New York, against which drafts can be delivered entitling the holder to gold at New York. It was a similar policy which was adopted by the Government of Mexico in establishing its monetary system upon stable foundations. It was a similar policy which was recommended to the Government of China as a means of securing the gold standard. If gold funds are kept at the leading financial centres—London, Paris, Berlin, St. Petersburg, and New York—drafts can be sold upon these funds whenever there is a demand for gold for making payments abroad.

There is one essential condition to the successful operation of the system. This is that whenever drafts are sold for local currency the local currency paid for them shall be locked up and withdrawn from circulation. This operates to reduce the redundancy of the currency at home, to stiffen rates of interest, and ultimately to influence the prices of commodities in a downward direction. Hence the new system will operate under this arrangement with the same automatic precision in regulating the volume of the currency as in a country with a gold currency, like Great Britain, where the exportation of gold reduces the volume of the circulation, and by making money scarce reacts upon the rates of interest. When these operations have produced their effect and there comes later a renewed demand for currency at home, that demand can be met by the deposit of gold in the reserves at the leading centres, thus replenishing the stocks reduced by the previous demands and releasing local currency to meet the demands for increased circulation. This is substantially the plan which has been in successful operation in British India, where rupees are paid out at a fixed rate for the gold coin of Great Britain.

Thus far the experience of the Philippines, Panama, and British India has attested the soundness of these principles by their successful operation. In the Philippines laws of a somewhat vigorous character were required to overcome the tendency of "Gresham's law," to keep in use the currency issued on a silver basis,[11] but as soon as the new currency had obtained a firm footing its advantages over the previous fluctuating standard were generally recognized. Any holder of the new currency was authorized to exchange it for drafts on the gold funds of the Philippine Government in New York at a charge of three-quarters of one per cent. for demand drafts and one and one-eighth per cent. for telegraphic transfers.[12] Parity was thus fully maintained, and the Philippine Government was able to report to

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[11] Vide Act No. 1045 of the Philippine Commission, "Report of The Commission on International Exchange," 1904, page. 308.

[12] Act No. 938 of the Philippine Commission, "Report of The Commission on International Exchange," 1903, p. 409.

Washington that the gold standard met the approval of the entire public and that business conditions were much improved.[13]

In British India, where the experiment of maintaining parity seemed most doubtful, because of the necessity of maintaining the value of $500,000,000 in silver at the artificial ratio of about twenty-four to one, the embarrassments the Government has suffered have come from the growing demand for silver coins rather than from pressure on the gold reserve. The sum specially set aside as a gold reserve fund increased from £3,810,730 on March 31, 1903, to £6,382,200 in 1904, and to £10,984,000 in 1905. So remote is the probability of demands upon it that it has been invested in consols and other Government loans; for, in addition to this distinctive fund, there is a further accumulation of gold in the "currency reserve" amounting to £10,-494,556 ($51,160,000), available for the purchase of silver for further coinage.[14] So heavy have been the demands for silver rupees, under the stimulus of large crops, railway extension, and the inflow of foreign capital, that measures were taken in 1904 to anticipate the demand by accumulating silver bullion at the mints in advance of the tender of gold.[15]

Prospects of Introducing the Plan into China.

To confer upon China the benefits of a similar system was one of the chief objects of the American and Mexican commissions in their conferences with European powers in 1903. In dealing with the subject they acted at the invitation of the Chinese Imperial Government and without seeking to derogate in any degree from the political independence of China—any more than Belgium reflected upon the independence of France in proposing the conferences which brought about the Latin Union in 1865.[16] The difficulties in China were great, growing out of the absence of any uniform monetary system (or even the use of coined money in certain parts of China), the lack of power of the Imperial Government over the viceroys, and at first the opposition of powerful banking interests. Much was done to overcome these obstacles by Prof. Jeremiah W. Jenks, who was in China during most of the year 1904 as a representative of the American Commission on International Exchange. High officials, including the most progressive of the viceroys, were convinced of the wisdom of the proposed plan. Foreign business and banking interests, at one time skeptical, were won over, and there appears no doubt that China will eventually abandon her isolation as the only important country which is not upon a gold basis, and will follow her Oriental neighbors into the ranks of gold-exchange countries.[17]

Charles A. Conant.

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[13] Despatch of Civil Governor, October 30, 1904, "Report of Commission on International Exchange, 1904, p. 297.

[14] "Report of the Commission on International Exchange," 1904, p. 497.

[15] London "Economist" (June 3, 1905), LXIII, p. 909.

[16] Ante, Bk. III, ch. II. There were at first some misapprehensions on this point in China, but they were largely dissipated by the American Commissioner. Vide also the memorial of the Chinese Minister to Russia.—"Report of the Commission on International Exchange," 1904, p. 190.

[17] The United States Consul at Amoy, George E. Anderson, after a careful review of the difficulties of establishing a gold-exchange standard in China and providing for a gold reserve fund, concludes his report with the declaration, "that the business interests of China can find the means to properly establish it when once they go at the problem in earnest, I have not the least doubt."—U. S. Consular Reports (June, 1905).

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.

NOTICE OF DISHONOR OF CHECK—WHEN INSUFFICIENT.

New York Supreme Court, Appellate Term, December, 1904.

THE STATE BANK *vs.* MORRIS WEISS, *et al.*

The defendant received three checks in payment of goods drawn upon a branch of the plaintiff's bank. The following day the defendant deposited the checks in the Corn Exchange Bank, which presented them through the clearing house, where they were credited to the Corn Exchange Bank and debited to the plaintiff. The checks turned out to be worthless.

Held, though the recognition of the checks at the clearing house was merely an assumption of their genuineness, subject to future examination, and the arrival of the checks at the plaintiff's branch bank was their first presentation for payment, yet a check is a bill of exchange payable on demand and a drawee is deemed to have accepted the same if he do not return it within twenty-four hours after its delivery for acceptance as provided by the Negotiable Instruments Law, §§ 321, 325. As plaintiff failed to show diligence in giving proper notice of dishonor, judgment for the defendants should be affirmed.

MACLEAN, *J.*: It is alleged in the complaint that "the defendants are indebted to the plaintiff in the sum of $65.10 for money had and received * * * said indebtedness dating from July 5, 1904." It is in the testimony that on July 4 the defendant received, with orders for goods, three checks, aggregating as above, dated July 5, and drawn upon the Brownsville branch of the plaintiff, that the defendants deposited the next morning the checks in the Corn Exchange Bank, which presented them through the clearing-house where they were paid, *i. e.*, entered in the lists and allowed in the settlement by credit to the Corn Exchange Bank and debit to the plaintiff, which passed their amount to the favor of the defendants' account. In answer to inquiry made about five o'clock that afternoon one of the defendants was told by the manager of the Corn Exchange Bank that the checks were all right. That same evening the defendants delivered the goods ordered to the person who had drawn and brought them the checks. As it turned out the checks were worthless, for when brought by the messenger from the clearing-house to the branch upon which they were drawn it was found the drawer had and had had no account therein.

The recognition accorded the checks at the clearing-house was upon the assumption of their genuineness, which their production there imparted. The arrival of the checks at the branch is to be taken as their first presentation for payment or dishonor, for it is not to be supposed that the accountant and messengers attending the morning session at the clearing-house are equipped for more than comparisons and verifications of lists and balances. Payment there was made without presentation and accepted subject to future examination of the paper. In the case, however, of commercial paper being paid without previous inspection, it is, no doubt, the duty of the party paying to use due diligence in making the inspection as soon as it has the opportunity, and in giving notice of forgery or other infirmity if such be discovered; and if by its failure so to do the party receiving is prejudiced, such negligence is a good answer to a claim for restitution. (Allen vs. Fourth Nat. Bank, 59 N. Y. 12.)

Does the evidence in the case show diligence in giving the required notice? A demand is alleged in the complaint, but no proof of one is adduced other than bringing action July 11. From a remark volunteered by an official while a witness on the stand it appears that such paper is to be returned the same day it goes through the clearing-house, presumably the banker's day ending at three o'clock, or, in this case, a couple of hours before the defendants were told the checks were all right; longer still before they delivered their goods. Apart from clearing-house rules and customs mentioned and made much of in the briefs, though not in proof, a check is regarded by law in this State as a bill of exchange payable on demand, and there is no evidence in the case to take it out of the rule that a drawee will be deemed to have accepted a bill which he does not return within twenty-four hours after its delivery for acceptance. (Neg. Insts. Law, §§ 321, 325.) Failure of, proof that it had exercised the diligence required of it lost the plaintiff its case below, and is likewise fatal to its appeal.

Judgment affirmed, with costs.

INSOLVENT BANK—PAYMENT OF DEPOSITORS—PREFERENCE—IOWA STATUTE.

Supreme Court of Iowa, April 5, 1905.

STATE, *ex rel.* CARROLL, Auditor, *vs.* CORNING STATE SAVINGS BANK, *et al.*

Under the statute of Iowa the depositors of an insolvent bank are entitled to payment in full before other creditors are allowed to share in the general assets.

The Corning State Bank became insolvent and was placed in the hands of a Receiver for a settlement of its business. Having reduced the assets of the bank in part to money, the Receiver applied to the district court for instructions as to his powers and duties in making a dividend or partial payment to the creditors. In this application the Receiver showed to the Court that from the general assets of the bank there would be realized not to exceed about forty to fifty per cent. of the indebtedness owing to depositors, or twenty to thirty per cent. of the total indebedness to creditors of all classes. The estimate thus made does not include the amount likely to be realized from the statutory assessment upon stockholders.

WEAVER, *J.*: The record presents but one question for our consideration: Does the statute require that depositors be first paid in full before other creditors are entitled to share in the general assets of the insolvent bank? The statute provides that whenever the Auditor of State becomes satisfied of the insolvency of a bank, or believes that the interests of creditors require that it be closed, he may by proper proceedings in the district court procure the appointment of a "Receiver for such bank and its affairs shall be wound up under the direction of the court, and the assets thereof ratably distributed among the creditors thereof giving preference in payment to depositors." (Code, § 1877.) In case a deficiency still remains, a ratable assessment may be made upon the stockholders not to exceed an amount equal to their respective holdings of shares, and the sum so realized shall be distributed equally among all the creditors in proportion to the several sums due them. (Code, §§ 1878-1883.)

We regard it as very clear that the statute will admit of no other construction than the one placed upon it by the trial court. Counsel for appellant have with much thoroughness digested the history of bank legislation in this State and the development of the statutory provisions now in force, and therefrom draw the conclusion that the controlling idea of the Legislature in the chapter now under discussion was to secure ratable equality to all creditors in the distribution of the assets of an insolvent bank.

It is frankly conceded that from the standpoint of counsel the provision for "giving preference in payment to depositors" is not easy of interpretation, and to avoid its apparent effect two theories are presented. It is said that the clause in question is so repugnant to other provisions, and so out of harmony with the general spirit and purpose of the statute, we are at liberty to disregard it as surplusage and void; or we may allow it force and effect by giving depositors preference in time of payment, while preserving ratable equality among all creditors in the final settlement.

For the court to adopt the first suggestion and read out of the statute the provision giving preference to depositors, or deprive it of any force or meaning in directing the settlement of the affairs of an insolvent bank, would be radical judicial legislation and an unwarranted assumption of power. That the Legislature has power to provide for preferences in the settlement of insolvent estates has been too long and too well settled to admit of question or to call for citation of authorities.

The alternative suggestion that the preference given by the staute has reference only to the time is ingenious, but not convincing. Such a preference would be an idle ceremony. Before any dividend or distribution can be made, the Receiver must have money on hand applicable to that purpose, and, if ratable equality to all creditors is the rule, preference in time of payment would affect nothing more than the order in which the creditors may approach the Receiver's desk and receive their respective dividends. Counsel's suggestion that the court may make payments to depositors from time to time and thereafter equalize the distribution with other creditors upon the final settlement, is impracticable. No court or Receiver who is bound by law to make an equal and ratable distribution to all creditors can safely or properly apply the funds on hand to the payment of a part of the creditors, and depend on the future and its developments for other funds with which to satisfy the lawful claims of others who are entitled to equal consideration. Nor is there anything in the language of the statute itself which requires us to give it such a forced and unnatural interpretation.

In may be conceded that, standing alone, the provision for ratable distribution among the creditors of the bank would require that all creditors be placed on an equality, each receiving as much as the other, in proportion to the amount of his approved claim. But a "ratable distribution of the assets among creditors, giving preference in payment to depositors," is an altogether different proposition. Under the unqualified provision first mentioned, all creditors are placed in a single class; but under the statute as it stands they are separated into two classes, one of which is given preference over the other in the distribution of the assets. The distribution is still "ratable," although the classes may participate only in a stated order of priority. A ratable distribution is one which is made at proportionate rates (see "ratable," Webster's International Dictionary), and, if each creditor received his due proportion of the funds applicable to the claims of his class, the letter and spirit of the statute are observed. In other words, if the creditors of a bank are by law separated into classes, a proportionate distribution made to the members of the several classes in the order of their established priority until the funds applicable thereto are exhausted, or all claims are fully met, is, in a just and appropriate sense, "ratable," and such, we think, is the manifest legislative meaning and intent in the statute under consideration.

Nor can we admit the justice of counsel's contention that the preference here recognized is opposed to the principles of justice or of sound public policy. The banks serve as a means by which the comparatively small individual earnings and savings of the people generally are drawn and massed together in large aggregate sums or amounts which we call "deposits." Upon these deposits not only the banks themselves, but business enterprises of every kind, are largely dependent for success. Anything which tends to strengthen public confidence in banks and assures the depositors of the safety of their money is a matter of general public benefit, while anything which engenders distrust or alarm and causes a withholding or withdrawal of deposits is a public injury. It is therefore entirely fitting that in authorizing the organization of banks the law should at once provide for the protection of depositors, and for the protection of public interests, by giving preference to the claims of those without whose co-operation modern banking would be impossible.

We have not thought it necessary to go into any discussion of the authorities. The question is one of the construction of a statute of our own State, the terms of which are not in the least uncertain or ambiguous. We are satisfied that the ruling appealed from gives force and validity to the act in accordance with the legislative intent.

TRANSFER OF STOCK OF LIQUIDATING BANK—REGISTRATION OF TRANSFER.

Supreme Court of Washington, May 15, 1905.

MUIR *vs.* CITIZENS' NATIONAL BANK OF FAIRHAVEN.

Where stock of a National bank in voluntary liquidation is transferred, the transferee, while he has such rights as an equitable owner may have in the management of the trust, has no right to have the transfer entered on the books of the bank.

This action was brought for the purpose of obtaining an order against the defendant requiring it to transfer to plaintiff six shares of its stock on the books of the corporation, and to issue to plaintiff in his own name a certificate therefor in lieu of a certificate purchased from a former stockholder of record. The defendant appeared in the action, and filed a motion to strike certain words and make a more specific statement of some of the allegations of the complaint. These motions were denied, and thereupon a demurrer to the complaint was filed, which was also denied. Defendant thereupon filed an answer, denying certain allegations in the complaint, and alleging as an affirmative defense, in substance, that the defendant, since January 10, 1900, has been a National banking corporation existing under the laws of the United States; that, prior to the commencement of this action, defendant, being solvent, went into voluntary liquidation under the provisions of sections 5,200 and 5,221, Rev. St. U. S. [U. S. Comp. St. 1901, p. 3,503]. The plaintiff demurred to this answer, and the demurrer was sustained. The defendant declined to plead further, and a judgment was entered as prayed for in the complaint. The defendant appealed.

MOUNT, *C. J.*: The motions to strike and make more definite are of no particular moment in the case, and we shall not notice them further, but will pass to the main question, which is, may a National bank in process of voluntary liquidation be compelled to make transfers of stock on its books and issue certificates thereof to new subscribers?

For a better understanding of the question, we may state that the pleadings show that the appellant was organized as a National bank on January 10, 1900. On August 7, 1901, at a meeting of the stockholders, at which meeting the whole stock of the bank was represented, it was resolved by a vote of all the stock that the corporation be placed in voluntary liquidation, to take effect August 26, 1901, under the provisions of section 5,220 et seq. of the United States Revised Statutes. The proceedings were thereupon certified and reported to the Comptroller of the Currency of the United States. Thereafter, on August 11, 1903, respondent purchased from one of the stockholders six shares of the capital stock of said corporation, and received a certificate therefor duly indorsed. Said certificate was thereupon presented to the Cashier of said bank for transfer upon the books of the corporation. Such transfer was refused.

It is admitted, also, that the corporation is solvent, and that the six shares are worth at least $300. It has frequently been held that a National bank in voluntary liquidation is not thereby dissolved as a corporation, but may sue and be sued by name for the purpose of winding up its business. (National Bank vs. Insurance Co., 104 U. S. 54; Rosenblatt vs. Johnston, 104 U. S. 462; Bank of Bethel vs. Pahquioque Bank, 14 Wall. 383; Chemical Bank vs. Hartford Deposit Co., 161 U. S. 1.)

The decisions go no further than to hold that the corporation continues for the purpose of liquidation and winding up its business. No decision has been called to our attentoon, and after careful search we have found none, which holds that the stock of a corporation in liquidation, either voluntary or involuntary, may be the subject of traffic and transfer from one to another upon the books of a corporation after it ceases to do business in the usual way. On the other hand, the United States statutes (section 5,220, Rev. St.), referring to National banks, provides: "Any association may go into liquidation and be closed by a vote of its stockholders owning two-thirds of its stock." The words "and be closed" seem to indicate a conclusion of its business as a going concern. Thereafter it may transact only such business as is necessary or proper in the settlement and winding up of its affairs. The corporation, of course, continues, under the decisions above cited, for such purpose, but for such purpose only. The closing of the business of the corporation for the purposes for which it was organized, while not a dissolution of the corporation, is in substance a dissolution of its powers to transact new business. The only power left to it is the power to collect its dues and pay its debts, and to distribute ratably among its stockholders the balance after the debts are paid. The rights and liabilities of the stockholders of the bank are fixed at the date when the bank goes into liquidation, and a stockholder may not thereafter transfer his stock and avoid liability thereon. (Bowden vs. Johnson, 107 U. S. 251; Schrader vs. Bank, 133 U. S. 67; Irons vs. Manufacturers' National Bank [C. C.] 17 Fed. 308; Crease vs. Babcock, 23 Pick. 334.)

If the power of the bank, after voluntary liquidation begins, is limited to final settlement and winding up of its affairs, it seems to follow that no new stock may be issued pending such settlement. The act of issuing new stock or new and original certificates of stock would upon its face seem to contradict the fact that the corporation was in process of liquidation or of dissolution, and would indicate that the corporation was an active, going concern.

The policy of the statute is certainly opposed to the issuance of new certificates of stock pending the dissolution of the corporation, or of any act which would belie the true condition of the corporation, and which is not necessary or proper in the final settlement and winding up of the affairs of the corporation.

A stockholder may no doubt transfer and sell his stock in a banking corporation in process of liquidation, and the purchaser may acquire all the rights of such stockholder in and to the assets of the corporation. It is said: "* * * An assignment or transfer of stock by a stockholder after the dissolution of the corporation is merely an equitable assignment of his interest in the assets of the concern as it may appear upon the settlement." (Cook on Corporations [5th Ed.] § 641; James vs. Woodruff, 10 Paige, 541; Richards vs. Attleborough Nat. Bank, 148 Mass. 187.)

The last case cited above is in point upon the facts in this case, and holds in accord with the claim of appellant. It was there said:

"The reasons for making the stock, as such, transferable, and allowing the purchaser by virtue of his purchase to become a member of the corporation, cease to exist when there is no profit to be made, no business to be done, and when the property of the bank and its liabilities are fixed, and nothing remains but the adjustment of these. Whether the liquidation of the affairs of the bank be voluntary or involuntary, or whether it proceeds under the authority given to continue the bank in existence in order to close its affairs, it is necessarily implied that the respective rights, not only of the creditors and debtors of the bank, but of the stockholders, are to be determined as of the time when it commences. Indeed, were the stock, as such, to continue transferable, serious embarrassments would arise. Where stock is sold in the ordinary course of business, and so transferred, it is not important to the purchaser whether the bank has or has not claims against the stockholder so transferring stock. But when the bank is in liquidation, and when all to which the stockholder is entitled is his proportion of the assets, the claims which the bank may hold against him are a proper offset to those which he may hold against it by virtue of his ownership of stock. He cannot, therefore, place another in the position of a stockholder, even if he may invest him with such rights which he himself equitably may have. * * * Where a bank is in liquidation, the liability of the stockholder for the debts of the corporation has been fixed. If there is a debt due from the bank, he cannot transfer to any one else his liability to pay that debt, so as to affect the creditor or subject him, in seeking such remedies as he may have against the stockholders, to any examination beyond the list of those who were so when the liquidation commenced. No further debts can be contracted thereafter, nor any transaction made except such as may result by implication from the duty of closing up its affairs. While the embarrassments that would arise from holding the stock of a bank transferable after it has once gone into liquidation are manifest, no reason incidental thereto exists why such stock should continue transferable."

While the respondent in this case is the equitable owner of the fund which will result to the stock after the final settlement of the affairs of the bank, and while he has such rights as an equitable owner may have in the management of the trust, yet we think he has no right to be registered as a stockholder in the corporation and have a new certificate of stock issued to him. The notice which was given to the Cashier or liquidating agent by presenting the six shares properly indorsed is no doubt sufficient to put the corporation on notice that respondent is entitled to his distributive share of the trust funds to be disbursed to the stockholders when final settlement is made, and would, if the bank were a going concern, entitle him to be registered as a stockholder and receive a certificate to that effect. But when the bank pleads that it is in process of liquidation under the law, this is a defense to a demand for a certificate of stock. It was therefore error to sustain the demurrer to the affirmative answer.

The order appealed from is reversed, and the cause remanded for further proceedings in accordance with this opinion.

Dunbar, Fullerton, and Hadley, JJ., concur.

CHECK GIVEN AS PAYMENT IN FULL—EFFECT OF.

Supreme Judicial Court of Maine, April 12, 1905.

LOIS RICHARDSON *vs.* JULIAN D. TAYLOR, Administrator.

Shortly after the death of the defendant's intestate the plaintiff presented her claim to the defendant, and after the latter's appointment as administrator he sent the plaintiff a check for the sum of $100 inclosed in a letter of the following tenor: "If you choose to accept the inclosed check in satisfaction of all demands against my father's estate, will you please sign and return to me the accompanying receipt? If not, please return the check." The plaintiff received this letter and the inclosed check, and retained the check, later obtaining the money thereon, but she did not sign and return the receipt.

Held, that the plaintiff, having accepted the check upon the condition clearly stated, she received it in full satisfaction of all demands that she had against the decedent's estate.

This was an action against the defendant, as administrator of his father's estate, to recover for services rendered to the intestate.

Shortly after the death of the defendant's intestate the plaintiff presented her claim to the defendant, and on June 5, 1902, after the defendant's appointment as administrator, he sent the plaintiff a check for the sum of $100, inclosed in a letter of the following tenor: "Miss Lois Richardson: If you choose to accept the inclosed check in satisfaction of all demands against my father's estate will you please sign and return to me the accompanying receipt. It not, please return the check."

The accompany receipt was as follows: "Received from J. D. Taylor, adm., one hundred dollars in full satisfaction of all claims against the estate of Daniel Taylor, deceased."

The plaintiff received this letter and the inclosed check, and retained the check, later obtaining the money thereon, but she did not sign and return the receipt. Subsequently she commenced this suit, giving credit for this payment upon account. At the trial the jury returned a verdict for the plaintiff for the amount claimed.

WISWELL, *C. J.*: Irrespective of the merits of the plaintiff's original claim, we are of the opinion that the verdict was clearly wrong, and that the plaintiff cannot maintain this action because of the acceptance by her of this payment of $100 under the terms and conditions made by the defendant, and clearly stated in the letter in which the check was inclosed. "If an offer of money is made to one upon certain terms and conditions, and the party to whom it is offered takes the money, though without words of assent, the acceptance is an assent de facto, and he is bound by it. The acceptance of the money involves the acceptance of the condition. Under such circumstances the assent of the creditor to the terms proposed by the debtor will be implied, and no words of protest even can affect this result." (Anderson vs. Standard Granite Company, 92 Me. 429.)

The letter from the defendant to the plaintiff clearly expressed the terms and conditions upon which the check for $100 was sent her. If she chose to accept it, it was to be "in satisfaction of all demands" against his father's estate; if she did not choose to accept it in full satisfaction, she was to return the check. The defendant had the right to impose the terms upon which this payment should be accepted, if accepted at all. He did impose terms in language clear and emphatic, and as to the meaning of which there was no opportunity for doubt upon the part of the plaintiff. The plaintiff accepted the check upon these terms. She therefore took it in full satisfaction of all demands that she had against the decedent's estate.

Motion sustained. New trial granted.

NOTE PAYABLE AT BANK—WHEN PAYMENT TO BANK DOES NOT DISCHARGE MAKER.

Supreme Court of Arkansas, April 22, 1905.

State National Bank of St. Louis *vs.* J. J. Hyatt & Co.

The fact that a note is made payable at a particular bank does not of itself make the bank the agent of the holder to receive payment, and payment to the bank, where it does not have possession of the instrument or authority to collect it, does not discharge the maker.

This was an action upon a promissory note in the following form: "$1435.85. Nashville, Ark., Nov. 5, 1902. Three months after date, for value received, we promise to pay to the order of Howard County Bank, Fourteen Hundred Thirty-five and 85/100 Dollars, at Howard County Bank, with interest at maturity at the rate of ten per cent. per annum until paid. [Signed] J. J. Hyatt & Co."

Afterwards, on December 31, 1902, the Howard County Bank borrowed $20,000 from the State National Bank, of St. Louis, Mo., and to secure said loan the Howard County Bank on the same day transferred to the State National Bank, along with other notes, the note of J. J. Hyatt & Co., above described. Hyatt & Co. were not notified of this transfer by either bank, and, supposing that the note was still held by the Howard County Bank, they, on February 6, two days before the expiration of the days of grace allowed in the payment of notes, sent the following written request to the bank, to wit: "Please charge our account with our note for $1400 and interest and send note to us and oblige."

At the time this order was sent to the bank by Hyatt & Co. they had funds on deposit there more than sufficient to pay the note. The bank charged the amount of the note to their account as directed, and indorsed on the order the words, "Paid 2/6/1903." The note was at that time in St. Louis, and was not returned to Hyatt & Co., as requested by them; but they supposed that it would be returned at the end of the month with the monthly statement of their account, which the bank usually sent them, and therefore made no inquiry about it. The bank failed on February 12, 1903, and did no business after that date. It was totally insolvent, and its assets were placed in the hands of a Receiver, and Hyatt & Co. have received nothing from the bank or Receiver since it failed.

Afterwards the State National Bank of St. Louis brought this action against Hyatt & Co. to recover the amount of the note held by that bank as collateral security for the debt due it by the Howard County Bank. The St. Louis bank alleged that the note was taken and received by it from the Howard County Bank in the usual course of business, and for value, before maturity, and without notice of any defense either in law or equity. The defendants appeared, and set up as a defense to the action that the note was payable at the Howard County Bank; that defendants had no notice of the transfer thereof to the plaintiff; and that defendants, on February 6, paid the amount of the note to the Howard County Bank, which, under the circumstances, had authority to receive it; and that on account of the negligence of the plaintiff in failing to present the note for payment the amount paid by defendants to the bank in satisfaction of the note was lost by the failure of the bank.

RIDDICK, *J.* (omitting part of the opinion): This is an action by the holder of a negotiable promissory note, to whom the note had been transferred for value in the usual course of business, against the maker to recover the amount of the note.

The first contention on the part of the defendants is that, as the note was made payable at the Howard County Bank, and as defendants, without notice of the transfer, delivered the money to the bank at the place of payment, and it was lost by reason of the failure of the plaintiff to present the note for payment, the loss should fall upon the plaintiff, who failed to present the note. There is an authority for this contention in an opinion by Mr. Justice Scott in the case of Pryor vs. Wright, 14 Ark. 189. But the question was not involved in the decision of that case, and must be regarded as only the expression of the opinion of the judge who wrote the opinion. If the question was a new one, much might be said in support of the dictum of Judge Scott, for there are decisions that support it; but it seems now to be settled by the decided weight of authority in this country that the loss in such a case does not fall on the holder of the note unless the party to whom the money was paid had authority from the holder to receive the payment, or, what would be in effect the same thing, unless the circumstances under which the payment was made were such as to estop the holder from denying that the party receiving the money was its agent for that purpose. The fact that a note is made payable at a particular bank does not of itself make the bank the agent of the payee or holder to receive payment, and payment to a bank of the amount due on the note made payable there when the bank does not have possession of the note or authority to collect it, does not discharge the maker, for under such circumstances the bank will be treated as the agent of the maker, and not of the holder. (Jenkins vs. Shinn, 55 Ark. 347; Adams vs. Hackensack Com. Co., 44 N. J. Law, 638; Glatt vs. Fortman, 120 Ind. 385; Bank vs. Ingerson, 105 Iowa, 349; Grissom vs. Bank, 87 Tenn. 350; Cheney vs. Libby, 134 U. S. 68, 3 Eng. & Am. Ency. Law [2d Ed.] 803; 7 Cyc. 1035; 2 Randolph on Commercial Paper, 1119; 1 Daniel on Negotiable Instruments, § 326.)

It follows from what we have said that, in our opinion, the circuit court erred both in refusing to give the instructions asked by the plaintiff and in giving the one asked by the defendants which are set out in the statement of facts.

DEPOSIT OF TRUST FUNDS TO PERSONAL ACCOUNT—WHEN BANK NOT LIABLE.

Supreme Judicial Court of Massachusetts, April 7, 1905.

BATCHELDER *vs.* CENTRAL NATIONAL BANK.

The mere fact that a depositor deposits to his personal account a check drawn to him as trustee, does not impose a liability upon the bank in case the trust funds are misapplied by him.

This was a bill in equity by one Batchelder, trustee, against the Central National Bank, of Boston, to charge the defendant bank with money deposited by one Waterman, who was trustee under the will of one Gray. It appeared that Waterman sold bonds of the estate to a firm of brokers, who gave for the bonds a check to "Otis A. Waterman, Trustee." Waterman deposited the check to his personal account in the defendant bank, drew the money out, and disappeared. The court dismissed the bill and reported the case to the full court.

BARKER, *J.*: The short answer to the plaintiff's case is the finding that he has not sustained the burden of proving that the bank had reason to believe that Waterman was acting dishonestly. The bank was not a creditor of his, and the only deposit account he had with it was one to his personal credit. The bank had no other knowledge even that he held any trust, than such as it might have inferred from the fact of the form of the check. Under those circumstances, it cannot be ruled, as matter of law, that for him to deposit to his personal account funds which he took as trustee was a dishonest act on his part, or that the circumstance that the check so deposited was one payable to his order as trustee gave the bank reason to believe that the depositor was acting dishonestly. The circumstances were much less significant than those under consideration in Ashton vs. Atlantic Bank, 3 Allen, 217, and which there were held not to afford a sufficient presumption of knowledge that the trustee was acting in violation of duty to create a liability on the part of the bank. We could not reverse the decision of the justice who heard the present case without in effect overruling the case cited.

The plaintiff relies upon Duckett vs. National Mechanics' Bank, 86 Md. 400. So far as that case charges the defendant bank, it seems to us to do so upon the ground that the bank credited to the personal account of a depositor funds which it was ordered to credit to his account as trustee. In the same case the court refused to charge the bank with another check in fact belonging to the same trust, but which it was ordered to credit to the same person, without more. We do not read the case as holding that mere knowledge on the part of a bank that trust funds stand to the credit of a depositor's personal account must charge the bank with knowledge that the depositor is acting dishonestly. Nor, if it should be so read, could we follow it. (See Safe Deposit & Trust Co. vs. Diamond Nat. Bank, 194 Pa. 334.)

Upon the report a decree should be entered dismissing the bill, with costs. So ordered.

PROMISSORY NOTE—PROVISION FOR ATTORNEYS' FEES.

Supreme Court of South Carolina, March 14, 1905.

GREEN *vs.* SPIRES. GREEN *vs.* TRAYWICK. GREEN *vs.* JENNINGS.

A provision in a note that if it is collected through an attorney or by legal process the maker will pay all costs and expenses, including ten per cent. of amount collected as attorney's fees, renders it non-negotiable.

Actions by T. A. Green against Henry S. Spires, by the same against J. B. Traywick, and by the same against A. S. Jennings and others. The actions were heard together, and judgment rendered for defendants, and plaintiff appealed.

GARY, *A. J.*: These cases were heard together and involve the same question, to wit, did his honor the circuit judge err in ruling that the notes sued upon were non-negotiable? It will only be necessary to set out a copy of one of the notes, which is as follows: "$8.00 Cope, S. C., March 2, 1901. On or before the first day of September, 1901, next, I promise to pay W. H. Hurt or order eighty-four dollars for value received with interest after maturity at eight per cent. per annum. In case this note, or any part of it, is collected through an attorney or by legal proceedings of any kind, I promise to pay all costs and expenses including ten per cent. of amount collected for attorney's fees. Negotiable and payable at Bank of Orangeburg. Orangeburg, S. C. H. S. Spires. [Two cents revenue stamp canceled.]"

The note contemplated expenses of collection other than attorney's fees of ten per cent. on the amount collected. The expenses are not specified, and are therefore uncertain.

Conceding that the note had reference to expenses incurred after the maturity thereof, it was, nevertheless, non-negotiable.

In the case of Bank vs. Strother, 28 S. C. 504, 517, 6 S. E. 313, 318, the question was whether a provision in the note for the payment "of all counsel fees and expenses in collecting this note, if it is sued or placed in the hands of counsel for collection," destroyed its negotiability. The court said: "The only uncertainty as to the amount arises after maturity and after the paper would thereby lose its negotiability. * * * But, inasmuch as the first requisite to the negotiability of the paper is that it should be a note, anything that would deprive it of that character must necessarily deprive it of any negotiability, and as a note must be an obligation for the payment of a certain sum of money if the paper, in addition to an obligation to pay a specified sum of money, contains also an obligation to pay another undefined sum of money, even upon a contingency, that, it seems to us, will deprive it of the character of a note, under the statute of Anne."

This case has not been overruled, and is conclusive of the question under consideration. The appellant relies upon the recent case of White vs. Harris, 69 S. C. 65, in which the note contains the following provision: "We agree in default of payment after maturity to pay ten per cent. for attorney's fees for collection." The court held this agreement did not destroy the negotiability of the note. It will be observed that in the note just mentioned there was not an agreement to pay undefined expenses. That case is, therefore, not an authority on the question under consideration.

It is the judgment of this court that the judgment of the circuit court be affirmed.

Jones and Wood, JJ., dissenting.

ATTACHMENT AGAINST NATIONAL BANK—JURISDICTION OVER.

Supreme Court of the United States, May 29, 1905.

HENRY VAN REED *vs.* PEOPLE'S NATIONAL BANK OF LEBANON, PA.

An attachment cannot be issued against a National bank before judgment, whether the bank be solvent or insolvent.

The law in this respect, as contained in Rev. Stat. U. S., Sec. 5242, was not changed by the act of July 12, 1882.

Jurisdiction over a National bank or its property cannot be obtained by the issue of an attachment.

In error to the Court of Appeals of the State of New York to review a judgment which affirmed the judgment of the Appellate Division, First Department, of the Supreme Court of that State, which, on appeal from the judgment of a Special Term of the Supreme Court held in and for the County of New York, denying a motion to vacate an attachment against a National bank, reversed such judgment and vacated the attachment.

The plaintiff, who was the owner of a claim against the defendant, the People's National Bank of Lebanon, Pennsylvania, commenced an action in the State of New York by levying an attachment upon the funds of the defendant in that State, upon the ground that it was a foreign corporation. The defendant, appearing specially for that purpose, moved to have the attachment vacated upon the ground that it was prohibited by the Revised Statutes of the United States. At special term the motion was denied; the appellate term reversed the judgment of the special term, and vacated the attachment. The Court of Appeals answered two questions certified to it by the appellate division, and affirmed the judgment of that court. The two questions propounded are as follows:

"1. Is the defendant exempt from attachment before judgment under Section 5242, U. S. Rev. Stat. U. S. Comp. Stat. 1901, p. 3517?

"2. Are the rights claimed by plaintiff, to attachment against the defendant before judgment, and to the jurisdiction thereby acquired, preserved and given by Section four of the act of Congress of July 12, 1882?"

The Court of Appeals, in affirming the judgment of the court below, answered the first question in the affirmative and the second question in the negative.

Mr. Justice Day delivered the opinion of the court:

We deem the answer to the first question already determined by the decision of this court in Pacific Nat. Bank vs. Mixter, 124 U. S. 721, 31 L. ed. 567, 8 Sup Ct. Rep. 718. The right of Congress to determine to what extent a State court shall be permitted to entertain actions against National banks, and how far these institutions shall be subject to State control, is undeniable. National banks are quasi-public institutions, and for the purpose for which they are instituted are National in their character, and, within constitutional limits, are subject to the control of Congress, and are not to be interfered with by State legislative or judicial action, except so far as the lawmaking power of the Government may permit. Section 5242 of the Revised Statutes of the United States (U. S. Comp. Stat. 1901, p. 3517) is as follows:

"All transfers of the notes, bonds, bills of exchange, or other evidences of debt owing to any National banking association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this chapter, or with a view to the preference of one creditor to another, except in payment of its circulating notes,—shall be utterly null and void; and no attachment, injunction, or execution shall be issued against such association or its property before final judgment in any suit, action, or proceeding in any state, county, or municipal court."

The language of the latter clause of this section would seem to be too plain to admit of discussion as to its meaning. It in terms forbids the issuing of an attachment, injunction, or execution against a National bank or its property before final judgment in any suit, action, or proceeding in any State, county, or municipal court. This was the view taken by this court in Pacific Nat. Bank vs. Mixter, 124 U. S. 721. The origin of Section 5242, and its growth from previous enactments, were pointed out by Mr. Chief Justice Waite, who delivered the opinion of the court in that case:

"It is clear to our minds that, as it stood originally as part of Section 57 [13 Stat. at L. 116, chap. 106], after 1873, and as it stands now in the Revised Statutes, it operates as a prohibition upon all attachments against National banks under the authority of the State courts. * * * It stands now, as it did originally, as the paramount law of the land, that attachments shall not issue from State courts against National banks, and writes into all State attachment laws an exception in favor of National banks. Since the act of 1873 all the attachment laws of the State must be read as if they contained a provision in express terms that they were not to apply to suits against a National bank."

Since the rendition of that decision it has been generally followed as an authoritative construction of the statute holding that no attachment can issue from a State court before judgment against a National bank or its property. (Freeman Mfg. Co. vs. National Bank, 160 Mass. 398; Planters Loan and Sav. Bank vs. Berry, 91, Ga. 264; First Nat. Bank vs. La Due, 39 Minn. 415; Safford vs. First Nat. Bank, 61 Vt. 373; Rosenheim Real Estate Co. vs. Southern Nat. Bank [Tenn. Ch. App.], 46 S. W. 1026; Garner vs. Second Nat. Bank, 66 Fed. 369.)

It is argued by the plaintiff in error that the decision in the Mixter Case, 124 U. S. 721, should be limited to cases where the bank is insolvent; but the statement of facts in that case shows that, at the time when the attachment was issued, the bank was a going concern and entirely solvent so far as the record discloses. The language of Chief Justice Waite, above quoted, is broad and applicable to all conditions of National banks, whether solvent or insolvent; and there is nothing in the statute, which is likewise specific in its terms, giving the right of foreign attachment as against solvent National banks.

We find nothing in the case of Earle vs. Pennsylvania, 178 U. S. 449, which qualifies the decision announced in the Mixter Case. We therefore conclude that the Mixter Case is applicable here, and the decision therein announced meets with our approval.

The answer to the second question involves a consideration of the act relating to National banks of July 12, 1882, Section four (22 Stat. at L. 162, chap. 290, U. S. Comp. Stat. 1901, p. 3458), which is as follows:

"That any association so extending the period of its succession shall continue to enjoy all the rights and privileges and immunities granted, and shall continue to be subject to all the duties, liabilities, and restrictions imposed, by the Revised Statutes of the United States and other acts having reference to National banking associations, and it shall continue to be in all respects the identical association it was before the extension of its period of succession: Provided, however, That the jurisdiction for suits hereafter brought by or against any association established under any law providing for National banking associations, except suits between them and the United States, or its officers and agents, shall be the same as, and not other than, the jurisdiction for suits by or against banks not organized under any law of the United States, which do or might do banking business where such National banking associations may be doing business when such suits may be begun. And all laws and parts of laws of the United States inconsistent with this proviso be and the same are hereby repealed."

There is nothing in this section enlarging the right of attachment against National banks. Before the passage of this section circuit courts of the United States had jurisdiction of suits against National banks because they were corporations of Federal origin. It was the purpose of this legislation to deprive such banks of the right to invoke the jurisdiction of the Federal courts simply upon the ground that they were created by and exercised their powers under the acts of Congress. (Petrie vs. Commercial Nat. Bank, 142 U. S. 644; Continental Nat. Bank vs. Buford, 191 U. S. 119-123.) It regulated the jurisdiction of the courts to entertain such actions against corporations of this character, and had nothing to do with the kind and character of remedies which could be had against them. Certainly there is nothing in the act repealing the prior provisions of Section 5242, above quoted.

It is further insisted that, whether or not the lien is absolute upon the property of the bank, jurisdiction is obtained of it by the issuing of the attachment; but we cannot take this view. There was no personal service in the court of original jurisdiction, and the attachment being without the power of the court by reason of the terms of the Federal statute, no jurisdiction was acquired in the case, either over the person or property of the defendant.

We see no error in the judgment of the Court of Appeals of New York, and the same is affirmed.

PROMISSORY NOTE — DELIVERY THROUGH THE MAIL — WHERE DELIVERY TAKES PLACE.

Supreme Court of Indiana, May 23, 1905.

GARRIGUE, et al. *vs.* KELLER.

Where before the making and delivery of a note the maker and payee agreed that the same should be signed in Chicago and sent by mail to the payee in Indiana, and this was afterwards done: Held, that the note was an Illinois contract, and governed by the laws of that State, though payable in Indiana.

This action was brought upon two promissory notes executed by Lida M. Garrigue and others to the Noble County Bank, and payable at that bank, and before maturity assigned to Jacob M. Keller. Lida M. Garrigue defended upon the ground that she had executed the note as a surety, and was at the time a married woman.

MONTGOMERY, *J.* (omitting part of the opinion): Appellant's counsel contends that the notes were not delivered in Illinois, but in Indiana, and, if this contention is true, then they are Indiana contracts, and the judgment must be reversed.

A precedent agreement between the principal in the notes and the appellee acting for the payee was shown by the evidence, according to the terms of which the notes were to be signed by the makers in Chicago, and sent to the payee by mail. They were properly signed and sealed in an envelope addressed to the payee, and delivered to the United States mail in the city of Chicago, according to agreement, and, in our opinion, the delivery was then and thereby completed.

In the case of Purviance, Adm'r, vs. Jones, 120 Ind. 162, 21 N. E. 1099, 16 Am. St. Rep. 319, Justice Mitchell, speaking for the court (page 164, of 120 Ind., page 1099, of 21 N. E., [16 Am. St. Rep. 319]), says: "While it is not indispensable that there should have been an actual manual transfer of the instrument from the maker to the payee, yet to constitute a delivery it must appear that the maker in some way evidenced an intention to make it an enforceable obligation against himself, according to its terms, by surrendering control over it, and intentionally placing it under the power of the payee, or of some third person for his use."

In the case of William Glenny Glass Co. vs. Taylor, et al. (Ky.) 34 S. W. 711, involving conflicting laws, Pryor, C. J., in the opinion says: "The note, when signed by Mary D. Bradford in Kentucky, and inclosed to the payee, was an executed instrument; as much so as if the payee had been present and the note delivered to her in Kentucky."

In the case of Barrett vs. Dodge, 16 R. I. 740, 19 Atl. 530, 27 Am. St. Rep. 777, the court, speaking upon the question under immediate consideration, said: "In the absence of instructions to the maker as to the mode by which he should return them when signed, the payees must have contemplated that the maker would return them by the natural and ordinary mode of transmitting such obligations, and must be deemed to have authorized him to so return them. The natural and ordinary mode of transmitting them was by mail, the mode adopted by the maker. In such cases the post office may be regarded as the common agent of both parties—of the maker for the purpose of transmitting the note, and of the payee for the purpose of receiving it from the maker. By depositing the note in the mail with the intent that it shall be transmitted to the payee in the usual way, the maker parts with his dominion and control over it, and the delivery is, in legal contemplation, complete."

We accordingly conclude that the notes were fully executed by delivery in the State of Illinois, and are Illinois contracts, and under the laws of that state valid against both the makers. The notes being valid under the laws of Illinois are equally valid and enforceable in this State, by the principle of comity, unless their enforcement would be contrary to good morals, or in violation of public policy, or forbidden by positive law. * * *

We hold, in accord with the great weight of authority, that the enforcement of the notes in suit against appellant Lida M. Garrigue is in no sense violative of the public policy of this State.

CHECK DELIVERED TO IMPOSTOR—LIABILITY OF DRAWER.

Supreme Court of Pennsylvania, March 20, 1905.

LAND TITLE AND TRUST CO. *VS.* NORTHWESTERN NATIONAL BANK.

Where the drawer of a check delivers it to a person supposing him to be the one whose name he has assumed, the drawer must bear the loss, where such person negotiates the same, as against the drawee of a bona fide holder thereof.

Where a check was drawn by the trust department of a trust company on its own banking department, and was delivered to an impostor, supposing him to be the person whose name he had assumed, and payment was refused by the banking department immediately after the check was issued, because the person presenting it was not identified, it did not affect the liability of the drawer for a loss as against the drawee or a bona fide holder of the check.

Brown, *J.*: This judgment cannot be disturbed unless we overrule Land Title and Trust Co. vs. Northwestern Nat. Bank, 196 Pa. 230, 46 Atl. 420, 50 L. R. A. 75, 79 Am. St. Rep. 717. When the opinion in that case was delivered by our Brother Fell it expressed the view of the majority of the court, as then constituted, after a most careful consideration of the question involved; and it is approved by a majority of the court as now composed, who have also duly considered the question on what is really a reargument of it on this appeal. We do not feel called upon to say more of the opinion of Justice Fell, which, in a manner satisfactory to us, clearly expresses our views. In the note to the report of the case in 50 L. R. A. 75, there will be found numerous cases sustaining and vindicating it; the justified comment of the annotator being, "It is apparent from the foregoing cases that the drawer of a check, draft, or bill of exchange, who delivers it to an impostor, supposing him to be the person whose name he has assumed, must, as against the drawee or a bona fide holder, bear the loss, where the impostor obtains payment of or negotiates the same."

The only fact not developed on the first trial which was proved on the second was that the check was taken to the banking department of the institution by the person to whom it had been delivered, and payment demanded. The paying teller refused to pay it unless the person presenting it was identified, whereupon the latter said he would deposit it in his own bank. This was the person to whom the settlement clerk of the appellant had handed the check, intending to designate him as the payee; and the appellee, which had no knowledge of the teller's refusal to pay unless the holder of the check was identified, is not to be affected by such refusal, any more than if the check had been presented at another bank, and payment had been refused for the same reason, for the banking department of the trust company must be regarded as separate and distinct from that which issued the check. It was what the appellant did at the time it handed the check to the impersonator of Bissey that stands in the way of its recovery from the appellee, which paid the check to the indorsee of the person to whom the appellant had issued it as its payee. It is not seriously argued that the refusal of the paying teller to pay without identification materially changes the situation.

The judgment is affirmed.

Dean and Potter, JJ., dissented.

PURCHASE OF BANK STOCK BY INSURANCE COMPANY—ULTRA VIRES.

Supreme Court of Iowa, June 10, 1905.

FIDELITY INSURANCE COMPANY *vs.* GERMAN SAVINGS BANK.

Where an insurance company which has subscribed for stock in a bank has received the benefits of the transaction, it cannot afterwards, when the bank becomes insolvent, repudiate its ownership of the stock upon the ground that it had no power to acquire the same.

In 1897 the plaintiff had on deposit in a bank of the same name as this defendant, and to which this defendant became successor, the sum of $8,244. On January 21 of that year said bank was placed in the hands of a Receiver under allegations that it was insolvent. Subsequently the bank was reorganized by the incorporation of this defendant with a capital stock of $100,000, its predecessor having had a capital stock of only $50,000. Of this capital stock of the reorganized bank $50,000 was subscribed by stockholders and $50,000 by the holders of deposits in the old bank, the reorganization being carried out in accordance with the plan proposed by a committee of stockholders and creditors. In pursuance of the plan of reorganization, the plaintiff company subscribed for $5,000 of stock in the reorganized bank, to be paid out of the company's deposit in the old bank, and accepted certificates of deposit, payable at intervals, for $3,244, the balance of the company's deposit.

McClain, *J.* (omitting part of the opinion): Counsel for appellant take the broad ground, however, that the acquisition of this stock by the plaintiff company in the defendant bank was ultra vires, and therefore illegal and void, and that plaintiff may entirely disregard it, and recover from the defendant the balance of plaintiff's deposit in the old bank; and we shall proceed to consider the soundness of this contention. It is claimed that the act of the plaintiff company in acquiring stock in the defendant company was ultra vires, because it was outside of the scope of the plaintiff's business as an insurance company, and prohibited by statute.

As to the claim that this acquisition of stock was outside of the general scope of plaintiff's business, it is sufficient to say, first, that a corporation cannot repudiate an executed contract of which it has received the benefit on the ground that such contract is ultra vires; that is, not within the scope of the business which it is authorized to transact. (Hitchcock vs. Galveston, 96 U. S. 341, 24 L. Ed. 659; National Bank vs. Matthews, 98 U. S. 621; Central Transp. Co. vs. Pullman's Car Co. 139 U. S. 24, 60; Richmond Guano Co. vs. Farmers' Cotton Seed, etc., Co. 126 Fed. 712, 61 C. C. A. 630; De Groff vs. American Linen Thread Co. 21 N. Y. 124; Vought vs. Eastern B. & L. Ass'n, 172 N. Y. 508, 517, 92 Am. St. Rep. 761; Whitney Arms Co. vs. Barlow, 63 N. Y. 62, 70, 20 Am. Rep. 504; Gause vs. Commonwealth Trust Co. [Sup.] 89 N. Y. Supp. 723; Bradley vs. Ballard, 55 Ill. 413, 8 Am. Rep. 656; Tootle vs. First Nat. Bank [Wash.] 33 Pac. 345; Magee vs. Pac. Improv. Co., 98 Cal.

678; Trustees vs. Piedmont Realty Co. 134 N. C. 41; Schrimplin vs. Farmers' Life Ass'n, 123 Iowa, 103.)

Many other cases might be cited in support of this general proposition, but it is so universally recognized that at this time the mere statement of it is sufficient.

In the second place, although the act of plaintiff in acquiring stock in the defendant bank was outside of the general scope of its business, nevertheless the acquisition of such stock for the purpose of securing itself against loss on account of the insolvency of the bank in which it had a deposit was fully authorized.

In speaking of a transaction by which a bank acquired property on a claim against a debtor, this court, in Rosenbaum vs. Horton, 89 Iowa, 692, used the following language: "The transaction was not a usual one with the bank, but was necessary for it to secure its claim and the claim of the machine company. It does not require any argument to show that the bank was authorized to secure itself against loss by taking the property in question, and that it had the right to ship it to Chicago for sale, even though such a proceeding was not within the ordinary scope of its business, and was unusual. If it be claimed that the transaction was so unusual that the plaintiff, in the exercise of ordinary caution, should have inquired in regard to it, the answer is that, if such inquiry had been made, it would have disclosed the fact that the flax seed and oats were properly taken in the transaction of the ordinary business of the bank."

In First Nat. Bank vs. Reno, 73 Iowa, 145, it was held that, although a National bank has no authority under its charter to engage generally in the business of buying and selling personal property, nevertheless such a bank may, under certain circumstances, acquire and dispose of such property in the course of its business when necessary to secure itself against loss. So it was held in Security Nat. Bank vs. St. Croix Power Co., 117 Wis. 211, that a National bank acquiring in the course of its business a subcontractor's lien might proceed to complete the work in order to preserve its lien. And even the Supreme Court of the United States, which holds that it is beyond the power of a National bank to acquire stock in another bank as an investment, holds also that such a bank may lawfully acquire such stock in the course of business to protect itself from loss. (National Bank vs. Case, 99 U. S. 628; First Nat. Bank vs. National Exch. Bank, 92 U. S. 122.)

So far, then, as plaintiff's contention that the acquisition of stock in the defendant bank was ultra vires is founded on the general proposition that the purchase of stock in a banking corporation was not within the scope of the business for which plaintiff was incorporated, we think it is entirely without merit, in view of the fact that the transaction was entered into for the purpose of protecting itself against loss, and has been fully completed. A corporation cannot rely upon the doctrine of ultra vires to relieve itself from the consequence of a contract made by it which is fully executed by the other party, and which is not expressly prohibited, or contrary to public policy. The recent decisions on this subject almost, if not quite, unanimously support this general proposition. (See cases cited 10 Cyc. 1068, 1156-1167, and additional cases in supplemental volume for 1904. See, also, cases cited in 3 Current Law, 889.)

When the plea of ultra vires is founded solely on lack of power granted to the corporation to do the act in question, the following rule, stated in Security Nat. Bank vs. St. Croix Power Co., supra, is undoubtedly supported by the great weight of authority: "When a corporation enters into business relations not authorized by a corporate grant of power, the doctrine of ultra vires cannot be used by it nor by the person with whom it assumes to deal as a means of defeating the obligations assumed. The State alone can take advantage of the abuse."

There are, however, authorities supporting the proposition which is further relied on in behalf of appellant that an attempted exercise of power expressly prohibited to a corporation is void, and that the corporation is not estopped to take advantage of the plea of ultra vires in such a case, although it has received the benefit of the prohibited transaction.

The principal case relied on is that of California Bank vs. Kennedy, 167 U. S. 362 (see, also, Concord First Nat. Bank vs. Hawkins, 174 U. S. 364; Schofield vs. Goodrich Bkg. Co. 98 Fed. 271, 39 C. C. A. 76; Burrows vs. Niblack, 84 Fed. 111, 28 C. C. A. 130), in which it is held that the statutes of the United States prohibit National banks from purchasing or subscribing to the stock of other corporations, and, further, that such a bank cannot, by acquiring stock in another bank, not in the course of its usual and lawful business, become liable as a stockholder in such a bank, and may rely upon the doctrine of ultra vires, notwithstanding it has received dividends on such stock.

It seems to be assumed in this case that the act of the National bank was contrary to law, and not simply outside of the general scope of its powers; but we think such a distinction is not well taken. It is undoubtedly true, that, where a statute specifically prohibits the doing of an act by a corporation, neither the corporation nor the person dealing with it will be allowed to rely on such transaction, or assert any benefits that grow out of it. (Pennypacker vs. Capital Ins. Co., 80 Iowa, 56, 45 N. W. 408, 8 L. R. A. 236, 20 Am. St. Rep. 395; In re Assignment Mut. Guaranty Ins. Co. vs. Barker, 107 Iowa, 143, 77 N. W. 868, 70 Am. St. Rep. 149.)

But the fact that a transaction is wholly unauthorized by the law empowering the corporation to do business, or by the terms of the charter of such corporation, or that it is contrary to general restrictions as to the scope of the corporate power, will not render it so far void as that the corporation may not be estopped by receiving the benefits of the transaction from relying on the doctrine of ultra vires. (Pennypacker vs. Capital Ins. Co. supra; First Nat. Bank vs. Haire, 36 Iowa, 443; Hunt vs. Hauser Malting Co. 90 Minn. 282, 96 N. W. 85; Security Nat. Bank vs. St. Croix Power Co., 117 Wis. 211, 94 N. W. 74.)

The Minnesota and Wisconsin cases just cited disapprove of the case of California Bank vs. Kennedy, and it is pointed out that, whatever may be the rule established by the Supreme Court of the United States with reference to the liability of a National bank as a holder of stock in another bank, the decisions of that court are not binding on the State courts in applying the general doctrine of ultra vires.

Without discussing all the cases which have been cited on either side of the proposition which we are now considering—a task more onerous than profitable—in the effort to reach a correct conclusion, we are satisfied that the rule supported by the great weight of authority is that, unless the transaction is so specifically prohibited that it is contrary to law, or is so manifestly against public policy that it is to be deemed prohibited without express declaration, a corporation is estopped, after receiving the benefit of a transaction, from saying that it is totally void, even though it is contrary to the general provisions of statute as to the method in which the business is to be conducted.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

PREFERENTIAL ASSIGNMENT—DOCTRINE OF PRESSURE—KNOWLEDGE OF INSOLVENCY—YUKON CON. ORDINANCE, CH. 38, SECS. 1 AND 2.

Benallack vs. The Bank of British North America and Others (36 Supreme Court Reports, page 120).

Statement of Facts: The judgment of Mr. Justice Craig, from which this appeal is taken, contains the following summary of the facts:

This is an action brought by the plaintiffs to set aside several instruments as being void against creditors under chapter thirty-eight of the Yukon Consolidated Ordinances, and also asking that the defendant bank be declared a trustee for Bossuyt of the property covered by the mortgage and assignments mentioned; that Finlaison be declared a trustee of certain property conveyed to him; that the bank be ordered to account for all the goods mortgaged or transferred and the moneys or proceeds realized by said bank under those various assignments; and a general account.

This case has two main branches: one in which the plaintiffs attack the chattel mortgage, assignment of book accounts and notes; the other attacking the rate of interest charged by the bank and asking for an account of that interest and an allowance of the same, taken over seven per cent., for the benefit of the creditors.

The pleadings set out that the plaintiffs were execution creditors on June 28, 1902, and simple contract creditors for a long period before that date; that the defendant Bossuyt was insolvent in October, 1901; that on November 1, 1901, there was due from Bossuyt a debt of $41,550; that the bank took immediate possession of that property and disposed of it, this property consisting mainly of butchers' meats; that land transferred to Finlaison, acting Manager of the bank, was transferred to him as trustee to secure the same debt; that Bossuyt assigned debts in April and May, 1902, in all amounting to $20,000; that he indorsed and transferred promissory notes amounting in all to about $12,000 to secure the same debt; that no consideration was given, but security for prior debts; that since October, 1898, Bossuyt borrowed from the bank moneys at twenty-four per cent. per annum and afterwards at eighteen per cent. per annum, and that the bank wrongfully collected interest over and above the rate of seven per cent. allowed by the Banking Act; that during this time Bossuyt was insolvent to the knowledge of the bank, and that assignments were made voluntarily and with intent to defeat the plaintiffs and other creditors, and were taken by the bank with such intent and to give a preference, and had the effect of giving a preference to the bank over other creditors; that the assignments were made fraudulently for the purpose of defeating creditors, and had that effect, and are void; that if the assignments were good an account should be taken of the interest, and only seven per cent. allowed.

The defendants deny these allegations generally, alleging that the book debts of Bossuyt, chattel mortgages, etc., and other assignments were taken as extra precaution and additional security; that the notes and book debts were transferred as collateral in the ordinary course of business; that the interest paid was settled and the account closed and the interest over and above the legal rate was voluntarily paid by Bossuyt long before the action; and they allege that the execution creditors have no status to ask for an account, there being no privity between them and the bank in the matter of the interest; that the plaintiffs are not creditors within the meaning of the Act respecting preferential assignments.

The evidence, I think, shows the following facts: That Bossuyt, the judgment debtor, in 1898 and 1899, was owing the plaintiffs a balance of $28,200; that the balance remains unpaid to date; that Bossuyt also owed Davies $9,000, secured by warehouse receipts before the assignment was made, and that he also owed one Van Rass $500; and, further, that he owed Lafrance $17,000 in the fall of 1901; that from 1899 down he continued to borrow large sums of money from the bank, amounting in all on November 1, 1901, to about $41,000, there being a current note then matured of about $5,000 which was unpaid, not included in the then security; that on November 1, he gave a chattel mortgage to the bank covering stock of meat and fowl situate in Dawson; that between that time and April and May, 1902, the bank made other advances to him, and that additional security was taken by assignment of book debts and promissory notes. After the taking of the chattel mortgage in November Bossuyt was allowed to sell the meat. For about a month he took it away without the leave of the bank. The bank Manager observing this, required the bookkeeper, one Peck, who was acting in the service of Bossuyt, to keep check of the meats and pay over the proceeds to the bank, which was done. Bossuyt had a great deal of other meats in his warehouse; the meat of one Burns, about $8,000 worth or more of which the bank advanced the money on the purchase; also the meat which was covered by a warehouse receipt to Davies, all of which was sold and turned into the general account of Bossuyt without any distinction or ear-marking. Bossuyt, clearly in fraud of Davies, disposed of the entire stock of meat which Davies held as security for his advance and deprived him entirely of his money, without any knowledge on the part of the bank, however, and this money was paid over along with the other money realized from the sale of the meat which was purchased from Burns with the $8,000 advanced by the bank.

During this time I take it that Lafrance was well aware (at least I draw that inference from the evidence) that Bossuyt was dealing with the bank; he never mentioned to the bank the Bossuyt indebtedness to him even on the occasion when he indorsed a $9,000 note for Bossuyt in the fall of that year, which the bank discounted and paid over to him, although at that time it is quite clear from the evidence that the Manager of the bank informed the plaintiff, Lafrance, that he had advanced up to the limit of Bossuyt's credit and assets, yet Lafrance never mentioned to the bank anything of his debt. It is also absolutely clear from the evidence that Bossuyt never in any way informed the bank of his other liabilities, and the bank had no knowledge whatever in any way of the liabilities of Bossuyt beyond that to themselves. The Manager of the bank, in March 1902, became aware of the Davies note of $9,000. It is quite clear that the bank charged twenty-four per cent. interest on all the advances made up to December, 1901, and then the rate was reduced to eighteen per cent. It is also in evidence that Bossuyt did not tell Lafrance of his large debt to the bank, and Lafrance, it appears, never inquired, although he knew that Bossuyt had dealings with the bank and that the bank required his indorsement before advancing $9,000.

That the bank was ignorant of the financial condition of Bossuyt is quite apparent from this, that the Manager swears that if he had been requested he would have loaned Bossuyt the further $9,000 to pay off the Davies note upon the security of the assets which he believed Bossuyt had.

Bossuyt's evidence is not at all satisfactory, but this can be clearly drawn from it, that he never informed the bank of his position and that the bank was ignorant of his real position; that he anticipated being able to pull through at the time of giving the chattel mortgage; that he went into a statement of his effects with the bank at that time, with the Manager, and together they estimated he had about the sum of $95,000, and in view of what the bank knew of his position from that statement and otherwise, and being aware only of their own debt, Bossuyt was clearly not insolvent to the knowledge of the bank. Bossuyt carried on his business until June 28, selling his meat, as I have already recited, mixing all the moneys from the various sources of supply in the one general account. The bank certainly at that time became anxious about the large advances it was making and felt that it should have security. The stock as valued by Bossuyt and the bank was taken at wholesale prices. Bossuyt to-day cannot give any very clear estimate of what he had, but he does not deny going over his stock with the Manager of the bank, and the estimate that the bank Manager now gives must be taken to be what was arrived at at that time.

Bossuyt admits that Lafrance knew he was borrowing from the bank in the fall of 1901 to pay for meat, and in that fall Bossuyt bought a very large consignment of meat from Lafrance, about $27,000 worth, on which he paid Lafrance $17,000 in cash borrowed from the bank, the balance being paid by a note discounted by Bossuyt and indorsed by Lafrance, which is the note I previously referred to. Some considerable losses, which are not very clearly sworn to, but certainly losses which seriously affected Bossuyt, occurred in the winter of 1901 and 1902. Bossuyt says that so far as the bank knew he was solvent in 1901. Bossuyt admits signing the check monthly for the interest, as called upon or otherwise. He says generally the checks were written in the bank by the Manager, and he signed them. These checks, as appears by the exhibits, ran from June 29, 1901, to February 8, 1902, the first check being for $6,054, and being ear-marked: "Interest on notes to 30 June"; and so on, at various dates monthly from that time on, checks were given to the bank on themselves and paid out of the general account which Bossuyt had whenever money was on hand. Some of the book debts assigned certainly were proceeds of the meat mortgaged and some of the notes the same, as well as other book debts contracted during the same carrying on of Bossuyt's business.

Lafrance was called and his evidence was just about as I have given it summarized. He did not learn of Bossuyt's mortgage to the bank until February, 1902. He knew of several shipments all paid through the bank; he admits telling Finlaison that Bossuyt was all right, and that he never mentioned to the bank Manager any claim of his against Bossuyt.

The action was based upon the law contained in chapter thirty-eight of our ordinance, which I had better give in full. Section 1 says: "Every gift, conveyance, assignment or transfer, delivery over of payment of goods, chattels or effects, or of bonds, bills, notes, securities or of shares, dividends, premiums, or bonuses in any bank, company or corporation made by any person at any time when he is in insolvent circumstances, or unable to pay his debts in full or knows that he is on the verge of insolvency, with intent to defeat or delay or prejudice his creditors, or to give to one or more of them a preference over his other creditors, or over any or more of them, or which has such effect, shall, as against them be utterly void." Section 2: "Every such gift, conveyance, assignment, transfer, delivery over or payment, whether made owing to pressure or partly owing to pressure or not, which has the effect of defeating, delaying or prejudicing creditors or giving one or more of them a preference, shall, as against the other creditors of such debtor, be utterly void." The title of the Bill is, "An ordinance respecting preferential assignment," and the marginal note to section 1 is: "Fraudulent and preferential assignments"; and the marginal note to section 2 is the word "Pressure" at the foot. Section two was passed after the decision of Molson's Bank vs. Halter.

JUDGMENT (Sedgewick, Girouard, Davies, Nesbitt and Idington, *JJ.*): It is urged by the appellants that the amendment by sec. two of ch. thirty-eight of the Yukon Ordinances consolidated (1902) is such as to distinguish this case from the cases of Molsons Bank vs. Halter followed by Gibbons vs. McDonald, that interpreted the R. S. O. 1887, ch. 124, and Stephens vs. McArthur, that interpreted the Manitoba Act, 49 Vict. ch. forty-five, sec. three, where the words used are identical with those of the Ontario act.

The Yukon Ordinance before its amendment in question was almost identical with those of the Ontario and Manitoba statutes upon which these cases were respectively decided. The amendment now in question consists in adding to the first section the following as sec. 2: Sec. 2. Every such gift, conveyance, assignment, delivery over or payment, whether made owing to pressure or partly owing to pressure or not, which has the effect of defeating, delaying, or prejudicing creditors or giving one or more of them a preference, shall as against the other creditors of such debtor be utterly void. This was passed after the decision in Molson's Bank vs. Halter. Does it do more than remove the question of pressure out of consideration in arriving at a proper conclusion in a case falling within the first section which was practically passed upon by the decisions referred to? I think not. "Every *such* gift, etc.," evidently means that class or those classes designated by the preceding section.

Take the doctrine of pressure out of the question by force of this amendment as it was taken by the facts in the case of Gibbons vs. McDonald, and we have nothing left to distinguish this case from that. There the whole of the debtor's assets had been assigned as it is alleged by the appellants in the case here.

I cannot read this amending section two of the Yukon Ordinance as doing more than striking at the doctrine of pressure. If the words: "whether made owing to pressure or partly owing to pressure," had been inserted in the first section just after the word "intent," the same legal effect would have been produced.

The only other thing in this amending section is a repetition of the words, "which has such effect." That repetition adds nothing to the force of the words in the first section if we are to be governed, as I think we must be, by the interpretation given by the cases I have referred to and the reasoning which leads to their decision. I need not refer at length to that reasoning. It is clearly set forth in the judgments of Mr. Justice Strong, especially at pp. 452 and 453 of Stephens vs. McArthur. It would seem as if there the removal of the doctrine of pressure, as an element of the reasoning leading to the conclusion reached, had been anticipated. It was, therefore, not necessary when the case of Gibbons vs. McDonald arose, without any fact in it upon which the doctrine of pressure could rest, to repeat this reasoning, and the same learned Justice simply contented himself with referring to his former judgment and the majority of the court concurred therein. It was there shown that the preference prohibited was a voluntary preference and hence a fraudulent preference. And if a fraudulent preference, to whom is the having such a purpose to be attributed? Is it enough to show that the assignor may have had such an intent? Must not the assignee as well as the assignor be a party to the fraudulent intent? Such would seem to be the result of a long line of decisions upon which the commercial world has had a right to act for a long time past. And though there may not have been any express decision of the point upon this legislation in this court, the late Chief Justice, Sir William Ritchie, in Gibbons vs. McDonald, at page 589, indicates that in his view there must be a concurrence of intent on the one side to give, and on the other to accept, a preference over other creditors.

Counsel for the appellants properly conceded that the evidence here did not show knowledge on the part of the bank such as would enable us to find this concurrence of purpose.

Until the Legislature obliterates the element of intent in such legislation and clearly declares that, quite independently of intent, the preferential result or effect of the transaction impeached is to govern, it will be exceedingly difficult to arrive at any other conclusion in cases of this kind. The results that might flow from such legislation ought not to be brought about without such purpose being most clearly expressed by the Legislature.

The appellants as execution creditors only (not suing for all creditors), assert some rights of a novel character which, in the view I take, it is unnecessary to dispose of or pass upon.

I think the appeal must be dismissed with costs.

COMPOSITION WITH CREDITORS—RESERVATION OF COLLATERAL SECURITY—EFFECT OF SURRENDER OF ORIGINAL NOTES FOR NOTES UNDER COMPOSITION—DEBT NOT THEREBY DISCHARGED.

Banque D'Hochelaga vs. Beauchamp (36 Supreme Court Reports, page 18).

Statement of Facts: Appeal from the judgment of the Court of King's Bench, appeal side, affirming the judgment of the Superior Court, District of Montreal, maintaining the plaintiff's consolidated actions with costs.

In March, 1900, the plaintiff obtained a deed from his creditors for sums of $100 and upwards in composition and discharge of the debts owing by him to them, as follows:

"We, the undersigned creditors of L. E. Beauchamp, of the city of Montreal, hereby agree to accept from him a composition of seventy-five cents in the dollar on the amount of our respective claims against him at this date; said composition payable by his notes at three, six, nine, twelve, fifteen and eighteen months from May 1 next, without interest; it being a condition to this agreement that Mrs. L. E. Beauchamp's claim will remain in abeyance till all the composition notes are fully paid. Said composition to be signed by all creditors for $100 and over. The real estate to be transferred to the Hochelaga Bank, Gault Bros. & Co. and J. G. Mackenzie & Co., till composition notes are fully paid. In case any of the installments are not paid at maturity the balance of the original debt will revive in full."

The Bank Hochelaga signed this composition deed, with the following words immediately before the signature: "Special reserve being made as to the securities which we hold." The security held by the bank was an assignment of a debt of $5,000 owing to plaintiff by the telephone company, *mise en cause*. The debt due by the plaintiff to the bank, at the time of the signing of the deed, amounted to $12,985.60, and on execution of the composition thereby effected, the bank received six notes from the plaintiff amounting to $9,839.20 and, thereupon, surrendered to the plaintiff his original notes then held by the bank, representing their full claim of $12,985.60.

The first three composition notes were duly paid to the bank which, in the meantime, had continued collecting from the telephone company on their collateral security, so that upon the maturity of the fourth composition note it had collected $4,350 on this security. The plaintiff asked to have this sum applied towards payment of the three last composition notes, but the bank refused to do so, contending that the reserve made in the deed entitled it not only to receive the amount of the composition at the rate of seventy-five cents in the dollar upon the amount of their full claim against the plaintiff, but also to make the remaining twenty-five cents in the dollar by realizing, if possible, upon the collateral security so reserved.

The plaintiff then brought two actions against the bank, which were subsequently consolidated, and the plaintiff's demands therein were, in effect, granted by the trial court judge (Robidoux, J.), affirmed by the judgment appealed from, which condemned the bank to return all the composition notes to the plaintiff and retransfer to him the collateral security or the balance due thereon.

JUDGMENT (Sedgewick, Girouard, Davies, Nesbitt and Idington, *JJ.*). The judgment of the court was delivered by Nesbitt, J.:

The plaintiff being indebted to the bank in the sum of $12,800 for which the bank held as collateral security certain debts due from the company *mise en cause* to the plaintiff to the amount of about $5,000, asked his creditors for a composition at seventy-five cents on the dollar, said composition to be payable by his notes at three, six, nine, twelve, fifteen, and eighteen months from May 1, 1900. All creditors of $100 and over were to sign. Certain of the creditors signed, with a condition following their signatures that notes at three and six months should be given instead of the notes provided for in the deed, and one firm signed excepting goods sold on a certain date. The bank signed by its General Manager, adding the words: "special reserve being made as to the securities which we hold."

The bank had collected from the Telephone Company about $4,500, and the plaintiff has paid the bank in addition some $4,869, which two sums added together would pay the seventy-five cents on the dollar due under the composition deed. The plaintiff claims that the money collected from the Telephone Company should be applied on the seventy-five cents on the dollar and that he should be entitled to receive the return of the balance of the claim against the Telephone Company and a return of his notes. And the bank claims that it is entitled to receive from him seventy-five cents on the dollar and to obtain, if possible, the other twenty-five cents on the dollar from the realization of the collateral security.

The trial judge found in favor of the plaintiff and that judgment has been confirmed by a majority of the judges of the Court of King's Bench. The majority of the court below take the view that the reserve of the securities in the composition deed was a reserve to guarantee the payment of the seventy-five cents on the dollar.

I think that the true construction of the bank's reservation when it signed the deed is that the bank says to the debtor: "we will accept seventy-five cents on the dollar from you in full discharge of your personal liability to us, but the collateral securities we have we will hold for whatever they may be worth, and to the extent of twenty-five cents on the dollar we will collect on them, if we can."

Of course, any balance over the twenty-five cents would be accounted for. I think the view taken by Mr. Justice Hall in the court below was the correct one.

True, the original notes were given up by the bank to the respondent, but not to extinguish the debt, but for the purpose of being handed to the other creditors. These notes were, moreover, mere evidence of the debt, and if it can be established that the latter was not extinguishd or novated, then it is in full force. The deed of composition declares in express terms that in case any of the installments were not paid at maturity, the balance of the original debt would revive in full.

Some interesting questions presented themselves at the hearing, arising out of the manner and expressed conditions under which the deed of composition was signed by the several creditors, by virtue of which the necessary equality which the deed called for amongst the assenting creditors was destroyed. No question was raised before us on the point and in the view we take of the case it is not necessary to do more than refer to it to show that we have not by our silence given an apparent sanction to such a proceeding.

The actions of the respondent should be dismissed with costs.

NORTHERN CAPITAL IN THE SOUTH.

[Address by DANIEL G. WING, President First National Bank, Boston, Mass., delivered before the recent annnal convention of the South Carolina Bankers' Association.]

If your secretary had ever heard me try to speak in public, he never would have sent me so cordial an invitation to attend this convention and to say something to you upon any subject I might choose; and I certainly should not have accepted but for the fact that I have had the pleasure of meeting some of you before, and could not resist the temptation to meet all of you, when this opportunity came.

I have said enough already for you to agree with me that I was not intended for a public speaker, and you will, therefore, pardon my reading what I want to say to you in regard to making closer and more intimate the business and financial relations between your section and New England.

I trust also you will take what I have to say and the suggestions I may make as coming, in a way, from an outsider, an onlooker, and one whose financial experience has been gained largely outside of Boston and New England; for I have been there a comparatively short time, only five or six years; hardly long enough to acquire a taste for Boston baked beans and brown bread.

From 1887 to 1897 I was engaged in the banking business in Nebraska, in the various positions from messenger to Cashier, and I wish to outline briefly conditions as they existed in the West during those years, or that may hereafter exist, in the South.

For some five years prior to 1892, the West was prosperous and growing fast, crops had been good, farmers had been making money, and business was expanding. There had been a period of railroad building, involving the expenditure of vast sums of money. New villages, towns and cities sprang up along the new lines of road. Pacific Coast cities, such as Seattle, Tacoma, Portland and Los Angeles, had a phenomenal growth. Denver, Kansas City, Omaha, St. Paul and Minneapolis were in the midst of great real estate booms. A man could buy a lot almost anywhere and sell it the next week at a profit. A great many National and State banks were organized. In many instances the organizers borrowed money for the greater part of the capital and pledged their stock as collateral.

Sites were given and cash bonuses paid to almost any kind of manufacturing enterprise that would locate its plant in a town with the promise of employing labor. These factories were started in many cases without regard as to whether the location was suitable for that particular industry. Thus you could find cotton and silk mills in Nebraska, woollen mills in the Black Hills, and magnificent buildings, intended for normal schools and denominational colleges, scattered over the country by hundreds. Fine office buildings and expensive residences went up in the cities and costly improvements were made on the farms. But the factories and office buildings were bonded, the farms were mortgaged, schools and colleges were in debt. The people of the West were doing wonderful things, but it was largely on borrowed capital, and they forgot that a time might come when money could no longer be borrowed and loans must be paid.

Then came the panic of 1893, followed by two or three years of successive crop failures. Eastern creditors needed their money; new loans were not to be had. People paid while they could, but when men tried to turn property into cash, they could find no purchasers, and the only alternative was failure. In Lincoln, Nebraska, there were twelve banks in 1891; there were only four of us left in 1895, and we weren't much to brag about. We saw in those years the values go out of our assets, the accounts receivable of our merchants and business men grow worthless, real estate equities disappear and farm mortgages foreclosed.

There has been another turn of the wheel and the West has had a series of good crops and high prices. Within the last few years the farmers have grown prosperous and are largely out of debt; business of all kinds is good; manufacturing of various kinds has been established upon a firm basis, and generally in the West to-day they have money enough to finance themselves and their own enterprises and some to spare to loan in the East. They are not likely again to be affected by panic and crop failure, as they were in those years. They have learned a lesson. But all the prosperous, active, "public-spirited" business men and farmers of ten years ago are not in that class to-day. Hundreds and thousands of them were wiped out and were unable to get upon their feet again, to take advantage, to any great extent, of the later prosperity. Other men have purchased their business and their farms for a song, and are reaping the benefit of their labor, to a greater or less degree. Perhaps more conservatism, more saving, would not have helped matters; but I am inclined to think that it might have.

Conservatism Should Be Practised in Times of Prosperity.

Now, the South has been growing rapidly. You have had good crops and good prices. You have built up fine cities and magnificent manufacturing plants. You bankers have had a large share in this prosperity, and in bringing it about. Good crops, high prices, good business, prosperous times, may continue throughout the country for many years—I hope they will—but there may be another period of depression, hard times, a curtailing of credit, and everything that implies. It may not come this year or next, but it is sure to come sooner or later, in some form. I don't want you to think I am pessimistic or that I am looking for serious trouble, either now or at any particular time in the future, but in periods of good times and expansion, such as we are now in, I believe the influence of all bankers should tend more and more towards conservatism, and their advice to customers should be along the line of strengthening present resources, rather than the encouragement of continued expansion.

How to Bring New England Capital into the South.

This brings me to the cotton industry, in which I assume you all are interested either directly or indirectly, and in which outside capital is, and could still further be, used advantageously. New England banks and investors have money to loan. You have had some of it and could use more, if the rates were low enough. Now, how can we get together?

To obtain our money at low rates, you must satisfy us that the security you offer is as good, or a little better, than that we can get nearer home; and further, that you are so strong financially that we can get our money when we want it, without having recourse to the security.

In the first place, I don't know much about a cotton mill or cotton manufacturing, and a good deal of what I have to say has been picked up in talking with those who do. I am only going to give you criticisms and suggestions; you know the favorable points well enough. I want to say I have met personally a number of the active managers of Southern cotton mills, and judging all by those I have met, a finer, more intelligent, earnest, energetic set of men is not engaged in any industry in this country, and they do not suffer by comparison with the mill treasurers of New England.

Now, how can Southern mills establish as high credit for their paper and as good an investment demand for their stocks as has been enjoyed by the New England mills? A manufacturing business, to be entitled to high credit, must possess a plant capable of the greatest economy in operating expenses; earning power sufficient not only for dividends, but for a gradual improvement and extension of plant without encroaching on its cash assets; and it must have assets readily convertible into cash amply sufficient to pay its debts. The fact that many of the Southern cotton mills, to-day, do not fulfil these conditions, or some of them, is the reason why New England bankers and investors, with their intimate knowledge of the cotton manufacturing situation and methods, do not generally favor investments in Southern mill paper and stocks.

High Credit of the New England Cotton Mills.

New England cotton mill paper sells in Boston at the lowest rates and is regarded by the banks generally as the highest grade of commercial paper, for several reasons:

First: The mills have been in operation for many years and have demonstrated that they are capable of earning a reasonably satisfactory percentage of profit, for any given period of years.

Second: Many of the New England mills have accumulated a large cash surplus and are in condition to avail themselves of such advantages as the market may from time to time afford, either in the acquiring of raw material or the disposing of the manufactured product. Many have also charged considerable amounts, during long periods, for depreciation, betterments, and extensions, so that whereas the average Southern mill will produce in a year product about equal in value to its capital stock, New England mills will in many instances produce double their capital, and in some cases three times.

Third: The strong financial position they have attained enables them to withstand losses, or a series of seasons of trade depression, with little practical effect upon their credit.

Fourth: The New England mills are geographically a part of the great money centres; their proximity to these centres tends towards a closer personal acquaintance between the mill men and the bankers; and also enables the bankers more easily to investigate the status of the mills whose paper they are holding.

A few days ago I asked a gentleman, who is largely interested in cotton manufacturing, both North and South, for some information as to the amount of Northern capital invested in Southern mills and also why more Southern mill paper was not carried in New England, and I quote from his reply:

"In the old Southern cotton mill, which has not been rebuilt or enlarged, there is probably comparatively little stock held in New England. In the branch mills, like the Merrimac and Massachusetts, which have plants in the North and also plants in the South, the ownership is probably almost entirely in New England.

In the new concerns, or old ones that have been thoroughly revamped or greatly enlarged during the last ten years, the Northern ownership of stock is large, and in many instances, controlling. This comes from the fact that machinery makers have quite generally taken a part, and sometimes a large part, of their pay in stock, and I may add that as a rule this has not been unprofitable for either party, though there are those who think it has been overdone, by creating a stimulus for more mills in some lines than the market demands.

The new Southern mills, as a rule, are better equipped for the production of the special goods that they are organized to make than the average Northern mill. The Southern mills have also been more enterprising than the Northern in the adoption of new and improved machinery, so that they have another marked advantage in cost of production besides that caused by their cheap labor.

Another factor in many Southern mills is important, and that is the large ownership in the stock by the parties managing, while in far the larger share of the Northern concerns the ownership of the management in the property managed is but small.

The greatest criticism on these organizations is that many are insufficiently capitalized. The conservative Northern rule that the stock should represent at least the value of the plant, is frequently departed from, and this makes the borrowing of money more difficult, and the rate of interest, when it is borrowed, higher."

Of the modern Southern mills, the larger number were not only destitute of working capital upon the completion of their plants, but found themselves more or less in debt for money borrowed against their plant account; but even under these conditions, which in many lines of trade would be considered almost insuperable obstacles to success, they have been operated so profitably that they have not only discharged the liabilities against their plants, but have proceeded in many instances to immediately double the number of spindles in their original mills, thus reverting to their previous condition of debt against plant account. In pursuing this course, they have, for some time at least, eliminated the possibility of strengthening their quick assets; a course which, viewed from the standpoint of conservatism, can hardly be commended.

I understand fully the temptation to expand that there has been during the past five or six years, and I am not at all prepared to say that this policy, under the prevailing conditions, is not the wisest that could have been adopted, but from the investors' and bankers' standpoint, would it not have been better had these corporations devoted their energies and profits, after the completion of their original plants, to the building up and maintenance of strong cash reserves, thereby securing for themselves what would undoubtedly be a position of financial strength and independence in their dealings with the banking and commercial world?

If I am mistaken in this, and the past few years have been a time for building and expansion, has not the time come now for the mills to conserve what they already have and to strengthen their reserves? Ought you not to advise and insist on this, for your own safety as well as theirs? I am inclined to think that the same volume of business done on a larger working capital would result in a greater degree of independence of commission houses, better sales at lower commissions, lower rates of interest and better profits, for with a greater proportion of quick assets to liabilities the mills would be free to seek any money market and any sales agent, and Southern mill paper would be as much sought after and as readily taken as is New England mill paper.

New Outlets Needed for Northern Capital.

New England capital has played a large part in the development of the West. It has been loaned freely there—not always wisely—but on the whole profitably. I wonder if you realize how well worth cultivating this New England capital is. New England people are thrifty and saving, they have no great natural resources at home, like coal or iron, in the development of which they can use their money. They have been saving and accumulating for generations, until today the amount of money in their Savings banks is enormous, and their surplus funds available for outside investment constantly increasing.

Think of the railroads in this country that have been built with New England money; the farms on which there have been mortgages to New England investors; the copper and gold mines that have been developed; the street railways and public utilities in various cities that have been financed! Go to any large city, from Chicago to Seattle, and you will find many of the best and most substantial buildings either owned by New England investors or built with New England money. It has been for years the best bond market in the country.

But conditions in the West have changed, and Eastern capital is no longer needed or sought to the same extent as formerly. It must seek employment elsewhere. Interest rates are low and banks and investors must necessarily eliminate, so far as possible, every element of loss, but they must also secure the best rates possible with good security and are, therefore, seeking new fields where better rates are obtainable, if satisfactory security can be had.

New England bankers and investors may have peculiar ideas; they may, in a way, be narrow and prejudiced in some of their financial methods, but for all that they have the capital which the South needs for the development of its great resources and its increasing manufacturing interests, and it would flow into the South, as it has in times past into the West, if mutual confidence could be established and the borrower could bring himself to conform in the matter of credit or collateral to the ideas of the investor.

By almost universal custom the basis of credit is determined by the financial statement, together with the personal equations of integrity, ability and competency of the management. It has also grown to be the practice with many bankers, in analyzing statements, to eliminate, or practically eliminate, the plant account. Long experience has proven this rule to be a safe one to follow, although of course, exceptions should be made in many individual cases.

It is just this, however, which prevents the free buying of Southern mill paper by New England banks. The first question asked is, "Is there a debt on the plant?" In other words, do the liabilities exceed quick assets. And while the present abundance of money in the financial centres may cause bankers to strain a point and scrutinize less closely, you will find, when money tightens and there is a greater discrimination in the taking of paper, that the plant account will look less and less valuable, and the demand will be made that quick assets shall exceed liabilities, or other security be given. The prudent banker, by forcing his customers to strengthen their reserves in times of easy money, like the present, will to just that extent be protecting himself against the time of stringency, when his customers will be obliged to pay up their outside liabilities and fall back upon the local banker for accommodation.

Loans on Warehouse Receipts.

In the matter of collateral paper offered by mills whose financial statements are not such as will warrant their single name paper being marketed, various forms of warehouse receipts covering cotton have been offered in the North. Such receipts covering cotton stored in the warehouses of the mills have not been well received in New York and Boston, for the reason that the cotton never really passes from the owner's hands into an independent warehousing company.

If a warehouse receipt is to be received with favor, it must be issued by a company of sufficient capital and financial strength to insure its stability in all markets, whose management must be such as to render it absolutely certain that such receipts represent the actual cotton stored as described, and that it will be held by the warehousing company on its own premises, or upon leased premises separate and distinct from those belonging to the mill to whom the receipt is issued. Personally I am a great believer in this class of security and I am glad to know that in South Carolina a number of independent standard warehouses have been built, and that companies have been formed, or are in process of organization, to develop this class of business. I believe you will have no trouble in getting unlimited capital in the North, at low rates, to carry cotton warehouses in this manner.

On the one hand, New England bankers, who expect to do business in the South, should come here and see conditions as they exist; form the personal acquaintance of your bankers and manufacturers and establish those intimate relations which are really the basis of credit.

On the other hand, Southern manufacturers or corporations desirous of interesting Northern capital should earnestly consider the desirability of conserving and increasing quick assets: the extension and erection of new mills only when ample working capital can be provided. The necessity of submitting accurate and complete financial statements, embodying figures as to the volume of annual business, figures showing the increase or decrease of such annual business as compared with preceding years, and expression of opinion as to further prospects of the business under existing conditions, and the probable changes, if any, in future profits and earning capacity, and the reasons therefor.

I have talked to you about the cotton industry, because it is the particular development in the South in which we in New England are most interested and know most about, and I have tried briefly to show you what I believe to be the viewpoint of the average New England banker. I trust you will receive what I have said in the spirit in which it is offered, for I have meant to point out to you frankly some of the obstacles, as I see them, to closer and more intimate financial relations between the South and New England, believing that with a fuller understanding means will be found to overcome them.

You have here in South Carolina some of the best banks in the South. You have many of the strongest and most prosperous manufacturing concerns. There is already a good deal of New England money invested here, and you can interest vastly greater amounts, if you will so finance and conduct your enterprises as to appeal to the New England conception of safety and conservatism.

Better Acquaintance Among the Northern and Southern People.

Western people are coming more and more each year to spend their summer vacations at the beautiful resorts along our New England shore. This association during the summer months has brought a better understanding and led to many close friendships.

You of the South have not as yet formed this habit to any great extent, and until recently, even in a business way, you gentlemen have not been frequent visitors to our section of the country. Would it not be worth while for the bankers, both of the South and New England, to begin systematically to bring about such personal friendship and business intimacy between the two sections as has existed between the East and West for many years, to the advantage of both?

CHARACTER AS COLLATERAL.

[Address by Bright Williamson, President Bank of Darlington, S. C., delivered before the recent convention of the South Carolina Bankers' Association.]

Your committee has done me the honor of asking me to tell you what I know about character as a collateral, and although the subject is somewhat abstract, it is intensely practical in its applications, and the more thought I have given it the more importance it appears to assume in our every-day dealings.

I take the import of the bearing of the subject, as conceived and proposed by your committee, as connected with something good, something positive, something tangible, and with reference especially to good character, for only good character is collateral.

Good Character the Basis of Business Methods.

Indeed, good character is the very basis of all of our present methods of business, commerce, and intercourse, as well as the underlying principle, and the foundation of every species of collateral currently offered in the business world. Good character, the synonym of honesty, sincerity, "fair dealings with others and free from trickery and fraud," purifies every avenue and system of business it permeates; a guarantee of honesty and integrity; it establishes confidence between man and man, between corporations and individuals, between governments and the people—the "*sine qua non*" of all the methods of the business world to-day.

On the other hand, we must not lose sight of bad character in our investigations, for bad character is worse than no collateral at all—the very opposite of good character. Fraud, dishonesty, and deceit are the worst and most despicable elements of a business transaction—elements which, when discovered, are to be avoided, to be watched and well guarded against, for they poison the system of every artery they enter, and sow the seeds of distrust.

Collateral Security for Loans.

When we take collateral it is for the purpose of securing the performance of an obligation, and it is taken in addition to the principal promise to pay money, or to do certain things. The law compels in a slow, limited, and ineffectual way the performance of legal obligations, but he who has to resort to the courts and the "delays of the law" loses even though he win, so that the business man of experience turns away from transactions, however attractive they appear, giving any promise of litigation or contention, and looks for something better than summons, complaints and the "undue" process of law for the carrying out of obligations.

There are several sources of collateral security: viz., some species of property, personal endorsement and good character, and if you take away the personal character of the persons connected with the property offered, that very collateral itself fails to satisfy its integrity. I mean that if bonds, stocks, choses in action or other forms of property, such as are usually hypothecated, be offered as collateral, the careful banker will thoroughly examine the character of the specific elements which enter into the composition of such property, and will look well into the character of the men in charge of institutions issuing such stocks and bonds, and he will value them according to the character and reputation of the personnel of these concerns.

The Ability of Judging Character.

I was asked some time ago by a thoughtful gentleman what I considered the one most important quality of a bank President, and, after some hesitation, I answered that it was the ability to judge correctly the character of the persons with whom he would come in contact. "To be able to look thoroughly into matters, and not let the peculiar quality or intrinsic value of anything escape you." To be able to discriminate between character and reputation, this is the real difficulty and where genius comes in, for there is no other term applicable to that gift of distinguising between the character attributed to a person and the real character behind that reputation; and I regard this as the one greatest requisite in business transactions.

In dealing with character as a collateral, it is not honesty alone which we are to consider, but all the elements which go to make up a successful character. A character which is an asset, a collateral, a guarantee for the performance of an obligation, is a strong positive character of a person himself a man of good judgment and conservatism, with energy, industry, and frugality; a man who is himself able to judge others and who knows himself, and who by his ability is able to carry to a successful termination his undertakings, and one who will not undertake to do what it is not likely he can accomplish.

The Example of Langdon Cheves.

Two years ago we listened with interest and profit to one of our distinguished members who related so eloquently the influence of the character of that distinguished Carolinian, Langdon Cheves, who by his integrity, honesty, ability and character lifted from ruin and bankruptcy the great financial institution of the Government, and placed it upon a basis and plane which has left his impress upon the financial character of our institutions, and which will live as a monument to his memory forever. It is such a character as this which forms the best collateral that any bank has to-day as a guarantee for the performance of its obligations.

Character of a Bank Depends upon its Officers.

I wish to refer again to the fact that the standing of a bank, or any other corporation, is taken from the character, the habits, and the personnel of its officers, and the good character of an institution is not only a collateral in time of need and an element of profit to the concern, but especially is it expected of a bank to set a precedent in a community as the standard of morality in business transactions, and the institution which stoops for gain, or lowers this standard, not only loses the confidence of its community, so necessary to its success, but sets an example by which it will be dealt with in return.

A deposit of property, of course, guarantees the specific performance, but the good character of a people extends further than an individual transaction, and influences public sentiment for the punishment of all wrong and the enforcement of every right, a guarantee and a collateral especially taken into account by strangers of a community, for the character of a country, State, or community is but the sum of the individual character of its citizens. Good character has always, in the history of the world, commanded a premium; twenty centuries ago the people were commanded, "choose out amongst you seven men of honest report . . . whom we may appoint over this business."

Difficulty of Properly Judging Character.

There is not one in this intelligent audience before me who doubts for a moment the correctness of the estimate I have placed upon good character. The practical question is, Why, then, from such characters do we require the same collateral security as from others? The answer at once is, the great difficulty of accurately judging our fellow man. Character is the greatest complexity of all things human to judge accurately and to estimate correctly; like faces, there are no two alike. To estimate correctly the sum of the qualities which distinguish one person from another, is at once to be in possession of the greatest gift necessary to successful undertakings dependent upon other than one's own individual exertions. A great many men can conduct a limited business requiring only their own efforts, but the most essential element in large undertakings is the ability, alluded to a few years ago by Mr. Frick, when he said that his success was due to using men like tools, each in his most useful place; and it was this same quality that made Napoleon and others great.

Character and Reputation Contrasted.

It is remarkably strange how approximately character may be read by human nature, and how each individual in a community is summed up by the general public in the reputation he bears. Reputation is the consensus of a community as to the character of an individual, and this opinion may be correct or it may be fallacious; but the power to go further, go behind this reputation and judge of the true value of the character of a person, is difficult indeed; for too often, for one reason or another, a person hides and disguises his real character, and it is a quantity not always known to the individual himself. Such information as is necessary to form an opinion is best acquired by association and intercourse, and a thorough acquaintance with the habits, surroundings, and associations of one's customers.

Upon this subject much might be said, but I only wish to point out a few practical propositions which have again and again come to every one. It has been said that with every person there are two characters, viz., the real character and the character known to others. Oliver Wendell Holmes remarked that there is also another character, that character which the individual thinks others think him to have, and upon each of these distinctions an estimate has to be placed. I believe the third character referred to, the reputation that a man thinks he bears with his fellow man, plays an important part in valuing a multitude of transactions in every-day life. Such a character is influenced by public opinion and practices the philosophy of Confucius, that apart from principle, honesty is the best policy. In asking for information about others you are often told that a person could not afford to do such and such a thing even if he would, for in so doing he would injure himself; so that even the reputation which he thinks he enjoys is one of no small account, and in a limited way is a good and useful bank collateral.

Our disappointments come in mistaking the reputation—that value which others put upon a person—for real character and worth. Generally a person of good reputation has earned it by the way in which he has acted, and is entitled to all that is generally accorded to him in this world, but it sometimes falls short of expectations, especially when the tests are beyond the sphere in which he has usually acted, and beyond the pressure of public opinion.

Character and reputation, generally so closely confounded, assert themselves in different ways. There are so many conflicting elements, and each has its influence in the result arrived at: for instance, one man will do wrong to save his reputation, while another will sacrifice his reputation rather than violate, in the least degree, his honor. A man of good character may perchance, by misfortune, lose his good reputation and yet build up again, but a good reputation, backed by a bad character, when once broken, is likely to be broken forever.

Bankers Must Be Impartial.

Besides the difficulty of judging, and the danger of misjudging, there is still another reason why good character cannot always be recognized to its full extent, and rewarded by the banker as it should be. An individual in his private transactions may show favors or discriminate as he chooses by making excuses, and not even assigning reasons; but it is not so with the banker, whose success in business is measured by his balance and who has amongst his depositors every class of customers. A discrimination, by way of a favor, in exacting less than the usual amount or the usual class of collateral, is soon advertised by the customer himself, and the banker is placed in the uncomfortable situation of explaining to his next customer why he cannot do the same thing for him also. It is the one collateral that cannot be discussed with your customer, unless favorably. You may sit down and figure with him the value of any other collateral; but politeness, tact, courtesy, good business policy, and, I may add, a due regard for your physical welfare, prevent you from stating the slight value you place upon his character as a guarantee for the performance of his promises.

The Borrower Who is too Hopeful.

I have already referred to the high place good character occupies in the business world. There are so many elements of good character that I want to make a distinction here between persons who are always honest in their convictions, but weak and easily influenced by circumstances, and by others; and another form of an honest character whose moral convictions are always right and good, but are over-sanguine and too full of hope, coupled with poor judgment, and must be always carefully and continuously watched and advised, for just such characters sometimes bring misfortune not only upon the possessors themselves, but upon their friends also; and it is to the interest of the banker, as well as his duty, to save, if possible, every one from calamity, loss or misfortune.

It has, no doubt, been the experience of every banker present that there is too often among even good men quite a difference in their regard for their obligations, and for the obligations which they have contracted or assumed for others by way of endorsement or otherwise. It has been my experience that some men would not if they could avoid obligations contracted by them as principal, but that those same men will contest every inch of ground on other liabilities equally moral and binding, and, for that reason, we all know men of good financial and personal standing who make very poor endorsers. On the other hand, it has probably been the experience of many members of this association to have their collateral shrink and dwindle away until it would seem that it would have no value at all, and at last have had to look alone to the character of the man behind the loan. What a joy and gratification it has been to him in such a case to find a man, a true man, an honest man, "the noblest work of God"; one who would take no advantage of technicalities, exemptions, limitations, and the law, but would stand alone upon the morality of the obligation, and ask but for time and the opportunity, and who by the sweat of his brow repaid in full a loan which he might have avoided.

Many years ago in our "City by the Sea" a distinguished attorney of a large corporation requested another attorney, whose name is well known to you all as among the first in South Carolina, to go to a lady friend of his and explain to her that the title to a certain piece of property, which had been sold and deeded by her to the corporation, had become defective, and by some technicality or contingency had again become hers; that it was very valuable, and to ask her what additional compensation she would require to perfect the title. He did so. The lady arose, and addressed the attorney by name. "Jimmy," she said, "you know I was opposed to selling that piece of property on account of my attachments and associations; besides, it was against my judgment, and I knew the price paid was nothing like its worth; but you can tell the attorney of that phosphate company that if I felt the property was rightfully mine they haven't money enough to buy it; but I did sell, and received the money; and if the titles I gave him long ago are defective, let him prepare others now; I will sign them, and they cannot pay me one cent for what I have already sold them and have been paid for."

This is the kind of character I refer to as indispensable, a collateral of that kind cannot be bought nor is it sold; one that always commands a premium, to be credited, encouraged and commended to the business world. It is character of this kind, this mould, of this clarion ring, of which the very salt of the earth is made, the character of a man whose word is his bond.

"The purest treasure mortal times afford
Is spotless reputation. That away,
Men are but gilded loam or painted clay."

A CREDIT LEDGER.

Referring the reader back to page 69 in the July number of this MAGAZINE and the corporation borrowers' statement illustrated therein, I will now take up the question of statement analysis, using the statement mentioned as a basis.

Fig. 1 covers directions for recording, and embraces a few reflections on the principles underlying the proper method of inquiring into the ability of a going concern to meet demands. Fig. 2 presents the statement analyzed.

The reader will readily perceive the ability of this form to note shrinkages or abnormal growth in any schedule; also to uncover indications of absenteeism among the liabilities or far-fetched inclusions among the assets. The completeness of its scope in providing a space for every pertinent fact would, in the recording of a borrower's statement, disclose all omissions.

Concealment is always a bad sign, and in the average case demands an immediate investigation into the reason why. Borrowers unwilling to substantiate, with mathematical facts, the safety of the (going of their concern) proposition into which the investment of depositors' dollars is bidden, should be taken well in hand; likewise those whose shiftless methods of accounting preclude their knowing the actual status of their business and their answering satisfactorily the questions asked in statements additional to those covering a mere list of assets and debts. To properly safeguard unsecured loans, banks must insist upon being given the opportunity of examining the collateral behind them—the condition of the business of the borrower. Surely loan-prognosis approaches hazardous guessing from any other standpoint than that of thorough analysis of a reasonably complete statement.

Of course, in analyzing statements, since each one presents individual merits and defects; the problem of a horse trade—a bit lame here—a little bloated there; each one demands individual treatment, and especially so in the cutting down department. (See in Fig. 2 column for "bank's estimate as a loan basis.") No set rules can govern. The credit man's opinion of the applicant's order of ability helpfully assists decision as to whether the operation shall be cutting or trimming. Integrity, the prime loan requisite, must be a positive quantity always. If negative, consideration of a loan is barred.

Noting the prevalent claim of many bankers, that statements do not amount to much—that they frequently have been misled by them, etc., one may pause to inquire as to whether the ease of shiftlessness, the lack of a systematic method of procuring and analyzing statements has not permitted the deception. Instead of sharpening up your harpoon, sticking it in deep, then thoroughly dissecting, carefully separating the blubber and fat from the lean in the statement, do you assume that since your customer is honest, that statements of condition as he sees them are equally as strong for a loan basis?

Is it safe to assume that while some customers may get figures a trifle high, a few thousand cut off net worth will supply a safe margin for shrinkage? Are you content to file away unanalyzed in the credit section of your brain—already encroached upon by the flood of facts, figures, arrangements, deals and everything else governing the operation of your bank, from the economy of purchasing red ink by the gallon to the net operation earnings for the quarter, or current prices of Japanese 6's—the additional fact that, per his last report, James Manstill is worth net $7,414.47? When you try to pick it out of your memory months afterward are you apt to be in doubt, as to his worth, or the nature of his assets, or perchance as to whether you have received a statement at all from Manstill within a couple of years back?

Is your "credit reference system" such that you can be unaware of the fact may be that he claims a stock on hand of $50,000, and either belies the

Directions for Using the Tickner Credit Ledger.

Directions for filling in the Liabilities and Gross Assets Schedules.

Into first column of the Liabilities and Gross Assets schedules copy in full as offered the borrowers statement (omit cents in all schedules), but do not list in either of the schedules Total Mortgages or Total Value Mortgaged Real Estate. If you do, you will make Total Mortgages a direct liability and Total Value Mortgaged Real Estate a direct asset of the business, which they are not.

Instead list the equity borrower claims in the Mortgaged Real Estate in the first column of the Gross Assets schedule and the value of the equity as a loan basis in the second column. All facts being obtained from Real Estate schedule next page.

To analyze Liabilities

In second column of Liabilities schedule, the credit department in addition to listing all liabilities admitted by the borrower would add any borrower had not included, but that it had become aware of, interlining for reference same space just above amount added descriptive name of this undisclosed debt.

To analyze Gross Assets

In second column of Gross Assets schedule, Credit Department must place its estimate upon these items from a loan basis standpoint. Usually allowing no value for fixtures, not to exceed half value on machinery and but little in excess of mortgage on Mortgaged Real Estate.

Proper basis for a bank loan

statement should from its quick assets: Cash, Merchandise, Receivables and Clear Real Estate at Credit Department loan basis values pay the debts and leave sufficient net worth to guarrantee the continuance of a concern seeking business accomodation. When a statement after analysis does not meet these requirements it is not a safe basis for a loan.

Character, ability, or part collateral might supply that which the statement lacks. If they do not the loan should be denied.

To analyze Net Worth

Fill out the Net Worth schedule as follows: At bottom opposite words Net Worth in first column insert total amount of Net Worth claimed in borrowers statement, and in second column amount of net worth allowed by Credit Department.

Then and in this order commencing at the bottom again, list the Gross Assets, in first column re-copying the figures in customer's statement directly above, and in second column re-copying the figures of the Credit Department directly above, (re-copying the Gross Assets in the order of least value.)

But in re-copying proceed only up to and into (include only) so much in amount of the last asset needed to be taken as will when added to the assets you have just listed below it total the amount of Net Worth.

The debt paying Assets

The untaken part of the asset which contributed the balance needed to make up Net Worth added to the remaining Gross Assets listed just above it in schedule of Gross Assets will total amount needed to pay the debts.

Liquidation the process of paying up

These last mentioned assets under any conditions would be the assets first applied to the payment of the debts.

By so much as they fail to pay the debts, (shrink from the estimated cash values), Net Worth decreases, sacrificing in order from the top downward its items each in turn until all shrinkage is made up or until exhaustion of these items (bankruptcy) ends the process of liquidation.

The comprehensive scope of this book.

For a period of five years at a glance, each being on its own line the Liabilities, Gross Assets and Net Worth in totals, groupings or individually can be compared from either standpoint of borrower's statements or loan basis of the Credit Department.

Tendency of borrower's loan and deposit accounts

And in conjunction with an absolute barometer of credit, the tendency of a borrower's deposit and loan accounts as is fully betrayed in the analysis showing average balances kept, exchange paid and amount and quality of loans carried.

Corroborative schedules

The minor schedules furnish all the incidental and corroborative information that can be had or desired.

Pertinent Facts

Commercial banks will always make statement based loans and this book will be of immense and increasing value to them as an immediate and permanent loan basis reference.

It will hold and retain more information and in a more explanatory and comprehensive form than heads or memories. And it will be on duty always, responsive to the needs of progressive banks and bankers.

A Suggestion

That the schedules and comparisons be presented in a manner instantly comprehended it is especially recommended, that red ink be used for the figures embraced in Deposit Balances, Direct Loans, Credit Department Analysis and Contingent Liabilities, the amount of the latter to be placed yearly under Credit Department Net Worth. That green ink be used for amounts embraced in Exchange and Interest, and that black ink be used for all other figures or written matter. (See illustrated forms and the ease of comparing the information.)

The forms of borrower's statements designed to accompany and facilitate the use of this Credit Ledger are based upon the Standard Forms of the American Bankers Association, being complete in scope covering fully all facts pertinent to a corporation, firm or individual borrower

FIG. 1.

fact of so much stock by a known insurance of $20,000, or reveals the risk assumed, should he burn out. We have heard of the above being bettered, in an actual case the borrower claiming to be carrying "good" book accounts exceeding his admitted annual sales.

Perhaps he claims to hold in office good customer's notes amounting to $9,000, and yet is beseeching you for a loan on his single name for $2,500; your request for the offer of the business paper instead betraying the fact of

The Stillbaker Mfg. Co.

		April 1, 1905 Borrower's Statement	April 1, 1905 Bank's Estimate (Credit Dept.) as a Loan Basis	190 Borrower's Statement	190 Bank's Estimate (Credit Dept.) as a Loan Basis	190 Borrower's Statement	190 Bank's Estimate (Credit Dept.) as a Loan Basis	190 Borrower's Statement	190 Bank's Estimate (Credit Dept.) as a Loan Basis	190 Borrower's Statement	190 Bank's Estimate (Credit Dept.) as a Loan Basis
Direct Liabilities Schedule	Notes to this Bank	0									
	Notes (borrowed money) due others	10	10								
	Notes for Merchandise	24 259	24 259								
	Owe on Accounts Merchandise	9 814	9 814								
	Net Worth | Excess of Assets over Liabilities	104 832	46 279								
		148 905	90 331								
Gross Assets Schedule	Cash	1 899	1 899								
	Raw Material	100	100								
	Merchandise finished	28 597	25 000								
	Merchandise unfinish'd	4	3 000								
	Customer's Notes on hand	1 333	1 333								
	Customer's Accounts	58 814	55 000								
	Clear Real Estate	4 500	Assessed 3 500								
	Equity in Mortgaged Real Estate	38 700	0								
	Machinery	8 800	0								
	Fixtures	2 142	0								
	Miscellaneous	0	0								
		148 905	90 331								
Composition of Net Worth Schedule	Raw Material										
	Merchandise finished										
	Merchandise unfinish'd										
	Customer's Notes										
	Customer's Accounts	50 690	41 479								
	Clear Real Estate	4 500	3 800								
	Equity in | Mortgaged Real Estate	38 700	0								
	Machinery	8 800									
	Fixtures	2 142	0								
	Miscellaneous	0	0								
Contingent Liabilities	Net Worth	104 832	46 270								
	Customer's Notes Discounted in this Bank		0								
	Balance of Contingent Liabilities [illegible]		73 242								

Date			Rating Dun	Rating Bradstreet	Credit Dun	Credit Bradstreet	Date	Total Insurance Real Estate	Total Insurance Mdse.	Insurance Assigned to Bank Real Estate	Insurance Assigned to Bank Mdse.	Inventory based on	Gross Sales	Capital Authorized	Capital Subscribed	Capital Paid in	Capital Held in Treasury	Gross Earnings	Dividends	Losses	Expenses	Charged off plant etc.
1905	April	10		100,000		1st	4-1-05	10,000	22,000			Cost	1904 175,000	75,000	60,000	60,000	15,000	est. 25,000	not	given		
1906	Jan	15	80,000		medium																	
1907	Feb.		85,000		–																	
1908	Sept.	2	55,000	75,000	slow	2d																

Date		Remarks in General on Above Statement

Fig. 2.

its non-existence, worthlessness, or pledge elsewhere. He may claim to have, on a lessened annual sale, more than the previous year's amount on his books in "accounts due from customers," and in the little heart-to-heart talk—the final arbiter on all loan questions—that you have with him, he owns up to a bookkeeping error, and you learn that the increase represents partners' accounts, salaries, etc., not yet charged off.

Possibly good-will appears the third or fourth year to assist a declining strength, perhaps his life insurance account intrudes among the business assets, the statement-maker failing to mention the fact, however, that the latter has no connection with his estate at all, its payment going absolutely to his kin. His fixtures may have a perpetual full market value and stubbornly resist toning down. Do they so steadily hold to their original value as to give the blush of shame to Government bonds, fluctuating by big eighths and quarters? He states, may be, that the capital stock of his concern was paid in in cash, say $25,000, and although you are not unaware that with this cash was purchased everything connected with the business, the realty, fixtures, machinery, accounts, etc., yet note that the first three alone, as set forth in the second annual statement, with little improvement to date, are holding up strong at $34,000. We linger a bit to mention a humorous incident related, wherein, in an actual case, the similarity in the amount of customers' notes already discounted (and funds spent) and the amount given in statement as customers' notes on hand (knowing that all business paper appeared to be discounted as received) suggested a doubling on this asset. Borrower was unaware of the fact, although "eating his cake and keeping it, too."

As to net worth, the fund that guarantees continuance in business, or in other words ability to meet demands, you ofttimes find that although seductively stated as so many dollars in statement submitted, that when you cut down the statement and begin to set off the floating debts against the quick assets, that the-then-left-overs are a great remove from any appreciative value. You finish the post-mortem of the statement, doubting that this net worth, as invested in equities, in vacant land, in machinery, equipment, a declining amount of accounts, good-will, etc., is a persuasive enough guarantor of the ability of the borrower to pay up without some creditor being obligated to take a piece of it for his, and then you give your bank the benefit of your doubts.

GEORGE L. TICKNER.

SYRACUSE, N. Y.

(To be continued.)

MUTILATED GERMAN BANK NOTES.—A recent occurrence has caused the administration of the German national debt to announce the regulations regarding indemnification for bank notes mutilated or unsuitable for circulation. The public is generally of the opinion that bank notes for five, twenty, and fifty marks torn, partially burned, or otherwise mutilated will be cashed by the exchequer, upon presentation, if the number of the note is still on the portion presented. This is erroneous. According to existing regulations, the administration only redeems mutilated notes if the piece presented forms a part of a genuine bank note and the fragment is larger than one-half of the entire note, so that not the owner of the part of it containing the number but the person presenting the larger portion of the note will be entitled to payment. The national banks have been instructed to accept in payment mutilated notes, including soiled notes or notes pasted together, only when they are fit for circulation beyond doubt. If the notes are rejected the owners must apply for reimbursement to the administration of the national debt direct. Mutilated bank notes for 100 and 1,000 marks are cashed only when the owner presents a fragment larger than one-half of the note or can furnish proof that the missing portion of the note has been destroyed. For lost or destroyed bank notes no claim for indemnification can be made.—*Hugh Pitcairn, Consul-General, Hamburg, Germany.*

GRAFTERS IN BANKS.—An exceptional form of "graft" was described by James B. Dill, the New York corporation lawyer, in a recent address, in which he said:

> "Another graft is that of the bank official, who is influenced in the use of his institution's funds by any reason other than the good of the institution. Such a man is dangerous to the community. His position is so high and his form of graft is so insidious that its existence ofttimes is not suspected until the explosion resulting from his grafting has injured the community and made the man and his practices notorious; but too late.
>
> The director of a corporation who directs the affairs of a company from the viewpoint of his own pocket rather than from the standpoint of the stockholders' interest, although he may not be indicted by a grand jury, is none the less a social highwayman."

Alfred H. Curtis,
President New York State Bankers' Association.

NEW YORK STATE BANKERS' ASSOCIATION.

PROCEEDINGS OF THE TWELFTH ANNUAL CONVENTION, HOTEL FRONTENAC, JULY 13 AND 14, 1905.

The twelfth annual convention of the New York State Bankers' Association was held at the Hotel Frontenac, Thousand Islands, New York, July 13 and 14, Charles H. Sabin, Vice-President of the National Commercial Bank, Albany, presiding. The convention was opened with prayer by Rev. Lawrence N. Sirrell, pastor of the First Baptist Church, Clayton, N. Y.

Alfred H. Curtis, of New York: May I interrupt the proceedings? The council of administration, recognizing the ability, vigor and fairness with which you, sir, have presided over the affairs of the association during the past year, have requested me to present to you this slight token of their affection and esteem.

(Mr. Curtis then handed to President Sabin a beautiful gavel, mounted with solid silver and suitably inscribed.)

President Sabin: Mr. Curtis, I accept this beautiful gavel, and, through you, desire to return my sincere thanks to the council for it.

Annual Address of President Charles H. Sabin.

To the Members of the New York State Bankers' Association: Gentlemen—It is with very great pleasure that I greet you at the opening of the twelfth annual convention of the New York State Bankers' Association. We assemble under most agreeable circumstances and in the midst of business conditions which are distinctly reassuring to the men of our guild.

In the year since our last meeting we have passed through the excitement of a presidential campaign and the strain of a presidential election without a ripple of disturbance in the business world. The volume of business has steadily augmented and we look out upon the coming year with every reasonable expectation that it will bring a still more decisive advance. The rates for the use of money have been low, notwithstanding the fact that industrial enterprise and commercial activity have made unprecedented demands upon the money markets. Regardless of the low rates of interest, the banks have prospered. The reduction of dividends has been so rare as to be a negligible quantity in the last year's banking. In general, the New York State banks show gratifying enlargements in surplus and undivided profits.

Very likely this is accounted for by conservative management and more systematic methods of administration. I entertain no doubt that the very general discontinuance of the practice of paying interest on commercial accounts has given added security to the banking situation and greater confidence to the banking outlook. It was a practice which many of us fell into for the sake of increasing the volume of business, but it was a menace to successful banking. Anything which is a menace to successful banking is quite as opposed to the interests of the borrower as of the banker. Banks must do more than live; they must prosper if they are to serve the interests of their constituents, both depositors and borrowers, and if they are to give encouragement and support to business activities all around them. The practice of paying interest on deposits which are subject to call ought, I am sure, to be wholly discontinued, before the inevitable result of gorging the banking stomach at the expense of good digestion and healthful living is reached. The banking business, like all business, is to be judged by results. Experience is the best guide. It points us with entire accuracy to the sound and the unsound principles in banking. There is such a thing as paying too much for a volume of business.

As has been said by a Texas banker, "Mushroom deposits breed mushroom loans, and then the least agitation of the commercial ship will cause them both to turn green with sea-sickness." Like a house of cards, the least adverse wind will shake the whole structure down. A declaration upon this subject by this association might be of substantial advantage in pointing all interests to a true principle in banking.

Recent years have witnessed a marked multiplication of trust companies. In view of this growth, the relations which these companies should sustain to the banks, to the banking business of the State, and to the State Banking Department, have been much considered. It now seems to be the accepted conclusion that they are to be regarded as upon the same footing as all other banking institutions, so far as fraternal relations and State supervision may be concerned.

At first the new trust companies were competitors of the older banks to an extent which gave some alarm. But the ground for this has substantially passed away and inevitable adjustment of relations has been effected.

Two years ago, when the O'Neill bill, compelling trust companies to report to the State Superintendent of Banks five times each year when called upon—the same as State banks—was presented in the Legislature at the instance of this association, it was decisively and successfully opposed by the companies concerned. In the past year the attitude of the legislative committee has been more aggressive and that of the trust companies less opposed. It had become apparent that the companies could continue only under proper supervision. The main asset of a trust company, like that of a bank, is public confidence, and confidence in any institution flourishes best in the sunlight of publicity. Accordingly, and much to our gratification, the O'Neill bill was passed very promptly in the Assembly with hardly a dissenting vote. It was delayed for a brief time in the Senate Committee on Banks, but was finally passed, with slight amendments, and, with the approval of the Governor, became Chapter 297 of the Laws of 1905. It ought to be said that, contrary to the general attitude two years ago, a large number of trust companies advocated the passage of this law.

In view of this change in situation, and as it is evident enough that the trust companies are to continue in very considerable numbers, and as they are doing a banking business, I suggest for your consideration that they be invited to become members of this association. Membership with us in these agreeable gatherings would surely result in better understandings, which would be for our mutual protection and our common advantage. As we are all to transact business of a similar, if not of an identical, character, and as we must necessarily sustain business relations and sometimes enter into honest business rivalries, it would seem as though we ought all to be governed by similar rules of action and submit to the same restrictions.

Public confidence in financial institutions has recently been rudely shaken by the exposure of the internal affairs of the Equitable Life Assurance Society. This has been essentially true in the smaller cities and towns where we are

CHAS. H. SABIN,

Former President New York State Bankers' Association.

not familiar with such enormous trusts and certainly not accustomed to such enormous salaries. Happily, the decisive action of the authorities promises to save that great corporation from the inevitable ruin which an uninterrupted continuance of reckless and extravagant administration must have brought upon it. The incident ought also to prove of advantage to all of the financial institutions of the State, for it must remind all that sound and economical administration is the life-blood of business security. It ought to lead to some fresh examinations, to some needed renovations, and to some desirable house-cleaning in other institutions. If so, it will be fortunate that it occurred. It seems as though such an incident must occur now and then to call the attention of all to the imperative importance of frequent investigation and exact accounting by the officers and boards who are charged with the administration of large financial trusts.

Much has been done by the committees of the association in the last year. It will all be reported to you, and I have not much occasion to comment upon it.

The legislative committee has been particularly active, with the result that several propositions in which the association was interested have become laws.

For the past two years the association has advocated the repeal of the bankruptcy law which is now in operation. Congress has not acted, but the sentiment in favor of repeal seems to be strengthening and there is reason enough why our efforts in this connection should be continued with reasonable expectation of satisfactory results.

A new committee of our number was constituted in the past year to consider desirable changes in the laws governing National banks, and to co-operate with a similar committee representing the American Bankers' Association in effecting legislation which might be thought well. There is, it is clear, enough for this committee to do, and I suggest that it be continued with ample authority to act for us in its important field.

Our membership shows an increase each year, but, compared with some other States, the ratio of members to the number of banks is not as satisfactory as we could wish. An annual meeting of representatives of all of the banks of the State is very desirable. It is quite as desirable for the smaller banks as for the larger ones. The reluctance of some to accept our cordial invitation to membership is quite beyond explanation. It can be overcome only by making the purposes of the association widely known and by making our meetings so attractive and useful that no good bank man can afford to hold aloof from them.

Bankers' associations are the means by which a diverse system of banking is systematized and improved, and the links by which a great number of institutions are bound together in sympathetic and helpful accord. Through them the credit system is strengthened, abuses eliminated, crimes detected, conservatism encouraged, and competition used to develop strength, instead of permitted to breed trouble and weakness.

This suggests how changed our business has become, how diversified it is. One who can not wear a swallow-tailed coat with comfort can hardly be looked upon as a thoroughly initiated banker, but it is quite as certain that one who can not put on a blouse and shovel coal under the boilers is not yet an expert in modern banking, either.

We must not only be conservative; we must encourage business enterprise. We must judge men, and sustain the deserving. The business will not all come to the office, we must go out and look for it. Sometimes we must create and initiate it. We must at all times stand for public improvements and community progress. We must often see that opportunities for successful investments are provided. All this while we have a care that the foundations are secure and that our knowledge, our experience and our prudence command the public confidence.

Before closing I must express my very sincere appreciation of the loyalty and energy, during the year, of the members of the council of administration, and of others outside of the council, who have served on committees. And I must specially thank the secretary and the treasurer, who have performed the larger part of the duties of this administration.

We are met in a delightful place, in a region which is notable for natural and fascinating beauty and for interesting history and reminiscences. Plans are matured for our entertainment and enjoyment. It is my very sincere desire that this meeting of the association may be long remembered, not only for the pleasure we derive from it, but also for the satisfactory business results which our discussions and our action may produce.

The next business in order will be the annual report of the secretary.

SECRETARY EEDRIDGE: Mr. President, Ladies and Gentlemen—The report of your secretary is as follows:

SECRETARY'S ANNUAL REPORT.

To make an interesting secretary's report, which does not read like most of the preceding reports of the secretary, is not an easy thing to do. You all know pretty well what is expected of your secretary, and he might sum it up by saying that this he has tried to do. There seems, however, to be an increase in the number of things which he can find to do for the welfare of the association year by year.

Following the last annual meeting, copies of the stenographer's minutes were mailed for correction to every person who took any part whatsoever in the convention, before being compiled for the printer. Unusual pains were taken to see that the book of proceedings should be accurate in its matter in every respect, and with the change of its external appearance, I believe, I may say that it is the most presentable copy we have yet issued.

The secretary has been persistent in his attempts to increase the membership. In this he has been officially aided by the effort of the other officers and the group chairmen, with the result that we have to report 479 members. We have lost forty-four members, but we have gained fifty members and are therefore able to report a net gain of six.

Failed	7
Out of business	4
Merged	8
Refused to renew	6
No response	19
New members gained	50
Old members lost	44
Net gain	6

The nineteen that have not responded are not irretrievably lost. We hope yet to enroll a good portion of them.

The net result, as above stated, while not as good as we might wish it to be (because there are still some two hundred eligible banks in the State outside of the association), is the best yet, and it is expected that the good work will continue.

The secretary has attended group meeting in Groups I, II, III, IV, V and VI during the year, besides attending the meetings of the council and various committee meetings and meetings of the officers, at New York and Albany. The group meetings have been enthusiastic and profitable.

The secretary was excused by the chairman of the group from attending the annual meeting of Group VII, which he had promised to attend, because he was asked to be present at the organization of a State bankers' association for our sister State of Massachusetts, in Boston. It is perhaps worthy of note, in passing, that the response to an invitation to organize an association brought representatives from 240 banks in the State of Massachusetts and that they organized, practically along the lines of our own association, with a membership of something like 150, since increased to 190.

The secretary has mailed during the year about 8,000 pieces, besides sending the printed proceedings to every bank in the State, and sending hundreds of copies of legislative bills and other literature, as suggested at various times by his superior officers.

Reference has already been made in the president's address to legislative accomplishments, and it is believed that the State association has hardly done greater credit to itself in any way, than to secure the adoption of the law requiring our friends, the trust companies, to publish reports as do their competitors.

There has been in all this matter no disposition to antagonize the trust companies. It was found that a great many of the good trust companies were anxious to have the enactment of this law, and now that it has come

E. O. ELDREDGE,

Secretary New York State Bankers' Association.

about, it is hoped that a large number of the trust companies of the State may be inclined to come in with us and be of us, as they may under the provisions of a resolution which was adopted two years ago, which provides that trust companies keeping a reserve the same as State banks, are eligible to membership in the association. Within the past two weeks the association has received the application of one trust company under this provision, which has been enrolled as a member. This first trust company is the Flatbush Trust Company of Brooklyn.

The association shows the following number of members by groups:

Group I	49
Group II	35
Group III	35
Group IV	68
Group V	83
Group VI	49
Group VII	42
Group VIII	118
Total	479

Some solicitude on the part of the officers of the association was felt as to the effect upon the membership of the change in date for the payment of annual dues from October 1 to May 1. The fact is that but six banks have refused to pay the annual dues on this account, and the officers feel that this result has shown the wisdom of the course which was adopted in assessing the annual dues before the time for the annual convention, in order that we might have funds in hand wherewith to pay expenses, rather than spend our money so long in anticipation and have our treasury empty for the remainder of the year, as has been the case heretofore. The prompt and willing response of the members generally to this change has been most gratifying.

Hearty co-operation in the work of the association on the part of all the officers, the members of the council of administration and the committees, has made the performance of the secretary's duties an enjoyable service. The association was never in more prosperous condition, nor its influence in the direction of "safe and sane banking" more apparent. Its possibilities for the future are to be measured only by our energy joined with wisdom.

PRESIDENT SABIN: Gentlemen, what is your pleasure regarding this report?

E. D. FISHER: I move that the report be received and placed on file.

E. H. CADY: I second the motion.

PRESIDENT SABIN: All in favor of the motion will please signify it by saying aye; those of a contrary opinion, no. Carried.

DAVID CROMWELL,
Treasurer New York State Bankers' Association.

Next in order is the report of the treasurer.

TREASURER CROMWELL: Mr. President, I beg leave to present the following report as treasurer of the association:

TREASURER'S ANNUAL REPORT.

New York State Bankers' Association in account with David Cromwell, Treas.

Receipts—July 14, 1904, to July 10 1905:		
Balance on hand last annual report	$ 937.67	
Proceeds from $1,000 and $500 notes	1,481.48	
Collection of October, 1904, dues	5,425.00	
Collection of May, 1905, dues	5,440.00	
Total receipts		$13,284.15
Payments—July 14, 1904, to July 13, 1905:		
Council meeting expenses	$ 474.12	
Stationery and supplies	204.98	
Lake Champlain convention expenses	1,851.54	
Printing and miscellaneous items	667.50	
Secretary	698.99	
Notes charged	3,500.00	
Expenses of committee and group meetings	571.64	
Total payments		$7,968.77
Balance on hand		5,315.38
Total membership reported at last convention		473
Total membership reported at this convention		480

Respectfully submitted,
DAVID CROMWELL, Treasurer.

THE PRESIDENT: It is customary at this time to appoint an auditing committee to audit the treasurer's accounts. Is it the pleasure of the convention that such committee should be appointed now?

WILLIAM P. ADAMS: I move that the chair appoint a committee of three for that purpose.

CHARLES E. GRIFFITH: I second the motion.

PRESIDENT SABIN: All in favor of the motion will signify it by saying aye; those of a contrary opinion, no. Carried.

I will appoint as such auditing committee Mr. F. C. Haviland, of Hudson; Mr. Louis J. Clark, of Pulaski, and Mr. Haldane, of Coney Island.

Reports of group chairmen are next in order. I will call for a report from the chairman of Group I.

REPORTS OF GROUP CHAIRMEN.

E. C. McDOUGAL: Mr. President and Gentlemen—In the absence of the chairman of our group, I will report, as secretary of the group association, that Group I has held an annual meeting on the 3d of December, 1904, at which meeting there were thirty-one members present. We also had the pleasure of the attendance at the meeting of Mr. E. O. Eldredge, the secretary of the State association. I may also state that the chairman and secretary of the group sent out letters to all members of the group asking their opinion whether it was advisable to have two or only one meeting during the year. A tabulation of the replies to those communications shows a majority of 5 to 1 in favor of having one meeting a year and endeavoring to concentrate all the goodness in that one meeting. We have some ambitious plans for the meeting that we are to hold in the fall, among them the possibility of publishing for the use of the members a large volume in which we shall endeavor to codify the banking laws of 1905. The group is in a flourishing condition and is, we believe, doing good work.

PRESIDENT SABIN: Group No. II.

M. S. SANDFORD: Group No. II held a meeting in the month of May last, which was the first meeting held by the group in three years. At that time President Sabin and Secretary Eldredge, of the State association, were present, and they gave us a good talk and created a great deal of enthusiasm in the work of the association. Thereupon we all went to work heartily, and now I am glad to report that we have added nine new members to the group, and there are very good prospects of increasing the number in the near future. I personally sent out letters to twenty-nine non-members of the group enclosing blank forms of application and urging them to join the group, representing the benefit to be derived from membership in it, and also, setting forth the good times we have in the association and the pleasant and lasting friendships that are formed by coming in contact with the members of the association. Out of the twenty-nine letters that I sent out, there was one unfavorable response, one sent in an application and the fees to me, eight sent their fees direct to the secretary or treasurer, and seventeen did not reply at all, nor did they return the stamps which I enclosed asking for a reply. However, I shall not let them rest, but will keep at them personally and write them often.

I desire to say that Mr. Eldredge has done much valuable work in the past year, and, to my knowledge, has devoted a great deal of his time to visiting groups, and he deserves great credit for the work he has done for this association.

Our group has benefited greatly from the labors of Mr. Eldredge and Mr. Sabin, and I wish to thank them for the interest they have taken in the work.

Unfortunately, perhaps, I was chosen chairman of the group, but I shall do the best I can to further the interests of the association.

PRESIDENT SABIN: Group No. III.

F. E. LYFORD: I am sorry that I have to apologize for the fact that neither the chairman nor secretary of our group is present. Mr. Eldredge has winked at me, and so I suppose I shall have to tell you what I can, as near as I can remember it, what we have done in the group during the past year.

At that time Mr. Charles Adsit was elected chairman of the group, and we all feel that we did a very wise thing in electing him and getting him to accept the chairmanship. The meeting was not a large one, but we had with us Assemblyman Rodgers, the leader on the Republican side of the House at Albany, and he gave us a very interesting talk, appealing to us as a member of the Legislature to assist in every way we possibly could to bring before the public laws that should work for our benefit, as well as for the benefit of the State at large, and he urged especially that, if we had any suggestions to make in reference to the subject of taxation, which was then being considered, we should do so. Accepting his invitation, I made a suggestion, and, like the man who went to a doctor and asked his advice, and the doctor said: "You mustn't drink any more," and the man took his hat and started to go, and the doctor remarked: "I charge you $2 for my advice," and the man replied: "I don't propose to take it," so I presume my suggestion is somewhat in the same way, for I have not heard anything from it. Still, I am not discouraged. We have done a good deal of work on taxation heretofore and have accomplished something for the banks. I would like to call the attention of the association to that matter. It seems to me that the bankers of the State can do something in that line. It seems too bad that for all these years that we have been doing business no tax law has been framed that didn't have to be fixed up and amended and something new brought out from year to year to produce the revenue necessary to carry out the purposes of the State, and I am going to suggest that a committee be appointed in addition to our present legislative committee to take up the question of taxation alone. It is as important to us as anything I can think of, and I believe that if we cannot find legislators who can succeed in attaining good results we ought to find bankers who can do so.

In closing, permit me to say that, so far as Group III is concerned, we are very loyal to the association. Our numbers are not very many to-day, but we are great in enthusiasm, and what we lack in members we make up in that respect.

President Sabin: Group No. IV.

E. S. Tefft: Group IV held its last meeting at Utica in December, about forty members being present. We were very nicely entertained by the Fort Schuyler Club. There has been an increase in membership of five during the past year. The interest in the group is well sustained, and business throughout the various localities in the group is in a flourishing condition. Our next meeting will be held in October.

President Sabin: Group No. V.

Frank E. Howe: I would report on behalf of Group V that, as usual, our group shows an ever increasing interest in the association. I think that report can be reiterated: The members are taking very great interest in the association's work. I believe our group is the largest geographically, and the second largest in membership of any group in the State.

President Sabin: Group No. VI.

Frederick B. Post: Mr. President and Gentlemen—Since the last convention Group No. VI has held two meetings and the executive committee of the group has met once. The regular annual meeting of the group was held December 10, 1904, at the Murray Hill Hotel in New York, and there was a very good attendance present. Matters of interest to the association were discussed and officers chosen for the ensuing year. After that luncheon was served, and some after-dinner pleasantries indulged in. The executive committee met at the same place on April 29, 1905, and made plans for the summer meeting of the group, which meeting was subsequently held on Friday and Saturday, June 9 and 10, at Lake Mohonk. The summer meeting was really a two days' convention, the people arriving during the afternoon of Friday and leaving late on Saturday, although a number remained over Sunday. The banquet on Friday evening was one of Mr. Smiley's best, and was followed by after-dinner speaking. A short business session was held on Saturday morning. The emphasis, however, was laid on the social side of the gathering, about 150 being in attendance, and from the expressions heard it seemed as if the summer meeting of Group VI was thoroughly enjoyed by all those present. I may say that credit for the success of the meeting was largely due to the presence of the ladies. Of the thirty-six banks in the territory of the group eligible to membership in the association forty-nine are members and seventeen non-members, two banks having joined during the year.

President Sabin: Group No. VII.

STEPHEN M. GRISWOLD: I expected to meet our secretary here. He intended to be present I know, but for some reason he has not arrived yet. He could have given you a much more detailed report than I can of the workings of our group during the year. However, I will give you the main points covering our work since we last met in convention with you.

We held our closing business meeting at the Clarendon Hotel in Brooklyn in December, which was presided over by the retiring chairman of the group, Mr. Hutchinson. We had quite a large number in attendance. We transacted our business, and we enjoyed a most excellent dinner. We always have a dinner when we gather to do business down on Long Island; it helps to make things run smoothly, you know, and we find that we can do more business when we have had a good dinner.

We then adjourned over to our annual banquet and reception, which was held at the Hotel St. George. We had over 100 present there, and we had one of the best meetings we have ever held. There are about fifty banks in Brooklyn and Long Island, and forty-two of them are members of the group. Banks start up down our way every few days almost without our knowing it, and we have a great many branch banks also, and, on the whole, I think I may say that we are very prosperous. We have the honor of the introduction to the State association of the first trust company that has ever belonged to it, the Flatbush Trust Company having recently joined the State association. Mr. Fisher, the secretary of that company, who is sitting by my side, joins with you to-day in the festivities and pleasures of this convention. We hope that the good example set by this company will be followed by others, and I predict that the time is not far distant when we shall have as members of this association many trust companies.

In conclusion, it affords me pleasure to say that we have between forty and fifty ladies and gentlemen from Brooklyn and Long Island, representing Group VII here on this occasion.

PRESIDENT SABIN: Group No. VIII.

CHARLES ELLIOT WARREN: I regret very much the absence of the chairman of our group, but he has sent me the following report, which is very brief, and which I will read:

New York, July 3, 1905.

The annual meeting of Group VIII of the New York State Bankers' Association was held at the New York Clearing-House on May 10, 1905.

Group VIII has a membership of seventy-eight banks and thirty-six banking firms, making a total membership of 114. The group has a balance on hand of $20.19.

The annual banquet was held at the Waldorf-Astoria on December 20, 1904, and was, as usual, a great success, there being present 464 members and guests.

(Signed) HERBERT L. GRIGGS.

PRESIDENT SABIN: Next in order is the report of the council of administration, which Secretary Eldredge will kindly present.

SECRETARY ELDREDGE: The report of the council of administration is as follows:

REPORT OF THE COUNCIL OF ADMINISTRATION.

The council of administration of the New York State Bankers' Association has held three meetings during the year, the first at the Fort Orange Club in Albany, on the 29th of November last. The full council was present, excepting that Groups I, II and VIII were not represented.

The meeting was largely taken up with the consideration of matters which should be brought to the attention of the State Legislature and a legislative committee was appointed. The committee consisted of Senator Persons, of Buffalo; Edward Elsworth, of Poughkeepsie; Hon. J. T. Smith, of Fishkill Landing; Charles Adsit, of Hornellsville, and Henry P. Davison, of New York. Later Senator Persons felt obliged to give up active duties in connection with the committee, because of the pressure of other matters, and for him was substituted R. Ross Appleton, of New York city. The doings of the committee will be covered by its own report at this session.

The council gave lengthy discussion to the matters of income and expenditure of the association, and, in view of the fact that the treasury was not in an overflowing condition, voted not to send the $3 per capita to the several groups, which had formerly been sent, excepting upon the request of the chairman of any group, who should state that the group had expended in its natural course moneys for meetings or otherwise, which they had not in hand and they were then authorized to request the treasurer to remit them such funds as they might need, up to $3 per capita. A number of the group chairmen reported moneys on hand which were idle, and the above conclusion was unanimously reached by the council.

A committee was appointed to recommend to the American Bankers' Association that they consider and take up with the National Legislature, if that association should think desirable, the subject of the revision of the National Bank Act and in general make suggestions for the benefit of National banks in regard to their existing limitations enacted by the National Bank law.

Consideration was given to various other matters pertaining to the welfare of the association.

The second meeting of the council was held on the 4th day of March, 1905, at the New York Athletic Club, New York city. A full council was present, excepting that Groups III and IV were not represented.

A report of the doings of the legislative committee up to that date, further recommendations to that committee and suggestions how best to aid the work of the committee were made at length. The secretary was instructed to communicate with every bank in the State, requesting that they urge upon their legislators of both houses the importance of sundry bills then pending, which had the approval of the legislative committee. The council ratified the action of the legislative committee in indorsing various bills, a more detailed account of which will doubtless appear in the report of the said committee.

A committee, consisting of Messrs. James G. Cannon, Lewis E. Pierson and Hon. S. M. Griswold, all of New York, was appointed to get up a form of statement blanks, superseding the old forms which were adopted several years since by the association, and which were made prior to the present bankruptcy laws, and which were affected by other laws, which have been passed since its adoption. That committee has been active and will report at this session.

The question for the time and place for the next convention was brought up and unanimously the Hotel Frontenac of the Thousand Islands was chosen as the place and date was fixed for the 13th and 14th of July. A committee of arrangements, consisting of A. H. Curtis, chairman; A. C. McDougal, David H. Pierson, F. E. Howe and the secretary, was appointed.

A committee on fidelity insurance, consisting of Henry Dimse, chairman; George T. Murdock, E. S. Tefft, F. B. Post and W. N. S. Sanders, was appointed. The results of the labors of that committee will be given in the report of the committee this morning.

The eternal question of bringing in non-member banks was again discussed and various suggestions were adopted. The routine business pertaining to the interests of the association was acted upon and the meeting adjourned.

It might be proper to state that there are necessarily matters of vital importance to the association, which came up for discussion and for action by the council, which cannot be recited in a public report, which goes into print as does this report and that therefore no reference is made to them herein.

The third meeting of the council of administration was held in this hotel last evening.

A meeting of the council of administration was held at the Hotel Frontenac on Wednesday evening, July 12, 1905, at 8 o'clock.

The report of the council was read and approved for presentation to the convention.

The report of the treasurer was read and approved for presentation to the convention. It was voted to pay to the treasurer the sum of $250 for his services during the past year. It was voted to direct the treasurer to send a draft to the secretary of $301.01 to make up the balance due on his salary for the year.

Mr. Henry Dimse, the chairman of the committee on fidelity insurance, was invited before the council. The report of the committee was read and it was voted to recommend to the convention its adoption.

The report of the committee on revision of statement forms was read and approved for presentation to the convention.

A communication was read from Hiram R. Smith, of Rockville Centre, giving notice that at the convention he will move to amend Article five, Section one of the constitution and by-laws relative to the establishment of a protective feature similar to that maintained by the American Bankers' Association. It was voted to refer the same to the convention with the favorable recommendation of the council.

A communication from C. A. Pugsley, dated Peekskill, July 5, 1905, was read, stating that he had conferred with Mr. McDougal, President of the Bank of Buffalo, and Mr. McGarrah, President of the Mechanics' National Bank, who, together with himself, were appointed a committee to consider the advisability of reform in the State and National banking laws, and that the committee was of the opinion that the subject is one of such great importance, and so intricate, that the committee could not in the limited time at its disposal present a comprehensive report at this meeting. The council voted to recommend to the convention the continuance of the committee.

It was voted that the name of J. H. DeRidder be in future omitted from all publications of the association.

Adjourned.

F. E. Lyford: I move that the report be received and placed on file.

L. E. Pierson: I second the motion.

President Sabin: Gentlemen, you have heard the motion that the report be received and placed on file. All in favor of the motion will signify it by saying aye; those of a contrary opinion, no. Carried.

STEPHEN M. GRISWOLD: I would suggest, Mr. President, that this is the proper time to appoint a committee on resolutions, as they will have to meet and prepare a report to be presented to-morrow. I therefore move that the chair appoint a committee of three for that purpose.

E. S. TEFFT: I second the motion.

PRESIDENT SABIN: All in favor of the motion that the chair appoint a committee of three on resolutions will signify it by saying aye; those of a contrary opinion, no. Carried.

I will appoint as the committee on resolutions Stephen M. Griswold, of Brooklyn; Leo. Schlesinger, of New York, and Eugene Satterlee, of Rochester.

It affords me pleasure to now introduce Mr. S. R. Flynn, President of the National Live Stock Bank, of Chicago, who has kindly consented to come here to address us.

ADDRESS OF S. R. FLYNN, PRESIDENT NATIONAL LIVE STOCK BANK, OF CHICAGO.

The public mind is seemingly capricious. Those who attempt to follow its apparently aimless wanderings find themselves lost in a bewildering maze of mental vagaries. It seems to bound with such apparent unreason from one radicalism to another as to suggest a state of chronic hysteria. Any proposition, no matter how grotesquely absurd, commands a following not without its quota of the reputed intelligent. Viewed from the cold prominence of sanity the public mind presents a weirdly kaleidoscopic effect. Its composite thought is as brilliant, its design as difficult to determine. I say the public mind is seemingly capricious. In truth it does but seem so. In reality it has a definite, fixed purpose to which it steadfastly adheres. A different impression obtains because we too often mistake the vaporings of impractical minorities for public opinion. Visionary minorities do not make public opinion. If we would discover the trend of public thought we must study the majority made up of the sober, practical men of affairs.

Sometimes we are amazed at the apathy of the majority. It appears hypnotized by the aggressive insistence of the minority. Wild theories are advocated in frenzied, frothy fashion, while the majority listens with stolid indifference. But the instant the rightful dominance of the majority is seriously threatened it acts quickly, drastically, effectively. The fanatic finds himself and his theories swept aside, and reason once more in full command. There is never cause to fear that the foolish will long prevail, for the majority must and will rule, and the majority is sane.

Every properly constituted individual restlessly seeks betterment of condition. His primary purpose is self-advancement, to be sure. Yet eliminate selfish, individual ambition, and you eliminate progress. The chief, the overmastering purpose of the majority, individually and collectively, is progress—progress mental, progress moral, progress physical, progress financial. But it demands that progress shall come in orderly fashion, step by step, in the gentle process of evolution. It has no patience for the advocate of radical change. It insists that we be prepared for each advanced position before we take it. Progress is evolutionary, not revolutionary. Sudden as change may at times appear, analysis of conditions will convince us that it has come because we are prepared for it, and that it has in reality not come suddenly, but is the logical effect of long accumulating causes.

Common sense is frequently stunned by the seeming imminence of revolutionary change. Invariably we are needlessly alarmed. The threatened radical change does not come, and it never will come until it should come. This may sound ultra optimistic, but we have good ground for trusting the common sense of our thoroughly practical people. Have we not disposed of one bad theory after another? And have we not ever been sufficiently discriminating to delay the acceptance of good theories when we have not been prepared for their practical adoption? Branch banking and asset currency both are good in theory, and undoubtedly we will put both in practice when conditions warrant, but not before. Some of us, in discussing these questions when they were under consideration, declared that we were wasting valuable time in debating propositions not possible of acceptance at the time, asserting that we would be better employed were we to devote our mental energies to solving in some way the combination problem. This, we asserted, was the question of paramount importance. Some laughed, none heeded. To-day the combination question, comprehending, of course, combinations of labor as well as of capital, is universally recognized as the one question which more than all others demands immediate solution. Few if any of us fully realize the temper of the people regarding this grave subject. Let no one for a moment imagine that the campaign for government ownership, government control, government supervision of public service corporations or public control of public thoroughfares, is inspired by the craving for notoriety possessing sensation makers. The call for the settlement of this vexed problem comes from the majority. The unorganized majority is clamoring for protection. It demands that in the execution of our laws the individual, unaffiliated with organization of any kind or character, shall be accorded the same privileges, the same rights, the same measure of protection, enjoyed by combinations.

The majority of our citizens place their allegiance to their country first of all. In turn, they expect, and should receive, the fullest measure of protection from their country. No man's liberty should be curtailed except when and where it would trench upon the liberty of another. The nation we love, the nation for which we stand ready to sacrifice property, life, if need be, should for no other reason place restriction upon the liberty of the individual. Certainly, it should allow no other agency to take upon itself the functions of government, and in despotic disregard of human rights interfere with the heaven-granted liberty of individual action. And when organization, whatever its character or purpose, attempts to deprive the unaffiliated individual of legal or natural rights by threatening his person or property, then I say, if local authorities are unable or unwilling to give him adequate protection, the national Government, to which he owes his first allegiance, should give him all needed protection, though it require the entire regular army and every man available for drafting, to give him that needed protection. If government fails in this, then it fails in its chiefest duty.

We falsely teach that all men are created equal. They are not created equal, nor are they equal at any point in their development. For this very reason the government must exercise a species of parental oversight of its citizens. A triumvirate of tyrants are ever preying upon the weak—and these are muscle, mind and money. The deficient in muscle cannot be given physical strength by legislation. Neither can the money-making sense be given every individual in equal measure by any "Be it enacted" spread upon our statute books. But the strong in muscle can be punished for slugging the weak, the strong in mind for cozening their mental inferiors, and the strong in purse for increasing the fatness of their wallets by dishonest manipulation. The great majority have suffered the tyrannies of this triumvirate long and patiently. They have endured the violence of the strike. They have submitted to the confidence games of the keen of wit. Thy have, with tolerant apathy, condoned the manipulations of tne masters of high finance. They have endured, submitted and condoned in hopeless patience.

Organization has made the despots so strong that they have been able to defy the law, to control or ignore the executors of the law. As it is with all agencies, so it is with the combinations, their excess of power has induced excess in its use. Insidiously they have usurped one function of government after another, until now they, to all intents and purposes, nullify our laws at pleasure. Their encroachments upon individual rights have become so atrocious, so grievously outrageous, that the patience of the unorganized has become exhausted and they are determined to submit no longer to these self-constituted despots. Hence the popular clamor for the exercise of greater power by the national Government.

Do not think the leaders stand alone in this movement. The unorganized majority is behind them. And more than that, the time has come for a change. Conditions demand change. As usual, the radical is demanding changes revolutionary in character. As usual, the radical will not prevail. There is no present danger of Government ownership. It is not at all likely that you or I will see Government regulation of rates and charges an accomplished fact. We are not ready for such radical departure from present policies. In a word, we are not ready for socialism, that arch enemy of individual endeavor, the chief promoter of success—and, please God, we will never be. But we are prepared for Government supervision of corporations. We are prepared for the exercise of sufficient power by the national Government to protect the individual in his right to work for whom he chooses, to work for as many hours as he chooses, to work for as many dollars as he can get and is willing to take. The time is ripe for Government supervision and control of the organization of corporations. We are ready for honest capitalization based upon actual values arrived at by impartial, expert appraisement. We are prepared for the prevention of unjust discrimination in fixing rates and charges. We are ready for national supervision of life insurance companies. Their business is national in character, and so should be their organization and supervision. We are quite prepared for the criminal prosecution and the punishment as criminals of officers of corporations, who buy securities on their individual account for the purpose of selling them to their corporations at personal profit, or who in any other way appropriate to their own use profits properly belonging to their corporations.

We are not ready for a bank deposit guarantee fund created and maintained by a special bank tax. Depositors in sound banks do not need it. Neither should depositors in unsound banks need it, for unsound banks should not be permitted to live until deposits become impaired. In all possible ways the confidence of the public in banks should be fostered. Guaranteeing deposits, it is true, would effectively preserve confidence, but proposed methods are so manifestly unfair that the scheme is impossible. There is no reason why weak, poorly managed institutions, should live upon the reputations, the profits, of strong, well-conducted institutions. Moreover, assessing the good for the preservation of the bad is as unnecessary as it is unwise and unfair. We can inspire confidence in our banks in a better way. A way more fair, a far more effective way. The time has come for the compulsory incorporation of banks. Every place of deposit should be under State or Federal supervision. The word "Bank" on door or window should give guarantee to the people that their representatives have supervised the organization of the institution doing business within, and are intelligently supervising its operation as a bank. It should not be easy to start a bank. The character, ability and financial strength of the promoters should be definitely ascertained. And no set of men whose character, ability and financial worth will not bear closest scrutiny should be permitted to do business as bankers.

The man or woman with a check book is a helpful factor in our commercial development. The man or woman with money in pocket, or other approved place of retirement, is an enemy to progress. Money in the bank vault is a basis for credit expansion, and speeds progress. Money, even when in actual circulation, is not performing its highest function. When in actual circulation, each dollar is but a dollar. When in actual concealment it might as well not exist. The dollar is doing its best work when seemingly dormant in the bank vault, for there its usefulness to business is multiplied from four to six and two-thirds times. Therefore, do not put money in thy purse, but money in thy bank vault. The check is a much safer medium of exchange than cash. It performs, with ordinary business care, all the functions of cash, and performs those functions in a much more satisfactory way. There is no cash needed, and none should be used, except in small change transactions. Encourage the use of the check book. Discourage the use of cash except when and where its use cannot be avoided. The recent wholesale organization of small banks has in great measure relieved the strain upon our cash supply. Money formerly in office safe or store till is now in the bank vault, and its work is being better done by the check.

In my own experience during the past year I have seen in one small section of Chicago one million dollars find its way into newly-built bank vaults, and of this amount I think I may say with truth at least one-half or $500,000 had been in hiding in safe-deposit vaults or elsewhere. This million dollars is owned by about 4,000 people. These people were holding their surplus money in personal possession, and paying their bills with cash. Now their surplus is in the bank, and their current bills are paid with check. About $700,000 of the million is doing its proper work in the channels of trade. This $700,000 of itself is but a small increase in the fund available for enterprise, but it is only one of many $700,000 brought from concealment for business use, by the organization of small neighborhood banks. The class of people who have made these hidden thousands available for enterprise are not in a position to know the strength of the bank to which they entrust their savings. Therefore protect them. It is the rule, almost without exception, that money lost in bank failures is lost by those who can least afford loss. The active man of business is seldom caught by a bank failure, and when he is, application of the law of offset usually gives him his credit balance as part payment of money borrowed. The money upon which our business life depends is provided by the comparatively poor. If we would continue the trusted guardians of the billions, of the millions we must prove ourselves worthy of trust. Public confidence is the measure of our capacity for financing enterprise. Therefore, when we submit to laws, to regulations, imposed upon us for the protection of depositors, we do but protect ourselves. Laws and regulations safeguarding the interests of depositors should be welcomed—no, more than that, should be demanded by the banking interests and by general business interests as well. The banks cannot hope for maximum public confidence unless danger of loss through bank failure is reduced to a minimum.

Compulsory incorporation, bringing all places for deposits under public supervision, should be strongly advocated by bankers as evidence of good faith. Every banking institution should be examined at least twice a year. These examinations should be made chiefly to test solvency. Surface examinations accomplish nothing. Sound banks make no attempt to conceal technical violations of law. Every man who has had experience as an examiner knows that the most rotten banks show the most correct surfaces. Therefore, the good banks are criticised and bad banks praised, unless the examiners get beneath the surface. If I were to examine a bank now I think I would begin by investigating the methods employed. If I found a system in use which rendered wrongdoing practically impossible without collusion between two or more persons, I would devote no more time to the accounts than a surface checking would require. I would look for error, not crime. But if I found a system inviting crookedness, a system without safeguard, I would call the board of directors together, present the facts to them, and have it then and there determined whether the negligence of the officers evidenced stupid ignorance or intelligent purpose to loot the bank. In either case the officers should be removed. The examiner, backed by his chief, should insist upon their removal. Frankly, I suspect the honesty of a bank officer who favors a bank system devoid of proper checks and safeguards. The banker with right instincts will adopt a system that will as nearly as possible render it impossible for him to commit a crime. And the wise board of directors, instead of making examinations which leave them at their completion as ignorant of the true condition of the bank as they were at the beginning, would do well to have for the main object of their investigation the discovery of methods of doing business, the system of accounting adopted by their executive officers. If they find lax methods, lax system, they will make no mistake if they discharge the official responsible. They will be removing either a fool or a crook. Fire your fool before some stupid blunder results in staggering loss. Fire your crook before he has opportunity to loot. If he is too quick for you, do not let maudlin sympathy influence you to help him escape just punishment.

The most sacred trust conceivable is confined to the custodians of bank and life insurance funds. The men charged with the duty of selecting these custodians should be actuated by highest motives in making their selections. They should be as certain of the ability and honesty of the men chosen as methods of investigation within human reach permit. Executive management of banks or life insurance companies should be entrusted to neither blunderer nor plunderer. It is true, no matter what precautions may be taken, there will be betrayal of trust. That we cannot prevent. But we can make it most difficult to misuse trust funds. We can make detection reasonably swift and sure. And we can make punishment of the discovered criminal absolutely swift and sure and appallingly drastic. These much-to-be-desired ends might be, I believe can be, accomplished by National supervision of life insurance companies—by compulsory incorporation of banks—by thorough examination of both by thoroughly competent examiners, whose compensation shall be fixed and adequate—by healthy public sentiment favoring speedy and most severe punishment of the betrayers of trust.

But above all things else, we are ready for the suppression of domestic violence. What if our pockets are safe if our bodies are in constant jeopardy? After all, the highest duty of government is the maintenance of order. If it fails in this, then there is no excuse for its existence. A government that seemingly does not rebuke lawlessness, certainly does not punish lawlessness if committed in the name of organization, is a failure, and should pass into history as an unsuccessful experiment. When we see our public officials according mob leaders the rights of belligerents, negotiating with them for peace as with a rival power, we almost despair of free government.

There is little temporizing with individual law-breakers, but organized violators of law may maim and kill without fear of effective interference. Little wonder that mob leaders have no fear of law, no respect for official authority. A permit giving free use of our streets issued by a mob leader, affords complete protection. A Federal court order, issued by lawful authority, with the same end in view, invites attack upon the holder, and places his very life in peril.

Ninety per cent. of the members of organizations, whether capital or labor, would be free, would be independent, if they dared. The threat of physical violence, the threat of financial ruin, holds them in subjection. They realize the sad truth that organization gives them a measure of protection that our lawful authorities either cannot or will not give.

Is it possible our Government has ceased to be a government of all the people, by all the people, for all the people? Has it become a government of organizations, by organizations, for organizations? For the time, perhaps, but lawlessness and disorder cannot long prevail among this liberty-loving people. Life, liberty and the pursuit of happiness are the inalienable rights of every citizen. And soon or late the majority will awake and destroy the small minority who would deprive us of those rights. Though the permitted lawlessness of the minority may give us fear that we are drifting into anarchy, we may have an abiding faith that this Government will grow no weaker. It is at its lowest ebb in the exercise of its police function. The danger is that, moved to desperation by the violence of the lawless minority, we may demand and insist upon a form of government not in accord with the democratic idea. I say to the lawless you cannot permanently weaken our government, but you may give it greater strength than the law-abiding themselves would wish. Even now we hear important citizens in confidential private conversation express the fear that free government is a failure. But no recreant public officer, clothed with a little brief authority, which he fails to use for the upholding of the law and the putting down of disorder, can make me lose faith in this people or in democratic institutions. A recreant public official can be disposed of in many ways. We may rest content that officially condoned lawlessness will always reach a point where the law-abiding will themselves violate the law that the law may be enforced. And the recreant official should bear it well in mind that when the law-abiding are aroused he will be among those also hung. And let the mob leader never forget that the discriminating majority will know whom to punish. Mob violence would not last a minute if the leader were promptly and properly disposed of. The majority know this and will act accordingly.

I confess to a sincere belief in the fundamental principle of our Government, that governments obtain their just powers from the consent of the governed, and, further, that it is within the rights of the majority of the people "to alter or to abolish it, and to institute a new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety or happiness." Still further, I believe in the right of the majority to suspend the Government if that be necessary, and to enforce the law, to preserve order by what means may seem best, whenever public officials betray their trust.

And the first man they hung was the judge. If all our lenient judges and other complacent officials were to read carefully the history of vigilante days in California and Montana it might not be necessary to dispose of any judges or sheriffs or other officials to end this present reign of lawlessness. Indeed, those pages narrating the deeds of the vigilantes teach a wholesome lesson. If its significance were understood by timid or recreant officials there would be no lawlessness. For then, in fear of the just wrath of an aroused majority, if for no higher motive, they would enforce the law. And if our laws were rigidly enforced there would be no mob violence.

I firmly believe, despite apparent evidence to the contrary, that we are progressing toward peace and quiet at home and abroad. I am sincerely confident, not only is peace coming within the homes of nations, but peace is coming between the nations as well. There is a force working to this end whose influence cannot be overestimated—it is wealth. The distribution of wealth goes on apace. The vast majority of our peoples are now sharing in this distribution. The number possessing in some measure some form of wealth is constantly increasing. This is said with full knowledge of the generally accepted theory that wealth is in process of concentration. The control of wealth is in process of concentration, but ownership is in process of dissemination. Under modern methods of financing great undertakings minority ownership of all our enterprises is very widely scattered. The stocks and bonds of our great corporations are in the hands of a multitude of small investors. These are beginning to realize that an attack on the enterprise in which their little savings are ventured is an attack upon themselves and affects not only their incomes, but the selling value of their securities as well. No man who has money saved, or hopes to save money, whether he has invested it or banked it, or hopes to invest or bank it, can escape paying his share of the cost of every domestic upheaval that gives pause to progress. Soon or late there will come universal realization of the cost, and true public sentiment will then give itself voice and the authorities will heed. A public official desires public approval. Therefore, show him that the majority favors the suppression of domestic violence and you will be surprised how quickly domestic violence will be suppressed.

The time is close at hand when the law-abiding majority will assert itself. As the number of people who in some measure possess some form of wealth increases, so will the desire for peace at home and peace abroad. Possession conservatizes. It awakens a sense of responsibility. Responsibility tempers thought, expression, action. Give a socialist a house and lot; and he becomes a defender of property rights. Give an anarchist a public position, and he becomes an advocate of government. Give a citizen a government bond and his patriotism becomes intensified. Possession is the greatest of all the influences working for a higher and better civilization. It is the chief promoter of peace. Every normal man possesses something, if no more than the right to earn a living. Riot and disorder decrease not only the value of property, but the value of labor as well. Neither demand for property nor demand for labor will exist in a lawless community. Therefore, all men, all women, have financial interest in the maintenance of law and order. When all other appeals fail, the appeal of the dollar is potent.

The young man talks with pleasure,
  The old man talks with ease,
The lawyer talks as some men walk,
  Six days, go as you please.
The preacher talks of sin and things,
  Of hell's eternal fury;
The lawyer hurls his jawbone
  At a mad but helpless jury.
And each one talks and talks,
  Each of his talk the proudest,
All unmindful of the painful fact,
  The dollar talks the loudest.

The influence of the dollar is not all bad. True, it is responsible for much of the wickedness in the world. It is responsible for graft; it is responsible for high finance. The dollar is responsible for the figure-mad banker seeking personal prestige and increased salary value at the expense of his shareholders, and it is responsible for the money-mad speculative plunger chasing millions at the risk of his creditors. Its enticing call has lured men and women to destruction, moral, physical, financial. I am not blunt enough nor have I time enough to mention even a modicum of the evil it has wrought.

But this is the dark side of the picture. There is another side, a more pleasing side. The influence of the dollar has brought us more of good than of evil. In its quest new worlds have been discovered. The way has been blazed for the cross, for commerce, for civilization. Through its agency forests have been leveled, deserts watered, marshes drained, canyons have been bridged and mountains bored. The dollar is the open sesame that calls from the bowels of the earth its hidden treasure. In art, in science, the influence of the dollar is ever potent. It has developed the genius of the inventor, giving us material advantages not dreamed of by our sires. It has discovered for the use of man the most secret forces of nature. It has annihilated distance, making neighbors of antipodes. And to-day its influence is at work to bring us the greatest of all boons—peace. The financial interest of all our citizens in the growth and prosperity of our country and in the growth and prosperity of every enterprise conducted within its borders, will bring peace to us at home. And in the greater field of world politics the influence of the dollar is silently, slowly, but surely, lifting us to a higher civilization. The interchange of government bond investments between the peoples of the nations of the world will bring peace to the world. Nations will not war upon each other when every shot will weaken the security upon which the investments of their citizens are based. Exchange of investments will prevent exchange of shots.

Domestic peace will come through realization of individual financial interest in domestic enterprise. Peace will come to the world, not through the bond of brotherhood, but through the brotherhood of bonds. Peace will come within the nations and between the nations at the call of the dollar.

President Sabin: We shall now be favored with an address by Hon. James M. Beck, of New York city, whom I now take pleasure in introducing.

"Moneyphobia"; or Lawsonism.—Address of Hon. James M. Beck.

The signs of the times indicate a growing feeling of social discontent, which finds its chief expression in the indiscriminate abuse of wealth. Apart from the baser passion of class hatred, there is now in progress a searching inquiry in the great court of public opinion as to the ethical significance of money and money making. The presses are groaning under the weight of books and periodicals, whose chief purpose is to discuss the ethics of the dollar. Demagogues are making frenzied appeals to popular passion to proclaim a new crusade against property. One notorious agitator—in cunning knavery, a John Law, and, in picturesque diction, a Beaumarchais—is now frantically calling upon the masses to withdraw simultaneously all their bank deposits and sell all except governmental securities, with full consciousness that his appeal, if heeded, would produce a world-wide financial cataclysm. Fortunately, the common sense of the American people classes him with the Coxeys, Carrie Nations and other freaks, who amuse but do not convince the law-abiding masses.

The agitation, however, is not confined to the ignorant, the envious or the malicious. The recent commencement session unmistakably indicated that educated men are disinterestedly considering the phenomena of business in their moral aspects. Their deliverances teem with woeful jeremiads at the evil of the times and the decay of morals.

The underlying causes of the present agitation are complex and conflicting. Its net effect will probably be for good, for in an age of overshadowing materialism, the great ethical considerations which underlie all social questions cannot be too carefully or frequently considered. A distinguished French publicist, who visited our shores, has remarked that in America socialistic ideas are not as in Europe a philosophy and at times a religion, but spring from the vulgar passion of class jealousy. He has, I believe, misunderstood American character. While such a feeling may animate some of the baser sort, they are in a pitiful minority. There is little of the Jack Cade spirit among our people, and the average American, far from regarding success with envy, both admires and emulates it. His worst fault is to overvalue it. The soldiers in the ranks of the industrial army admiringly applaud the captains of industry, who lead them to great constructive achievements. The common sense of the American people appreciates that in the "career open to talent," which our institutions are designed to secure, great fortunes are inevitable. The American appreciates that equality of legal opportunity necessarily means inequality of result. The swift will always outrun the slow, the strong will always surpass the weak. With marvelous national resources and a rapidly expanding national development, it is inevitable that great constructive achievements should carry rewards of corresponding magnitude. Indiscriminate attacks, therefore, upon the rapidity with which great fortunes are won, are often attacks upon the right of the captain of industry to secure a result in proportion to his superior skill. Such a spirit is un-American, for it assails the basic principle of our institutions, which never has and never will place any limit upon constructive achievement. "Thus far and no further" is not written in American character.

Primarily—at least among the conscientious critics of the times—the present discontent is due to a profound dissatisfaction with the code of commercial morals. Abuses of trust have run riot. They are not, as I believe, due to the fact that men are essentially less honest than previous generations, but in part to the intoxication that inevitably marked the most rapid and extraordinary period of commercial expansion that the world has ever known, and also to the artificial character of our commercial machinery. The complex subdivision of social office has caused a certain diffusion, and, therefore, weakening of moral responsibility. That artificial creation of the law—the corporation—with the legal fiction that it is a moral personality, has been a Pandora box, from which infinite good and evil have proceeded. A corporation with many thousand stockholders does an act, which benefits itself while injuring the public, but the sense of individual responsibility of each stockholder for the wrong done becomes so attenuated as to lose any appreciable existence, while its officers, who, in whole or part, are directly responsible, are too apt to feel that, as trustees for the stockholders, they must subordinate their personal views of what is right or wrong to the welfare of the corporation. The surpassing difficulty of adapting this mighty instrumentality of civilization to the moral needs of the age must be apparent. The solution of this problem surpasses all others in importance. Its just solution will require dispassionate consideration, not intemperate agitation.

Apart from this commendable intolerance of unquestioned abuses, the present agitation has in part its origin in less worthy considerations. It results in part from the clash of ideals. A narrow spirit of literary dilettanteism to some extent inspires it. The aesthetic world, with its immense over-valuation of its own sphere of activity, is at war with the practical. It cannot reconcile itself to the present extraordinary and overshadowing development of industrialism. The dominance of commerce in the thoughts and activities of men has aroused the antagonism of many educated men, who see in its machine-like organization the annihilation of the individual. An attitude of cynical contempt has generally marked the men of learning, so-called, for the men in trade.

John Ruskin, in making an address at Bradford on the occasion of the dedication of a commercial exchange, deliberately flouted his audience, by asserting that it was impossible for merchants to have any noble form of architecture because business was ignoble. He bitterly complained that the deity of the time was Minerva Agoria or Minerva of the market-place.

This literary dilettanteism is in part inspired by the military ideas of other ages produced by centuries of continuous armed conflict. Even so philosophical a speaker and so ardent a lover of the ideal as Edmund Burke mistakenly lamented the passing of a decadent feudalism, when in that beautiful apostrophe to Marie Antoinette he said, "the age of chivalry is gone and that of economists and calculators has set in and the glory of Europe has departed." He strangely failed to perceive that a better day was dawning and that the courtiers of the voluptuous court of Versailles were not worthy to unloosen the shoe latchets of the "economists and calculators" like Adam Smith, whose "Wealth of Nations" was even then challenging the attention of the world.

Moreover, we are still influenced by the narrow and mistaken view that the religious philosophers of the early Christian era took of money. The man who "took a breed of barren metal from his friend" was an oppressor. As late as Bacon's time, that great philosopher expressed the opinion that "usury" (thereby meaning any rate of interest) "dulls and damps all industries, improvements and inventions." To massacre money-lenders was the mediaeval method of going through bankruptcy.

Said Dr. Johnson to his faithful Boswell, "avoid cant," and we of this generation should take the doctor's advice and give over this pitiful cant about the dollar. It is simply a certified check upon the bank of civilization for a proportionate share of its accumulations. To be prejudiced against wealth because of its misuse by the individual is a childish absurdity. No man can acquire wealth by honest methods without becoming serviceable to his fellow man, for in the very acquisition of money the adaptation of our energies to the social machinery of modern life is a necessary incident. Legitimate money-making necessarily involves human service, and every multi-millionaire, who has amassed his fortune by constructive achievement, such as the building of railroads or development of mines, has in a far greater degree enriched the public.

No error is more common than that which imputes to the American people or to this generation an inordinate love of money-making, unless it be the graver error that modern industrialism has debauched human society and that we are worse than our fathers. Every adverse comment that the ultra pessimists can make of this generation can be applied with infinitely greater force to preceding ones, and I do not exclude the epic period of our national life. The evils which exist now existed then; but on the credit side of the ledger what immeasurable intellectual and moral progress distinguish this industrial age!

Is the struggle for wealth greater to-day than before? Are men the slaves of business that they once were? On the contrary, men of other generations worked harder to secure less, and the cultivated relaxation of the modern financier was wholly unknown to them. Girard, the typical banker of an earlier generation, spent his whole life in harness, never taking a vacation, and at eighty he was still groping with blinded vision across the threshold of his bank and feebly feeling for the hands of the door. "If I knew I were to die to-morrow," he once said, "I would plant a tree nevertheless to-day." "Immemor sepulchri" was the spirit of the business men of other generations. To-day we find many business men who not only give but a limited portion of time to business, but voluntarily retire early in life with a competence. No charge is more false than that we are a money-loving people. No people of any time or clime ever cared less for money when earned than we. Prodigality of expenditure rather than a narrow desire to hoard unnecessary wealth is the distinguishing characteristic of the average American. If he has a strong purpose and an earnest desire to amass wealth, it is in most cases because money is the necessary material for further constructive work. To achieve rather than to acquire is his ambition. We undoubtedly seek larger fortunes than our fathers, but this is not only due to our larger needs, caused by a more complicated and refined civilization, but also and principally to a finer recognition of our moral responsibility towards those dependent upon us. Life insurance—largely the development of the nineteenth century—conclusively proves the existence in our time of a more conscientious and altruistic husbandry of resources for the benefit of others than in any previous age.

That industrialism has not degraded the moral nature of man can only be determined by comparing the ideals of human character as set forth in the literature of other periods than ours. Thus the great heroes of our Colonial ancestors were the pleasure-loving gallants of Fielding, Smollett and Congreve, whose chief exploits and pursuits were in the drawing room, the dueling field or the card table. Honest industry as an ideal of life never seemed to have occurred to our great great grandfathers. Tom Jones was their hero, who, if in the flesh to-day, would be socially ostracized by respectable society.

Unquestionably the spirit of business enterprise often leads men into excesses. In the great gamble of fluctuating values men frequently sink to the level of the gambler, but the gambling spirit is not nearly so rife to-day as it was in the eighteenth century. Much that is now called speculation is not a mere wager upon ascertainable hazards, but is a highly scientific adaptation of the present to the probable, and as such calls into exercise the intellectual facilities of analysis and deduction.

In the eighteenth century, however, gambling was not a scientific adjustment of future conditions, but the idlest and most mischievous form of wagering upon pure chance. Policies of insurance now condemned as immoral were at that time issued in great numbers upon the most extraordinary hazards. Clergymen utilized lotteries to build places of worship.

The entire edifice of the commercial world rests upon fair dealing. The true capital of the banker is confidence. His nominal capital is a mere concession to public opinion. There are unquestionably broken contracts, but their number is infinitesimal in comparison with the many that are kept with scrupulous fidelity. Despite an enormous expansion of business activity there was never so little litigation over broken contracts. We hear in these days of many defalcations and breaches of trust, but we must remember that the means of publicity are a thousandfold greater than ever before and that the opportunities for such recreancy are a thousandfold greater than in any other age. There are more faithless bank clerks because there are more bank clerks, but how few are the faithless in comparison with the faithful! Nor need we fear the final test as to whether commercialism deadens that spirit of true chivalry, which is faithful to a noble idea, "even unto death." The four great commercial nations of our time are England, the United States, Germany and Japan. Within the present generation each has engaged in a mortal struggle, and each has shown that the finest soldiers may be recruited from the counting-room and shop, and from the field and farm.

PRESIDENT SABIN: Nominations are now in order for president for the ensuing year.

CHARLES ELLIOTT WARREN: It affords me very great pleasure, on behalf of Group VIII, to nominate for president of the association, Mr. Alfred H. Curtis, now vice-president of the association.

EUGENE SATTERLEE: On behalf of Group II, which I may say as a matter of geographical interest, represents the rich and prosperous valley of the Genessee and the metropolitan city of Rochester, I am pleased to second the nomination of Mr. Curtis. We know of his long and laborious efforts on behalf of this association, and we are pleased to most emphatically and enthusiastically second his nomination.

F. E. LYFORD: Group III desires to add its congratulation to the association in the nomination just made of Mr. Alfred H. Curtis for president.

F. B. POST: Group VI takes pleasure in seconding the nomination of Mr. Curtis.

E. S. TEFFT: Group IV desires also to second the nomination of Mr. Curtis.

F. E. HOWE: Group V also takes pleasure in seconding Mr. Curtis' nomination.

S. M. GRISWOLD: Group VII heartily seconds Mr. Curtis' nomination.

PRESIDENT SABIN: Nominations for vice-presidents are now in order.

E. J. NEWELL: On behalf of Group I, I desire to nominate for vice-president of the association Mr. E. C. McDougal, President of the Bank of Buffalo.

M. S. SANFORD: Group II takes pleasure in seconding the nomination of Mr. McDougal.

F. E. LYFORD: Group III desires also to express its pleasure in the opportunity given it to second the nomination of Mr. McDougal.

E. S. TEFFT: Group IV takes pleasure in seconding Mr. McDougal's nomination.

F. E. HOWE: And Group V likewise.

F. B. POST: Group VI desires to be recorded as seconding the nomination of Mr. McDougal.

S. M. GRISWOLD: Group VII heartily seconds the nomination of Mr. McDougal.

CHARLES ELLIOTT WARREN: Group VIII seconds the nomination of Mr. McDougal.

PRESIDENT SABIN: Nominations for secretary are next in order.

E. J. NEWELL: Group I gives way to Group III for the purpose of making the nomination.

F. E. LYFORD: Group III nominates Mr. E. O. Eldredge for secretary. We know that he will give good service because he has done so in the past.

E. S. TEFFT: Group IV heartily seconds the nomination of Mr. Eldredge.

F. E. HOWE: Group V takes pleasure in seconding the nomination of Mr. Eldredge.

F. B. POST: Group VI is very glad to second the nomination of Mr. Eldredge.

S. M. GRISWOLD: Group VII takes very great pleasure in seconding the nomination of Mr. Eldredge.

CHARLES ELLIOTT WARREN: On behalf of Group VIII I am pleased to second the nomination for secretary of Mr. Eldredge.

PRESIDENT SABIN: Now nominations are in order for treasurer.

E. J. NEWELL: Group I will yield the floor to Group VI.

F. B. POST: On behalf of Group VI, I desire to nominate for treasurer Mr. David Cromwell.

S. M. GRISWOLD: I second the nomination of Mr. Cromwell.

CHARLES ELLIOTT WARREN: Group VIII also seconds the nomination of Mr. Cromwell for treasurer.

PRESIDENT SABIN: The nominations are complete, and I believe this concludes the business allotted on the programme for to-day.

I therefore declare the convention adjourned until 10 o'clock to-morrow morning.

SECOND DAY'S PROCEEDINGS.

PRESIDENT SABIN: The first order of business this morning will be reports of committees. First I will call for a report from the committee on legislation.

HENRY DIMSE: It seems that there is no report from the committee on legislation, but there are two points which I think should be brought before that committee for its consideration. In the early part of this year the Merchants' Association of New York recommended the passage of an amendment to Section 344 of the Penal Code which would strengthen very much the relations between merchants buying and selling goods with each other. The district attorney of New York took a great interest in the matter, owing to the fact that he found it was almost impossible to procure an indictment against an individual who had purchased goods under false pretenses. The section was rather short, and, as it had been passed it had been very much enlarged by beginning with the words "that in the purchase of goods," etc., the merchant must produce his books within a certain period if their inspection was demanded by the merchant selling the goods in case he should default in payment.

When that bill was presented to me on behalf of the Merchants' Association I noticed that there was nothing in the article which would cover the banks and I suggested that they should add to the words in the purchase of goods "and in the obtaining of credit." The attorney for the association at that time said to me: "Mr. Dimse, if you will let this bill go through as it is drawn when it gets into the committee on codes at Albany we will be able to fix that very easily, but if you come in with an interlineation of that kind, in all probability it might interfere with having the section amended." So I said I would not interfere, and I went to Albany with the committee later, and I know the hard work that they had in having that section passed. Now, that bill has been passed.

A few weeks ago the Merchants' Association, knowing that they had met with such good success, invited Mr. Jerome to Delmonico's to dinner, and after dinner I had a talk with him and I said: "Mr. Jerome, we did not interfere with this bill, but now where does the banker come in?" He said: "Why, Mr. Dimse, you banks of New York have it all your own way." I said: "That sounds very well, but it was only a short time ago that one or two bankers in New York that had loaned money to some merchants who had gone to the wall, came to you and wanted to have the men indicted, and you told them that in order to procure an indictment they must prove something." "Now," I said, "it is up to you to do something for the banks, and what we would suggest is an amendment to the section providing that any person obtaining money under false pretenses commits a felony." He said: "You banks have got it all your own way." I said: "Why didn't you say that before the bill was introduced."

Now, I think that the committee on legislation should look into those two sections, and if possible have some amendment passed at the next session of the Legislature in order to protect the banks so that there will be no ambiguity in the section that the banks expect to be covered.

There is another matter that I want to bring before you, and that is in relation to the bill which was passed at the end of the session a year ago, which went into operation last September, and that is the amendment to the Negotiable Instruments Law. It relates to forged endorsements ostensibly, but in reality it only has application to forged signatures. If you will read that amendment very closely and interpret it as I have had it interpreted by counsel, owing to the fact that several bankers have asked me my opinion about it, you will find that the amendment does not in any way affect forged endorsements. We as bankers all know that when we pay checks the signatures to which are forged that we of course are liable, but when it comes to the question of a forged endorsement we should have that section of the Negotiable Instruments Law so amended that it will impose upon the depositor or the person from whom we receive a check with a forged endorsement that he shall make a claim for the payment of the forged paper within one year. I think that would be a good thing for the banker.

In my opinion, gentlemen, these are two good points that our committee on legislation should take up.

PRESIDENT SABIN: Is the committee on revision of statement forms ready to report?

JAMES G. CANNON: As chairman of the special committee which was appointed by the council of administration, I beg leave to make the following report in the matter of a uniform statement blank. I might say in presenting this report that I believe the committee do not think that this statement which we present is absolutely perfect, and we shall be very glad of any suggestions which may be made here as to anything that we can add to it.

REPORT OF COMMITTEE ON REVISION OF STATEMENT FORMS.

New York, July 5, 1905.

To the Executive Council of the New York State Bankers' Association:

Gentlemen—The undersigned were appointed by your honorable body to serve as a committee to devise new forms for property statement blanks.

Owing to the highly technical nature of the work necessary to be done prior to the completion of new forms, the committee have not held stated meetings, but have pursued their labors through Mr. M. E. Evans, who has served in the capacity of secretary to the committee.

Forms in use by various banks, both those which are members of this association, and others, have been carefully studied and compared.

The forms devised by other associations of banks and of credit men have been given careful consideration in arriving at the conclusions which the committee are prepared to submit to the council.

The standard forms now in use by this association may be considered to be the basic form, which has served to mold most of the forms devised by public and private bodies during these recent years of development in credit affairs.

No small part of the labors of the committee have been to determine wisely what changes, if any, are now called for in this form. In general, the committee believe they righly interpret the general feeling of the members of the association in the following conclusions:

First. The standard form should be as simple as possible.

Second. The standard form should ask for only such information as is practicable for the business man to furnish and such as is valuable in determining credit.

Third. The blank should be in form and substance one which will not discourage but encourage its general use.

With these general conclusions in mind, a careful study was made of the particular questions to be asked and of their suitable arrangement on the form.

Legal advice was taken in the preparation of these recommendations, to be sure that no legal advantages were given over which were consistent with the principle that "to get information from a man do not try first to tie him up in a legal bow-knot."

The forms, of which printed copies accompany this report, have been prepared for corporations and firms, and the committee respectfully recommend to the council that the same be presented to the association for consideration.

We further recommend that the secretary be authorized to arrange with some competent printing establishment to furnish these forms to members of the association, on requisition of the secretary, at a tariff to cover cost for printing in the name of the bank.

By this means uniformity will result and the secretary will be relieved from carrying a large stock of forms.

Respectfully submitted,
Signed: J. G. CANNON,
LEWIS E. PIERSON,
STEPHEN M. GRISWOLD, Committee.

I might say that in this second form in reading the proof the heading was inadvertently left off, but the heading will be the same as in the standard form.

We offer these forms for adoption.

PRESIDENT SABIN: Gentlemen, you have heard the report of your committee. What is your pleasure in respect to it?

F. H. HAMLIN: I move that the report be accepted and adopted.

W. B. ROYCE: I would like to make one little suggestion. If you will notice the heading of this report it says, "For the purpose of procuring credit from time to time with you for our negotiable paper or otherwise, we furnish the following as a true and accurate statement of our financial condition on the blank date, which you are to consider as continuing to be full and accurate unless notice of change is given you."

You will see that there is no agreement on the part of the borrower there as to guaranteeing the truth of that statement, and the trouble about obtaining conviction on these forms is that a creditor would come into court and say, "Why, when I made that statement it was absolutely correct, but matters have changed." Now, the point to be reached is that the creditor shall make a continuing agreement—possibly something on the line of continuing collateral securities or mortgages. If I may be permitted I would make this suggestion: That right after the date these or similar words be inserted:

We (or I) agree shall be considered by us (or me) and received by you as continuing to be a true and accurate statement of our (or my) financial condition until notice in writing of a change is given to you by the undersigned.

There is a direct agreement on the part of the creditor that the paper that he files with you shall be a statement, not on the date made alone, but any remote date when he comes to your bank to borrow money. I think if that were incorporated in this statement form it would come pretty near holding the man. It seems to me that a direct statement or agreement on the part of the borrower of that kind will go just as far towards holding him as is possible without some special legislation. I simply throw out this suggestion and leave it to the convention to determine whether it is not wise to act upon it.

President Sabin: What do you say to the suggestion, Mr. Cannon?

Mr. Cannon: I think, sir, that there is no objection to it. I think the suggestion made by the gentleman is a good one.

Mr. Lyford: I would inquire if any one is sure that a continuous agreement of that kind would hold in law? Can a man make a statement to-day that will hold three months from to-day when his conditions may have changed?

President Sabin: I should doubt it very much myself.

Mr. Lyford: It might be well to put in there the suggestion made by the gentleman from Middletown, although I am afraid it would not hold legally.

Mr. Royce: Would not the fraud consist in the act of coming to borrow on that statement that he had filed, stating that if any change was made he would notify you? The fraud is not in the statement, but in the agreement that he makes with you that if any change is made before coming to you to borrow again, he will give you notice. So, if he does come to borrow and has not given you notice, there is where the fraud will come in.

Mr. Hamlin: I will amend my previous motion, Mr. President, by moving that the report of the committee be received and the committee continued for the purpose of considering the suggestion that has been made.

Mr. Lyford: I second that motion as amended.

President Sabin: You have heard the motion as amended, gentlemen. All in favor of it will please signify it by saying aye; those of a contrary opinion, no. Carried.

Mr. Schlesinger: I desire to say from personal experience in regard to the headings of these statements respecting the continuation of credit, that our headings generally read that if there are any changes and the borrower fails to notify us and anything happens that we have a right to a lien upon whatever money there may be standing to the credit of the concern in the bank. We have succeeded in retaining every dollar that has been standing to the credit of a customer who owed us money, if anything happened. I think that clause at the head of the statement is a good one and should be maintained, because every time the matter has come to our notice where there has been any difficulty we have taken the money that stood to the credit of the customer and applied it to his account, and it always held good.

Mr. Lyford: I would like to ask if this last motion does not do away with the adoption of the report and postpone the time when we shall get these forms?

President Sabin: I assume not.

Mr. Hamlin: I do not understand it so. The committee will simply report with such changes as have been suggested after considering the legal aspect of the question.

President Sabin: I assume that these forms are ready now, and, if necessary, they may be changed later.

Mr. Cannon: That is so, sir.

Mr. FISHER: I think if you insert the words "with power" in the reference to the committee that will cover the suggestion.

PRESIDENT SABIN: Next in order is the report of the committee on fidelity insurance.

Mr. DIMSE: As chairman of the committee on fidelity insurance I would say that I have only held the position a very few months. The committee has worked hard and faithfully, and we offer the following report:

REPORT OF THE COMMITTEE ON FIDELITY INSURANCE.

C. H. Sabin, Esq., President, New York State Bankers' Association:

Dear Sir—At the convention held last year at Lake Champlain, questions concerning fidelity insurance were brought before the members and it was recommended that a committee be appointed to consider the following questions and report at this convention:

First.—That the secretary of this association be authorized and requested to take up the matter of insurance with the various indemnity insurance companies doing business in the State with a view to having reduced the rates charged; and

Second.—At the same time securing to this association the most complete protection in the form of policies issued.

Third.—That the policies written for the members of this association be written through the secretary of the association; and

Fourth.—That, if possible, an arrangement be made with the company with whom this business is placed that the regular agents' commission be paid our secretary, which fund shall be turned into the treasury of the association.

Your committee begs to report that communications were addressed to several surety companies writing fidelity insurance for banks in this State and from the replies and information otherwise received, your committee arrives at the following conclusion concerning the above questions:

First.—The judgment of the committee is that no uniform rate for fidelity insurance bonds can be arrived at, as the rates of the various companies are so different from each other, for reasons best known to themselves, that your committee deems it advisable to leave the question of obtaining rates with the bank desiring fidelity insurance.

Second.—Counsel was employed to examine the various bonds issued by companies writing fidelity insurance in this State; the form of fidelity bonds adopted by the American Bankers' Association was also examined; his opinion regarding the most complete protection in the form of policies issued is as follows:

"In accordance with your request we have carefully examined the forms of bond enclosed, in the light of the authorities, and, in our opinion, the form No. 3 (The American Bankers' Association), is undoubtedly the best contract for a bank to accept. Not only is the form of bond No. 3 (The American Bankers' Association) the best form, but in our opinion that form meets substantially all the requirements which are likely to arise in the ordinary transaction of banking business, with the exception of the following points to which we beg to draw your especial attention: The suggestion has been made that, inasmuch as the American Bankers' Association standard form fidelity bond has been copyrighted, it must be accepted or rejected in its entirety, and that no amendment of the form is permissible. Such an objection might be easily met, in case amendment to the form to cover the points which we have suggested were to be made, by obtaining the consent of the American Bankers' Association to the use of the amended form by the members of the State Bankers' Association.

Our views may be summarized by saying that we regard the American Bankers' Association standard form fidelity bond as the best form that has been submitted to us; that we consider it fair and sufficient for all practical purposes, and that, while the amendments, in the form which we have suggested, would, in our opinion, greatly strengthen the form of bond, none of them are vital.

Third.—Two well known surety companies writing fidelity insurance in this State, the National Surety Company and the American Surety Company, have agreed to designate the secretary of the New York State Bankers' Association, or any other person named by the association, as their agent to write fidelity bonds for all of the banks which are now or may hereafter become members of this association; and

Fourth.—The companies referred to above will also agree to pay the secretary of the New York State Bankers' Association or any other person named by this association, a commission on all fidelity bonds issued by them, or when rewritten for present or future members of this association.

In conclusion your committee recommends:

First.—That the New York State Bankers' Association enter into arrangements with the National Surety Company of New York and the American Surety Company of New York in conformity with the terms regarding the appointment of an agent to write fidelity bonds and the commission to be paid, which have been submitted to the committee on fidelity insurance; and

Second.—That when these arrangements are entered into, with those two surety companies, that all members of this association be notified that it is desirable and advantageous to this association to have all of the fidelity bonds expiring, or new fidelity bonds when written, to be obtained from these surety companies, appointing your representative their agent.

Respectfully submitted,
HENRY DIMSE, Chairman;
E. S. TEFFT,
GEO. T. MURDOCK,
WM. N. S. SANDERS,
F. B. POST, Com. on Fidelity Insurance.

PRESIDENT SABIN: What is the pleasure of the convention respecting this report?

ANDREWS S. BOOTH: I move its adoption.

SAMUEL PARKER: I second the motion.

Mr. CANNON: May I ask a question? There is nothing compulsory about this, is there?

PRESIDENT SABIN: No, sir. It is simply optional with the members. All in favor of the adoption of the report will signify it by saying aye; those opposed, no. Adopted.

Mr. DIMSE: Now, with the adoption of the report, there are one or two points which the committee considered especially as to the revenue which could be derived from this commission paid by the surety company. I understand that the Missouri State Bankers' Association has a fund of about $18,000 which has been largely derived from the commissions paid. I feel that in time to come this association will be placed in such a position that it will be able to reduce the amount of fees which some of the smaller banks raise issue about at the present time. I therefore offer the following resolution:

Resolved, That the secretary of this association be authorized to employ counsel to prepare the agreement to be entered into with the surety companies referred to in the report of the committee on fidelity insurance;

Resolved, secondly, that the secretary be designated in the agreement as the agent of this association, and that he be hereby authorized to employ a clerk to assist in this work or otherwise, the salary of such clerk to be paid by the treasurer from the commissions received from the surety companies.

PRESIDENT SABIN: Gentlemen, what is the pleasure of the convention in respect to this resolution?

PHILIP F. SWART: I move its adoption.

Mr. SCHLESINGER: Should there not be a limit placed upon the amount of compensation to be allowed by the secretary to this clerk?

PRESIDENT SABIN: It seems to me that matter may very properly be left to the discretion of the secretary.

Mr. HAMLIN: I would suggest that it be left in the hands of the council of administration.

Mr. DIMSE: I accept that suggestion.

PRESIDENT SABIN: Then the question will be put upon the resolution, as amended. All in favor of its adoption will please signify it by saying aye; those of a contrary opinion no. Adopted.

The committee on National bank legislation—is there any report from that committee? I understand there is not, as the chairman of the committee is not present.

HIRAM R. SMITH: Mr. President, at what time will it be proper for the association to consider the resolution which I handed in to the council of administration?

PRESIDENT SABIN: That will come up under the head of new business.

Gentlemen, I take great pleasure in now introducing to you Mr. John R. Van Wormer, of New York, who will address us upon the subject, "Is This Country in Danger of Becoming Socialistic?"

IS THIS COUNTRY IN DANGER OF BECOMING SOCIALISTIC?—ADDRESS OF JOHN R. VAN WORMER.

From time immemorial the banker has been the adviser and best friend of his customer. With the lapse of time, the advance of civilization and the tremendous increase of industrial transactions throughout the world, the calling of the banker has appreciated vastly in importance. From force of circumstances, as well as for a variety of other reasons, he must needs become a many-sided man, alert each day to discover "some new thing" pertaining to the welfare of his business and of the community in which he lives. Never before was this truer than it is to-day. Whenever unrest and dissatisfaction exist the banker is among the first to discover the fact. The nature of his business develops in him caution, conservatism and foresight. In short, he is a natural advocate and promoter of whatever makes for the improvement of business and society, and he sets his face like flint against whatever tends toward disintegration and demoralization. Among other things, the banker should be deeply interested in the latest manifestations of socialism, because, as a good business man and a good citizen, his services will be needed in the near future more than they ever were at any previous time in combating some of the seductive fallacies of this, with some people, panacea for all the ills to which the body politic is heir.

There is doubt in many minds as to what constitutes the doctrine of socialism; what its present status is and in what way its advocates propose to substitute it for the established order of things. It is worth while to keep in mind the respects in which socialism differs from communism, from anarchism, from nihilism, or from any other of the isms that threaten to disturb the existing conditions of society and of the government. Let us strive to find the best obtainable definition of the principal "isms" and then contemplate the condition of things which would ensue were the theories of their extreme advocates put into operation and substituted for the present social order.

The Century Dictionary defines "communism" as follows: 1. An economic system "or theory which rests upon total or partial abolition of the right of private property, actual ownership being ascribed to the community as a whole or to the State. The right of the State to control the means of production, and also the distribution and consumption of the products of industry, is in general especially emphasized by the advocates of the theory. In some communistic schemes the right of the individual to the control of his own labor is also denied, each one being required to do that which is most advantageous to the community as a whole. Such theories, differing in details, have frequently been advanced, by Plato in his 'Republic,' by Sir Thomas More in his 'Utopia,' and in recent times by many writers, and have not infrequently been carried into execution on a small scale, as in the Oneida Community. The Oneida Community, a religious society or brotherhood, the Bible Communists or Perfectionists, was established in 1847 on Oneida creek in Lenox township, Madison county, N. Y., by John H. Noyes, after unsuccessful attempts to establish it at New Haven, Conn., in 1834, and at Putney, Vt., in 1837. A branch of the Oneida Community also existed at Wallingford, Conn., but it has been withdrawn. Originally the Oneida Community was strictly communistic, all property and all children belonging primarily to the society, and the restriction of marriage being entirely abolished; but in 1879, owing to the increasing demand of public opinion that the social practices of the societies should be abandoned, marriage and family life were introduced, and in 1880 communism of property gave place to a joint-stock system and the community was legally incorporated as the Oneida Community Limited."

Fourierism.—The communistic system propounded by the French socialist, Charles Fourier (1772-1837), based on his philosophy of the passions and affections. According to his plan, society was to be organized into phalanxes, or associations united by the principles of attraction, each large enough for all industrial and social requirements (estimated at about 1,800), arranged in groups according to occupations, capacities and attractions, living in phalansteries or common dwellings, and guaranteeing to every member the means of self-support, or maintenance under disability, and opportunities for the harmonious development of all his faculties and tastes. Several philansteries were established in France and the United States; but it was not found practicable to carry out his plans fully in any of them, and their existence was brief.

John Stuart Mill, the political economist, says: "Fourierism was brought to America about 1840, and soon found numerous advocates, including many names of which America is proud." This refers to what was known in its day as the "Brook Farm" experiment at Roxbury, Mass., in 1841-1845. It was a socialistic movement entered into by some distinguished American gentlemen who thought that Fourierism could be adopted with advantage by all civilized people. The experiment failed, however, as property held in common was not adequately represented, and as too many faces constantly at one board and around one hearthstone tended to destroy the sanctity of private life, obliterate family life, etc. Interest attached to this unique departure chiefly because among those identified with the movement were Hawthorne, Charles A. Dana, Albert Brisbane, Parke Godwin and Margaret Fuller. Emerson, Lowell, Thoreau, Longfellow, Whittier, Channing and Higginson were sympathizers. Forty years ago, and even later, not a little quiet fun was poked at Horace Greeley on account of his early leaning toward Fourierism.

Christian socialism is defined as a doctrine of somewhat socialistic tendency, which sprang up in England about 1850, and flourished under the leadership of Charles Kingsley, Frederick D. Morris, Thomas Hughes and others. The main contentions of its advocates were: First, that Christianity should be directly applied to the ordinary business of life, and that in view of this the present system of competition should give place to co-operative associations, both productive and distributive, where all might work together, as brothers; second, that any outer change of the laborious life, as aimed at in most socialistic schemes, would not suffice to settle the labor question, but there must be an inner change brought about by education and elevation of character, especially through Christianity, and, third that the aid of the State should not be invoked further than to remove all hostile legislation. A similar scheme appeared somewhat earlier in France. The doctrines of Christian socialism, or similar doctrines under the same name, have been frequently advocated in the United States.

One of the sanest and most lucid contributions to the meaning which socialism would have if applied to the situation which exists at present in the United States is made by Nicholas Paine Gilman in his book, "Socialism and the American Spirit." He says: "The 'social problem' which deeply occupies the mind and heart of our time is essentially the issue between individualism and socialism. Are the two reconcilable or must one be preferred to the other by progressive races? Voices are not wanting to tell us that there is no half-way house between State socialism and anarchy—between an enormous extension of the functions of the State on one hand and a virtual abolition of State control on the other. The ears of them that listen are filled with the cries of extremists who unite only in denouncing the actual order, employing a rhetoric and a logic which pay little heed to reason, and a sentimentality that has small concern for the laws of economics or the fundamental realities of human nature. When they occasionally give attention to each other the socialist has little difficulty in showing that the anarchist is a sentimentalist of the future, who dreams of an impossible race of men needing no restraint, since they have arrived at perfect virtue and entire reasonableness; the anarchist has no more difficulty in demonstrating that the socialist is a sentimentalist of the present, far astray in supposing that the majority of men can safely be trusted with extreme authority over the minority.

Meanwhile the man of scientific temper cannot recognize in the ideal picture drawn by the socialist or by the anarchist a natural development for existing society. He is altogether unable to perceive why the human race should be given up to exclusive control by the principle of authority or the principle of liberty. These two principles have blended, in various degrees, throughout human history; and if to-day, as ever before, 'only law can give us freedom,' freedom only can give us law. The meliorist and the optimist must reject with decision the irrational denunciation by socialism and anarchism of the present order of things, which they declare incapable of improvement except by revolution. One may easily discover the fundamental pessimism underlying the superficial trust in human nature (in the future) professed by these two classes of extremists—those who would free mankind from all control by government, and those who would give the majority unlimited power over the minority. If human society is now so evil as to need complete transformation, after the thousands of years of life on this planet, where is the just foundation for hope that all will be well under any scheme, since this is to be administered, of necessity, by the same human nature?

The scientific spirit, on the other hand, joins with practical philanthropy in declaring a deep faith in the ability of mankind to improve its lot upon earth through the method of evolution. The development may now be conscious to a degree; reason can accelerate that 'unreasoning progress of the world' of which Wordsworth speaks; but in all probability the forward movement will be on lines already found to be practicable toward an ideal the equal of which no theorist has yet conceived."

In an authoritative work on "Socialism and Socialist" are the following pertinent observations: "In every human society, where it advances or retrogrades, modifications more or less profound are always going on, modifications which are more or less perceptible, and which, with or without the knowledge of such society, act upon its economy."

Apparently such a society remains the same; but in reality it is daily affected by changes of which it becomes entirely conscious only after time has fixed them in the habits and customs of the people, and marked them by its sanction. This is the course of civilizations which are being perfected or which are declining. The honor of a generation is to add something to the inheritance it has received, and to transmit it improved to the generation which comes after it. To employ what has been acquired as an instrument of new acquisition to advance from the verified to the known; such is the idea of progress as it presents itself to well-ordered minds.

But such is not the idea of the socialists. In their eyes the situation given is a false one and the process too simple. Reforms in detail do not seem to them worthy of attention. They have plans of their own, the first condition of which is to make a tabula rasa of everything that exists, to cast aside existing laws, manners, customs and all the guarantees of personal property. It seems to them that we have lived thus far under the empire of misconception which it is urgent should cease; our globe, according to them, is an anticipated hell, and our civilization a coarse outline only. What is the remedy? There is only one—to try the treatment of which the socialists hold the secret. There are socialists with mild remedies and socialists with violent remedies; the only difficulty is the choice. But with all their differences there is one point on which they agree—the formal condemnation of human societies as they are at present constituted, and the necessity of erecting on their ruins an order of things more conformable to the instincts of man and to his destiny here below. In exchange for our real world, the socialists offer us worlds of their fancy. This is their distinguishing trait, and one which makes of them a family apart. In this pursuit they have had so many precursors that to enumerate them would be to write the history of the adventures of the human mind. First we find Plato with the most captious of models. He invents an imaginary commodity, which Sir Thomas More reproduces in his Utopia. In both cases goods were to be in common and the fruits of labor distributed by means of arbitrary combinations. There is one formula which a certain type of socialist understands. To take from those who have in order to give to those who have not, is a concise and intelligible proposition. To reduce all positions and fortunes to a level, is one not less so. Both find in the heart of men a bad passion, which answers them.

The crudity of some American legislation which has the appearance of socialistic tendency is commented upon as follows: The prominent matter in the minds of the American legislator is, usually, the obvious public welfare for the time being. As he is not, commonly, well equipped historically or a careful student of political evolution, he is only too ready when he sees an undesirable evil to enact a law against it. Often he does not previously consider whether legislation may not even increase the evil; the proposed law may well seem to deliberate students of sociology, politics or finance, an unwarrantable interference with the natural laws of these phenomena which can only fail of its aim.

The humaneness of the American temper is largely responsible for the laws which exempt the homestead and a certain amount of personal property from attachment, thus apparently interfering to preserve the citizen from the consequences of his own recklessness or incapacity.

The interference of the government with individual rights in certain respects has become a settled fact. Witness the State inspection of stores, factories, steamers, analysis of drugs, liquors, food preparations, collection of statistics of labor, transportation and manufactures, the testing of butter and fertilizers, tree planting, irrigation, etc. Such facts as these are not to be explained by any bias of American legislation toward theoretical socialism. In fact, socialism has been little known, and less understood, in the United States down to a comparatively recent period. Within this period there has been no change in the general scope of American legislation.

No party of considerable strength has yet proposed in a State Legislature or in the National Congress a distinctively socialistic programme, and there seems no prospect of such party arising. Whenever a measure has been adopted which the socialist would call a step in the direction of complete ownership by the State of the means of production, it has not been passed as such, but purely on its merits as an individual instance. Thus the Massachusetts General Court of 1891 authorized towns and cities to manufacture electric light under carefully specified conditions; but the Legislature was far from giving this simple permission on the ground, expressed or implied, that, everywhere and always, the State is to be preferred to the individual as a producer. On the contrary, in accordance with the usual practice in such permissive legislation, it left each local community free to decide for itself whether to undertake the manufacture of electric light or not, and to continue the business or not, according as the results should be found to be favorable or unfavorable by the community.

Prof. William Graham says in respect to the extension of government in the sphere of industry: "This is pre-eminently one of the cases where an induction from the part to the whole would be fallacious, where what would be true for part of the field of industry occupied by the government would not be true if it were universally occupied."

The potential part played by education in the development of the American spirit is a matter of great importance, in so far as it has prepared the minds of intelligent members of the community to accept many of the doctrines of socialism and to combat others, as well as to resist apparently dangerous influences. Theodore Parker once said in the early days of the republic: "In this country every one has a taste for knowledge, while few persons get a full meal," a saying not as true now as when uttered. John Adams said: "This Government stands on four corner-stones—the church, the schoolhouse, the militia and the town-meeting." If alive to-day what would he probably think about the free school-books of our public schools and of the existence of such a free educational institution as the University of Michigan? An eminent writer and one of the ablest students of American history, in speaking of the books of our public schools, has said about the American people: "Their absolute democracy and their universal use of the English language have made the common schools most successful machines for converting the raw material of immigration into American citizens. This supreme benefit is the basis of the system and the reason for its existence and development, but its incidental benefit of educating the people has been beyond calculation."

As to the attitude of American sentiment toward changes in the legislation and administrative policy of the Government, Gilman says: "The American would undoubtedly give the individual the first chance in every new field. To such a race, marked by great business capacity and a genius for self-help, the presumption is always in favor of private enterprise. If experience shows that much injury to the public arises from combinations or competition between persons or corporations, however closely checked here or there, a fuller control may be reluctantly assumed by the people. This reluctance is not theoretical; it is solidly grounded on the fact that each enlargement of the sphere of a republican government increases the burden of the public duty laid upon the citizen. The new functions must be discharged by agents whom he knows he will need to watch with vigilance. As I have had occasion more than once to repeat, there is no American theory of the State; there is no philosophical system, generally accepted by the people, limiting the functions of the State or the freedom of the individual. The Government is not a power looked up to as wiser than the average voter; it is a body of delegates chosen to carry out a certain policy and manage the public business for a limited period."

In Germany it is evident to the American observer that the social democratic programme is very largely political in its demands; most of the institutions advocated we already possess in this country, having enjoyed them for a long time. American socialism, largely for this reason, has thus far been almost purely economic in its basis. But as certain great political changes would be inevitable even in preparing for the economic regime of socialism, it is in order to inquire how such changes would strike the American mind.

The active and laudable individualism of the energetic and capable American mind revolt at the necessary industrial and political despotism of such a State, and the conservative element in his political temper is as much repelled by the destruction of time-honored political institutions absolutely requisite for the mere erection of the socialistic state.

Mr. Gronlund has been the most specific of socialistic writers in acknowledging the chief changes in our political fabric which socialism would involve simply as preliminaries. These are so great that it requires a vivid imagination to suppose that the American mind will seriously consider them. A radical upheaval would be necessary for the sagacious American temper to rashly surrender the ample benefits which political freedom now secures simply in order to discover whether or not the economic blessings promised by Mr. Bellamy and Mr. Gronlund have any existence outside their imaginations.

One of the most interesting of the recent expositions of socialism appeared in an able article in "Munsey's Magazine" for June, 1905. It was written by Mr. Herbert N. Casson. In part his observations were as follows: "In 1848 a German Jew named Karl Marx published a pamphlet, which has now become almost as famous as the Declaration of Independence. Marx, driven out of Germany, went to England, and, while studying in the British Museum, became interested in Adam Smith's 'Wealth of Nations,' which states, among other things, that 'Labor produces wealth, and therefore should not be interfered with.' Marx added that 'If labor produces all wealth, then all wealth should belong to labor.' Unhampered by the slightest personal knowledge of industry, Marx began to weave his philosophy. He began where Adam Smith ended.

He declared that the capitalist who owned the land, machinery and money would inevitably possess all the property. That the wage-earner would inevitably sink lower and lower, and eventually be compelled by hunger and cold to take away the land, machinery and money from the few owners and make them the common property of the nation. This is, in a sentence, the gist of this great book, 'Capital,' which at once became the Bible of socialism.

There is a wonderfully persuasive power in a definite, untried, optimistic scheme. When there are no troublesome details and no local issues, it is easy to make mass meetings unanimous. The gospel of Marx was good news to all the under dogs of the world.

In Germany not one of the eighty-one socialist members of the Reichstag is a bonafide workingman.

In France, where there are 900,000 public officials already, the socialistic doctrine of a government that shall be universal owner and employer was welcome. Even yet French socialism is too lofty and ethereal to deal with any practical details. When Millerand, an able and trusted socialist leader, was honored by being made a member of the cabinet, he was sternly expelled from the party as one who had defiled himself. Although they are in control in ten of the largest cities, the French socialists have made little practical headway toward their ideal, partly because of their lack of political and business discipline, and partly because French cities have a comparatively small degree of self-government.

In Belgium, especially, the socialist organization has become so complex that it touches the life of its members at every point. It is, in fact, becoming the chief capitalist in the country. It sells its members groceries and dry goods, insures their lives, supplies them with music and books, and entertains them with excursions and festivities. In the unheroic, matter-of-fact atmosphere of England Marxian socialism wilted like a banana tree in Norway. A handful of refugees from the Continent kept it feebly alive in London, but even British social reformers and trade unionists rejected it until the famous London Fabian Society Anglicised it and disinfected it of all revolutionary germs. The socialism of England, Australia and New Zealand is not of the Marxian brand. It waves no red flag and chants no Marseillaise. In these countries socialism appears in the form of innumerable committees, each one grappling with some one definite local issue, such as cheaper gas, public baths, pure water, better train service, and so on.

New Zealand has been from the first entirely immune from the doctrine of Marx, and in the matter of practical progress it has far outstripped all other countries. As a land without a millionaire, without a tramp, and without a strike, it stands unique. In fact, the New Zealanders have placed themselves in the van of social progress, not so much because they have been led by able statesmen, but because of their isolation and the absence of social classes among them. A member of the present New Zealand Government expressed popular opinion in his country recently by saying: "We are organizing our great industries so that they shall not make a few individuals enormously rich, but so that they will give the advantage of cheaper service to the whole body of the people."

In the European countries mentioned (France, Germany, etc.), there has as yet been no disillusionment with regard to the workings of political democracy. It is assumed that a just law will at once become magically efficacious. The far-off hills of democracy look green. Whenever socialists have undertaken to operate co-operative stores or factories, their idealistic philosophy has been greatly modified. They have learned to appreciate business ability, and the old phrase, "Labor creates all wealth," becomes less convincing than before.

In a socialistic store in Brussels, the head clerk is paid five times more than an ordinary clerk. "Why do you do this?" asked a visitor. "Because he is worth it," was the reply.

The heavy debt of New Zealand and the municipal ownership cities of Great Britain is taking some of the rosy glow out of the socialistic future. And so in most countries, the socialists are sadly coming down out of the enchanted land of philosophy, and preparing for a long hard pull on the steep road of social progress. It is a curious and little known fact that one of the world's first advocates of socialism was Thomas Skidmore, a New Yorker, who, in 1829, wrote a book in favor of the collective ownership of all the means of production and distribution. At that time the word socialism had not been coined and the great Marx was a curly-haired boy of eleven.

In 1840 the writings of Fourier, the Frenchman, and Robert Owen, the Englishman, attracted the attention of literary people in New York and Massachusetts. Scores of little co-operative communities were formed, that of the Brook Farm being the most notable. Instead of soaring to the ideal, these communities sank into squalor and bankruptcy, and are worth mentioning only because of the eminent Americans who approved of them.

It is a well known fact that trades unions, as a rule, and the Catholic Church, invariably and unalterably, are opposed to socialism. At the last national convention of socialists held in this country, three out of every four delegates were American born.

As in Europe, the party is still dominated, as an organization, by the prestige of Marx and the early leaders. Any editor or orator who is not doctrinally sound is attacked and usually expelled. But among the rank and file, in the West especially, socialism is being interpreted into American ideas and methods. The practical socialism of Australia and New Zealand is being carried into California by sailors; and in a few years the Marxian epoch in America will be at an end, unless it is prolonged by business depression.

It has been shown that there are now more than 330 different trades, professions and institutions that are directly operated by government, in some parts of the globe. Twenty-five nations own their own Savings banks. Fifty-five own their own railroads, wholly or in part. Sixty-eight own their telegraph systems. Some nations have found it safe and profitable to operate such enterprises as pawnshops, drug stores, theatres, blast furnaces, coal mines, factories, hotels and breweries.

With the exception of ancient Peru, we do not know of any nation which has ever adopted wholly the principle of collectivism; neither do we know of any nation that has been wholly without it.

After all, is it not the unending task of all peoples to establish a just balance between the rights of the individual and the rights of society in general, so that there shall be liberty without chaos and order without repulsion?

PRESIDENT SABIN: We shall next listen to "A Voice from the South," by Mr. Joseph G. Brown, of Raleigh, N. C.

"A VOICE FROM THE SOUTH."—ADDRESS OF JOSEPH G. BROWN, PRESIDENT CITIZENS' NATIONAL BANK, RALEIGH, N. C.

Mr. President, Ladies and Gentlemen—I count myself peculiarly fortunate in being permitted to stand before the bankers of this imperial Commonwealth, and before the only beings on earth who can control these bankers—the good women of New York—for the purpose of bringing fraternal greetings from their brethren south of the Potomac.

It is always pleasant to be the bearer of good tidings—it is especially pleasing to me to come as "A Voice From the South," bringing messages of good will to you of the North, because such expressions coincide so fully with the feelings of my heart.

I have revelled to-day in the beauties of this glorious place. Yet it has not been simply that

> "Nature has shed o'er the scene
> Her rarest of crystal and brightest of green."

This surely had been sufficient, but mine has been the greater joy of mingling with many old friends and making many new ones. I shall never forget the cordiality of my welcome and your gracious hospitality.

As I have gone from place to place in various parts of the North and the West, I have heard many pleasant expressions about the hospitality of the South. It has been as sweet music to my ears, but I fear the oft-repeated story had begun so to impress me that I was becoming somewhat puffed up with the idea that the grace of hospitality was peculiar to the South, and to be found in its sweetest form nowhere else than under our sunny Southern skies.

But this illusion has been dispelled as on several occasions I have found myself the guest of New York bankers—and especially was my mind thus disabused when, two years ago, I had the happy privilege of planting a little North Carolina colony in the midst of a group of New York bankers and their ladies, and of journeying with them across the American continent; and again a year ago when the whole of Greater New York, including Coney Island, was turned over to their guests, the members of the American Bankers' Association. On these occasions I discovered that the beautiful plant of hospitality was not indigenous to the South alone, but that it grew, too, in richest luxuriance in this far Northern clime. These impressions have been confirmed and strengthened by my welcome to-day, and I do not know how to express my appreciation more strongly than by assuring you that you have made me feel at home. You have made me feel that I was among my own people—bone of my bone and flesh of my flesh.

And, after all, is not this true, my friends? Are we not of one great family? Are we not one people—one in spirit, one in thought, one in our aims and purposes, one in that broad fraternal love which makes the whole world akin?

There was a time, ah me! a sad, sad day when we were torn asunder, when the North and the South stood face to face, not in friendly intercourse, but in cruel war. Bravely did each their duty as it was given them to see it. The horrors of that period will live forever—a sad, a fearful memory; but the great God of nations was overruling and His righteous will was accomplished. The sons of the South laid down their swords, laid away their folded banners, and went back to their homes, not to sulk in their tents, however, and to complain at fate, but to take up again their allegiance to the old flag, to rejoice in its glory, and to build up a new home on the ashes of the old. The way was not an easy one. On both sides were many who cherished rancor in their breasts, and who, for personal gain, were ready to throw hindrances in the way of perfect unity. In such way was closer fellowship retarded for many years; but, presently a brave young Southern spirit from the State of Georgia, Henry W. Grady, stood up in New York city, in full view of the nation, and proclaimed to the world that the war was ended, that the family jar was healed, that the brave boys who wore the blue, and the equally brave ones who wore the gray, had clasped hands in friendship and brotherly love. A thrill of joy ran through the people of the North and the people of the South, and from every direction came a great responsive echo, until it needed but little imagination to catch the sweet notes of the angels as they proclaimed "Peace on earth, good will to man."

Like most of you, I was too young for the war, but my two brothers fought bravely for the cause their State espoused, and they believed was right.

One of them fell in the Valley of Virginia, and is sleeping to-day in an unknown grave. The other, released from prison on Johnson's Island, on one of the great Northern lakes, came back to his aged mother, brave in spirit but broken in health, lingered a while, then passed away, and is now resting peacefully by her side in fair Oakwood. Both are gone—but if it be given to those on the other side to know what transpired here, methinks that their brave spirits thrill in unison with mine to-day at the thought that the same flag which waved over their cradles waves over their graves, and will wave over mine, and my children's on through the generations.

God bless the old flag!
Fathers shall bless it,
Children caress it,
And shall maintain it,
No one shall stain it.

Cheers for the sailors that fought on the wave for it,
Cheers for the soldiers that always were brave for it,
Tears for the men that went down to the grave for it,
God bless the flag!

Only a few months ago, as I entered my chamber at bedtime, I found the little white bedstead in the corner in which my ten-year-old boy slept, decorated with the stars and stripes, and next morning, when I asked him why he did it, the little fellow's face beamed as he replied: "So I might see our colors, papa, the last thing at night and the first in the morning."

And he is not an exception, for all through our Southland our boys are taught to love the flag, and from many a country school-house there floats to-day our national colors, while the hymn that tells of the "Sweet Land of Liberty" is a familiar one to every Southern child.

You have asked me to talk to you of the Southland. I am glad of the opportunity, for while I love all this fair land of ours yet, naturally, it seems to me that in my own homeland the skies are just a little bluer, and the stars a little brighter, the grass is greener and the flowers perhaps more fragrant, and tinted with a little softer hue, the air is a bit purer and the water sweeter, that there is a trifle more of melody in the murmuring of the brook and the music of the song bird and all because 'tis home. I am glad to tell you, gentlemen, that there are no more loyal people anywhere than those in the South. And I believe that the North recognizes this fact. The occasional croaker, whose mutterings are heard on both sides of the line, can no longer disturb the harmony that prevails. The South loves her sons; the glory of her young manhood is her glory, and her crown is her young womanhood, but when this great nation is in peril no life is too sacred to be given in her defence. When the "Rough Rider" rode fearlessly up the hills of San Juan, a gallant young North Carolinian, Lieutenant Shipp, followed close at his side, and laid down his life there for his country.

My own townsman, a noble lad, the pride of his widowed mother, young Worth Bagley, at Cardenas, gave the first blood that was shed in the Spanish War.

Intrepid Victor Blue, another Southerner, penetrated the enemy's ranks and brought back tidings of their condition, and the gallant Hobson, of Alabama, thrilled the nation with his bravery. The gallant soldier, the imperial Grant, recognized our common tie when at Appomatox he gave back to the immortal Lee the sword which he had surrendered. So McKinley testified to our loyalty when he commissioned those old Confederates, Joe Wheeler and Fitzhugh Lee, to don the blue—and only recently President Roosevelt placed his seal thereon when he sent to West Point a grandson of the Southern hero, Stonewall Jackson, and again when he returned to the Southern States their old battle flags. And, in passing, may I not say that our people believe that President Roosevelt is friendly to the South, and they are ready to stand by him in every effort to blot out sectionalism and to cement all our people together in the closest union? We believe this is his purpose and we recognize in him a great leader, a strong, brave, big-hearted American citizen, thoroughly national in spirit and in every way well equipped for the great trust committed to him by the American people.

If war divided, war has done much to reunite us. Have I dwelt too much at length on these matters? It is because I long so ardently to see the time come when there shall be no more forever the slightest lack of harmony between the North and the South; and I believe that time is at hand. I steadfastly believe that every passing day brings our people into closer relations of friendship, and I believe this is facilitated by our frequent social meetings, just as, by constant companionship, the soul of Jonathan was knit with the soul of David.

The subject assigned to me is an alluring one, but one which I approach with no other feeling than that I am talking of your country as well as of mine. I speak of the South, as I would of the North, as a part of our common heritage.

To get an adequate idea of the South of the present it will be necessary to catch a brief glimpse of its past. It is unique in that it is divided into three parts—three distinct periods—that before the war, the four years of warfare and the years of famine following, and the period of industrial growth. The South was cursed with slavery, perhaps unconsciously so, but none the less cursed.

There are many erroneous views, however, as to the relations between the slaves and their owners. There was, perhaps, some basis for the horrible stories related in "Uncle Tom's Cabin," but special instances were pictured as a general condition. There were in fact the closest relations between the whites and the blacks, and in many cases ties of the strongest affection. This was shown by the fact that many negroes of their own choice remained with their masters, as servants, after their freedom had been proclaimed.

Lincoln's proclamation was more than a proclamation of freedom to the negro—it was a proclamation to the white man of his freedom from the idea that manual labor was for the negro only—and of his freedom to use his wonderful endowments for the upbuilding of the country which God had given him, and it was thus to him a blessing in disguise.

The dependence of the South on the negro for the cultivation of the field and for practically all manual labor resulted in a generation of young people unaccustomed to the employment of their hands, who were thus deprived of that sweetness which is found only in the bread earned "by the sweat of the face."

Notwithstanding this, however, the South had attained to a high state of prosperity just prior to the war. Her farms were well tilled, and their products largely increasing. She produced all the cotton, sugar and rice in the United States. She raised forty-four per cent. of the corn crop. She produced 351,500,000 pounds of tobacco, while only 77,880 pounds were raised in the other States. All but 3,000,000 bushels of Irish potatoes were from her fields (38,600,000 bushels, all told). The value of her live stock was forty per cent. of its total value in the country, and her farms one-third of the value of all the farms. She owned forty per cent. of all the agricultural implements, and forty-four per cent. of the total assessed value of all property in the United States.

Her manufactories were increasing, and in the decade prior to 1860 she quadrupled her railroad mileage running it from 2,335 miles to 9,897, while New England and the Middle States only increased by about 100 per cent. from 4,798 to 9,510 miles.

Her statesmen largely directed the affairs of the nation. One of them led the first armies to victory and became the first President. Another wrote the Declaration of Independence and later gave to the country those great possessions which gave occasion for the great World's Fair that has just been held. The story of the nation is told in the lives of Washington, Madison, Jefferson, Calhoun and a host of others of Southern birth.

Her property in 1860 was assessed $5,200,000,000. With only forty-four per cent. of population she had one-half of the wealth of the country. Her banking capital was ample. There were a few strong banks with many branches. No legitimate business needed to seek financial aid elsewhere. Statistics are not available for the whole country, but in my own State of North Carolina, as illustrative of the others, there were sixteen banks with twenty-six branches, having a capital of $9,408,470, and a large circulation. The loans amounted to $14,975,028. Apparently business transactions were made largely in cash, as deposits amounted to only $1,831,598.

But the war period came. You who lived remote from the scenes of carnage cannot fully realize the force of Sherman's characterization of war. Hell could be no worse.

The flower of the South's young manhood was called into service. With a military population of only 115,300, North Carolina furnished 127,000 soldiers, many of them being boys under age, and forty-one thousand of these never came back to their homes, but found a resting place on the battlefield. Never were more heroic people, never were greater sacrifices made. This was the period when the faithfulness of the negro won the lasting gratitude of the white people of the South. He showed a phase of his character then that seems to have been beclouded by his freedom. In those days lynching was unknown, and although the women and children were at the mercy of the negroes, the shocking crimes, now so common, were never heard of. It is said that "It is an ill wind that blows nobody good." The trials of the war revealed the sterling character of the people of the South. Men, unused to toil, and women, too, became workers. A Chinese wall was built about us. The outside world was shut off from us. We were forced to rely upon our own resources, and right royally did we rise to the occasion. A new world of strength and power of achievement was revealed to us, a wealth of character and a wealth of self-reliance of which we had never dreamed. With the conditions that surrounded them, one would naturally have expected to find in the young men of the South an effeminate specimen whose former apparently indolent life would have totally unfitted him for the stern, exacting and strenuous demands of soldier life in real war. But a strength, born of courage that had behind it the consciousness of right, cannot easily be overcome; and such was the power that nerved the arms and stimulated the souls of the boys in gray.

The South emerged from her war penniless. The only currency she had was worthless. Her homes in many cases had been destroyed. Her farms were laid waste. The negro—upon whom she had depended for the cultivation of her soil—had been set free, and, intoxicated with this new view of life and unused to self-control, became a menace. Her public men were disheartened. Her boys and her young men were broken in health, mutilated in body and crushed in spirit. But there was one thing left, her noble womanhood. With an unquestioning faith in the righteousness of their cause they had sent their husbands and their sons to the front, submitting themselves to such sacrifices as the world had never witnessed before. Accustomed to luxury, with slaves to do their every bidding, with wealth to provide every comfort, clad in purple and fine linen, they laid it all aside and submitted to every privation. They disposed of their jewelry; they wore homespun clothes and wooden bottom shoes; they drank coffee made of potatoes; and, with their own delicate hands, did the drudgery work of the home in order to save every possible dollar that it might go to the support of the army in the field.

Such spirits as these could not be crushed by defeat, and the time was not long before the broken-spirited men had caught the enthusiasm of these noble women, and had turned their faces again toward the rising sun, with the determination to re-establish their homes, and to build up again the country they loved so much. The task was no easy one, but the brave women inspired a courage that could not be daunted, and side by side the men and the women of the South fought the cruel fate that seemed determined to destroy them. They were content to face poverty, they were content to endure hardships, they were content to live lives of struggling, because they knew the richness of their inheritance, and would preserve it for their children. For long weary years they could hardly provide the actual necessities of life. There was no chance to accumulate anything. They could only earn a meagre living, but they kept possession of the garden. To branch out in lines of business was impossible, because the means were lacking, but they toiled on, and many long winter nights, as they gathered around the big log fires, which furnished the only light for their cabin homes, except perhaps an occasional tallow candle, they talked of the old times, and saw, in their fond dreams, their children occupying the re-established homes, and building up a new South, the equal or superior of the old.

They murmured not. They did not regret, and to-day their children rejoice that the negro was freed. They saw through a glass darkly then, but now the hand of Providence is unmistakable. The most serious condition that faced these people was in the realm of public life. A great mass of humanity, reared in slavery, uneducated, unacquainted with the first principles of self-government, without the slightest moral perception, only a few generations removed from heathenism were given not only their freedom, but the full rights of American citizenship. The ballot was placed in their hands, an act done in kindness doubtless and with best intent, but recognized now by all thoughtful men of every section as the mistake of that century in American politics.

It was an easy matter for a few foreign politicians, backed by the lowest element of our native people, to secure absolute control of the entire negro vote, and wield it for their own selfish ends. And this they did. In every Southern State the greatest corruption prevailed. The most extravagant issues of bonds were put out, as is evidenced by the millions of these securities that were later repudiated. Upon my own State was placed a debt of $38,000,000, and on the Southern States probably not less than $800,000,000. In many cases it appears that the States got little if any benefit from these issues. In North Carolina, and in my own city, these bonds were thrown around like waste paper. In the trunk of the mistress of one of our leading public men were found $50,000 of our newly issued State bonds. Under such conditions it cannot be wondered that our people embraced the first opportunity of repudiating such fraudulent obligations, at the same time making as liberal a settlement of legal issues as in their poverty they were able to do. And be it said, to their eternal credit, they never repudiated a single honest debt, but paid back a full dollar for every dollar received, as far as this could be ascertained. Many of these old bonds have been bought up by speculators at from two to ten cents, and I see from the public prints that a syndicate has been formed and an effort is to be made through the aid of the State of New York as a medium to enforce their payment in the courts of the land.

I cannot believe that this great Empire State, rich in her material resources, rejoicing in her marvellous financial strength, and in the business integrity of her people, and standing as a city set on a hill, a beacon light to the world; I cannot believe, I say, that such a State will lend her aid to so pernicious a scheme, or countenance in any way the efforts of a few get-rich-quick brokers to force a sister State to pay obligations that were conceived in sin and born in iniquity. It would be the price of blood, the thirty pieces of silver, that were heavy enough to break the neck of Judas.

Thank God, out of the wreck she has come with her honor unstained, and her credit unimpaired, having in her treasury securities sufficient to pay every dollar of her honest debt, a State rich in the memory of her past, rich in her present resources, and richer still in the prospects of her future development, and in the character of her citizenship.

But by and by there came a change. Conditions became so unbearable that endurance was no longer possible. Years of unremitting toil had brought us to the point where advance in material wealth became perceptible. Property began to accumulate. The avenues of business were opened up, the wealth of our forests, of our fields, and our mines was revealed. The genius of our people began to assert itself, and the cry came that protection must be had. Years had rolled by. The negro had shown but little capacity for government and still showed no sign of having his own opinion, but was voted in solid mass by unscrupulous politicians. Recognizing his dependence on the native whites, and realizing the mutuality of interests between the two races, he followed them in everything save politics. This necessitated the solid South. Thoughtful men recognized the danger in this state of affairs, but dared not think of division because of the fear of negro domination, and the return of the conditions that prevailed after the war. Then came the suggestion of the constitutional amendment basing suffrage on intelligence. This was welcomed as an inspiration. It affected some whites, but practically disfranchised the negro for the present, but gave him an opportunity and an incentive to prepare himself for the exercise of the high duties of citizenship. In one more year, however, these restrictions will be removed and at the next general election the negro will stand upon the same basis as the white man. Our governmental affairs are now in the hands of our own people, and are being administered to the best interests of all classes. There is no disposition to treat the negro unfairly. His interests are carefully guarded. The South appreciates the negro. She can never forget his loyalty and fidelity during the war. Longing for freedom and knowing the meaning of the battle that was waging, he never failed in his devotion to the interests of his old master, and to the women and children left at home. History records no similar devotion among any people. The South cannot forget these things, and because of them she gives the negro her sincerest friendship, as is shown by the fact that since 1866 she has taxed herself to the extent of more than $100,000,000 for his education. She has provided schools for his children, hospitals for his sick, homes and asylums for his deaf and dumb and blind, and for those whose minds are impaired; in a word, she has given to the negro everything that she has given to her own people. But she was convinced that the best interests of both races and of our common country demanded that the control of government should be in the hands of intelligent men, and to this end the constitutional amendments were enacted and educational restrictions imposed. Thus were these political matters settled. And they are settled. No fear of reducing our representation in Congress could make us consider for a moment a return to former conditions. We would sooner have every Southern seat in the national Congress vacated than have our own section ruled as formerly.

These things being disposed of, then the South turned her attention to material interests and to the development of her natural resources. The results have been wonderful. In the assessed valuation of her property she has increased $225,000,000 annually or $900,000,000 since the beginning of this twentieth century, this value being in 1904 more than six billions of dollars. If, from some mountain height you could catch a vision of all the States that constitute our Southland, a busy, bustling scene would greet your eyes. You would see broad acres of waste lands being converted into beautiful orchards and gardens yielding up their wealth of fruit and berries and vegetables. You would see rude shanties giving place to splendid farm houses; you would see the trees of the forest being hewn down to make way for the villages springing up in every direction; you would see villages growing into bustling towns and busy cities; you would see business and commercial relations springing up with all peoples; you would see great lines of railway penetrating into hitherto unknown regions connecting village with village, tying town to town and State to State, until by trade and commerce, as well as by these great stretches of railway, not only all the States of the South, but all of their sister States are bound together as with ropes of steel into an indissoluble union. Such a vision would appear like the moving pictures of some great kaleidoscope constantly changing and every turn of the wheel adding to its beauty and attractiveness.

Such a panoramic view may be had in a measure from the pages of the Baltimore "Manufacturers' Record," to which I am indebted for many of the statistics presented.

Much of her prosperity is due to King Cotton. The annual value of the white staple, not counting its by-products, is far in excess of a half billion dollars, and as the new markets of the world are opened, they can but add to its increase, for, despite the boll weevil, the South, and the South alone, can supply the demand of the entire world for cotton. The prediction is confidently made that the day is approaching when the South will in her own mills manufacture as much as her present production, and furnish as much more to mills elsewhere. It requires but litte calculation to estimate the immense increase of wealth when she ships the finished product instead of the raw material, and her multiplying mills are doing this more and more every day. My own State is manufacturing practically her entire output, and one year manufactured 50,000 bales more than she raised. But the South is no longer dependent on her cotton. She has learned the better secret of wealth in the diversification of her crops. In 1904 she produced 661,746,754 bushels corn valued at $370,136,327, 62,902,975 bushels wheat valued at $69,763,506,

65,361,722 bushels oats valued at $29,799,163, and other crops proportionately.
The value of her yield of corn, wheat, oats, Irish potatoes, rye and hay in 1904 was $542,121,000, or $140,000,000 more than these crops yielded in 1902.

The value of other products is estimated at $550,000,000, making the value of her agricultural product, exclusive of cotton, easily more than one billion dollars. The yield of her mines, her production of iron and steel, and of coal, the yield of her forests, her lumber interests, the wonderful increase of her exports, and the comparative growth of her ports, the development of her railroads, their increase in mileage, and their splendid equipment, have all been commensurate with her agricultural development.

In her manufacturing interests she is making rapid growth. Mr. Hewitt said of us years ago: "There is no corresponding region on this habitable globe which has so many advantages as the South, all available by natural or artificial communications, and capable of more economical operations than in any other part of the country."

Only a few weeks ago Secretary Metcalf of the President's Cabinet, at a banquet in High Point, N. C., known, by the way, as the Grand Rapids of the South, said: "It will not be long before High Point becomes the manufacturing centre for furniture in the United States." And there are good reasons for such optimistic views.

The needs of wives and children and of aged parents had nerved the arms of our growing manhood and stimulated their brain until out of chaos they brought order, and in the new life that came one could almost hear the command of the Creator, "Let there be light," as the "New South" world sprang into existence. Her growth was slow necessarily, and not until 1880 was her basis adequate to build upon. Since that time Aladdin's lamp seems to have been operating with its magical power, until to-day there is scarcely a section that has not felt the thrill of this twentieth century's progress. The cotton crop of 1902 was equal in value to that of all her agricultural products in 1880, about $660,000,000. To-day their value is $1,700,000,000. Her manufactured products from $457,000,000 in 1880, grew to $917,000,000 in 1890, and are now $1,600,000,000. The value of her manufacturing, mining and agricultural output in 1880 was $1,100,000,000 annually, now three times as much, or $3,500,000,000. These products have increased in value since 1880 by 300 per cent., while her population has grown only sixty per cent. And there is the greatest bar to the South's advancement. She needs more people, more capitalists, more laborers. The black belt seems to have acted as a bugaboo. But a clearer idea of our Southland now prevails; the tide of immigration is beginning to turn our way, and our people stand with outstretched hands ready to extend a cordial welcome to all true men and women who come to make their homes among us and to aid in the development and the upbuilding of our goodly land. There is a dearth of labor, and especially of skilled labor, in almost every line of industry.

Her 6,000,000 tons of coal in 1880 have multiplied to 66,000,000. She makes to-day practically as much pig iron as the whole of the United States made in 1880. At that time her cotton mills represented $21,000,000 and consumed 225,000 bales; now 2,000,000 bales are needed to keep busy the spindles and looms that cost $200,000,000. There are 2,000,000 spindles now; only 667,000 in 1880.

Her lumber product to-day is $200,000,000 against $39,000,000 in 1880, while the mileage of her railroads has grown from 20,000 to 65,000. In 1904 more than 1,600 miles of railway were built, and more than five hundred banks organized.

The bales of cotton consumed:

	Northern Mills.	Southern.
1890	1,799,258	546,894
1902	2,050,774	1,937,971

the South increasing by 1,393,500 bales, while the North added only 250,000 bales to her consumption.

Her banking resources have grown from less than $500,000,000 in 1890 to more than a billion dollars and her increasing foreign trade has largely augmented the volume of business in her ports. And these ports cannot fail to grow in importance when the great wealth of the Mississippi Valley finds through them and through the great canal a near and easy way to the opulent markets of the Orient. Who can tell what this great thoroughfare for the merchantmen of the world shall mean for Norfolk, Wilmington, Charleston, Savannah, Mobile, New Orleans and Galveston and the territory contiguous thereto?

And the South will continue to grow. There is a constantly increasing demand for her products. Many of the earth's people are discarding fig leaves and are wearing at least a bit of cotton cloth about their loins, and the size of this cloth will grow with their advancing civilization. It will take many figures to tell the wealth of the South when she shall manufacture as much as her present production, and still furnish the rest of the world with all its needs. The question of labor is a serious one in this connection. But that this will be satisfactorily solved is made certain by the fact that the American people have always been able to find a way or make it to any desired good. The crowded conditions of European countries and the impoverishment of the lower classes will make this land appear indeed a land of promise. And it is "a good land, a land of brooks of water, of fountains and depths that spring out of valleys and hills, a land of wheat and barley, and vines and fig trees, and pomegranates; a land of oil, olive and honey; a land wherein thou shalt eat bread without scarceness, thou shalt not lack anything in it; a land whose stones are iron, and out of whose hills thou mayest dig brass."

We have a new South only because we have new conditions. We have not lost the spirit of chivalric devotion to woman, or of consideration for others nor our love of home or our faith in God. We still recognize that the strength of our manhood and womanhood, the strength of our American Union, lies in our American homes. The spirit of patriotism still abides among us and that loyalty still inspires us which characterized those men who bore the trials of the period which revealed to the world a Lincoln and a Lee, a Jackson and a Grant, and a host of others whose names are now honored, even though some of them lifted up their hands and led their people against the sovereignty of their own country.

Such characters command the respect of the world, and such an ancestry cannot fail to have produced men whose country's weal is as their own.

But I fear I worry you. I must again thank you for this delightful privilege, for the opportunity of visiting and enjoying with you the beauties of these islands and of this magnificent river. It is an entrancing place. As I look about me I feel somewhat as I imagine Mohammed felt when he stood upon one of the hills near Damascus and looking upon the beauty of its environments, saw the "golden flowing of the seven streams of Abana," which carried fertility and richness and beauty throughout that section. In a religious frenzy he exclaimed as he galloped away, "Man can have but one paradise and mine is not on earth." So I feel loath to turn my back on this lovely place, but I must escape its charm lest I, too, should want to live forever, satisfied with this earthly paradise.

PRESIDENT SABIN: I will next introduce to the convention Mr. F. W. Lafrentz, of New York:

MONEY ORDERS OF THE AMERICAN BANKERS' ASSOCIATION.—ADDRESS OF F. W. LAFRENTZ, COMPTROLLER AMERICAN SURETY COMPANY, NEW YORK.

Mr. President and Gentlemen—I shall call your attention for a few moments only to this subject of bankers' money orders. Those of you who represent banks that are members of the American Bankers' Association are necessarily more or less familiar with this subject, because, in the first place, the secretary has given notice of it and so has the surety company. Nevertheless, I wish to state that the reason for the inception of this movement is undoubtedly found in the fact that a great deal of the exchange business was being taken away from the banks by the post-office department and by express companies, and that, coupled with the fact that banks all over the country were getting up money order propositions of their own, led the American Bankers' Association to promulgate a scheme that should be uniform and stable.

It is an easy matter for an express company to formulate a scheme of this kind and enforce it through its various agents, because all of the money taken in by the agents finds it way eventually into the treasury of the company; in other words, the companies in that case control the whole situation, they get the money and they are responsible for the payment of that money to some one. The Government is in a similar position. But there are thousands of banks to be dealt with, each having its own organization, and each, therefore, having its own management and its own responsibilities. It was not difficult, of course, to get up a uniform form in that respect, because a form of this character would suit most of the bankers, even if it did not meet the requirements in every particular. In order to meet the question of stability the expedient was hit upon of having the orders guaranteed by a corporate surety company engaged in business for that purpose, and we were favored by this proposition of the American Bankers' Association, and we not only took a contract to guarantee the orders, to guarantee the drawers, but we also guarantee the drawee bank; we furnish the orders and send them out and we supply the advertising matter. Now, the proposition rests with the banks themselves to make it a success. We have up to date interested about 500 banks in the matter, and within a few months twenty-one State associations have endorsed the plan.

I desire to meet one question that is put to us very often by banks. namely, Why should it be necessary to have a guarantee on the orders? The banks say they are strong enough to run their own business and that they do not need a surety. Now, the committee who worked upon this proposition say that all the banks that are members of the American Bankers' Association should be placed upon the same footing with respect to this business so that the great public might have confidence that if a money order was bought from a bank and the form of the American Bankers' Association used the money would be paid to the proper person in the end. Some banks are stronger than others, as you know, and banks sometimes fail in business the same as do individuals. The best proof that a guarantee is necessary I hold in my hands here. (Exhibiting.) This is the first batch of orders that we have been obliged to take up. It amounts to $1,195. Every order drawn by that bank we have had to pay. It is the American Bank of Manila. The first of these orders presented for payment came with a protest notice attached, and I informed the bank that held these orders that it was not necessary to protest them; that it was their duty first to present them to us, and, if we did not pay them, then they could protest them. So all the others have been taken up by us without protest. All we want to know is that the order was properly issued by the bank and that the drawee bank has refused payment.

Now, what I want to ask of you gentlemen here is this, and I do it on behalf of the American Bankers' Association: I want you to recollect that this is not a scheme of suretyship insurance that we have devised and are trying to foist upon you. It is a plan of the American Bankers' Association to which other surety companies were invited as well as ourselves, and I would like to have you adopt resolutions here favoring the banks of this association going into this proposition and helping to make it a success. Surely there is enough in it for the banks to go after the business; $700,-000,000 annually are transferred by express companies and by the Government from place to place within the United States. See the amount of money that is tied up between the dates of the issuance of the orders and the payment of them! In regard to this particular proposition it is not necessary for a bank to make remittances daily somewhere to cover the orders drawn. They can be drawn upon your regular correspondents in exchange cities.

I want to ask another thing of you, and that is to invite your scrutiny and consideration to see if the proposition or problem can be improved upon in any way. Of course, this is the first thought, and it may not be perfect. There may be things that should be presented to the next meeting of the American Bankers' Association in respect to it. I think that association should adopt a scale of rates to be charged by the bank, and I think that the American Bankers' Association members, irrespective of whether they sell these orders or not, should obligate themselves to cash them at par when presented. That is the meat in the cocoanut. Here you are handling Government orders and express money orders, paying the money over your counters for them, and, in most cases, without any compensation whatever. Now, if you adopt a rule charging for the collection of Government and express money orders and making no charge for these orders, the problem would be solved at once. It is up to the bankers themselves to make the thing a success. We will do anything we can in the way of furnishing advertising matter to you free of charge. The price of these orders, $5 per thousand blanks, includes not only the printing, but also the advertising matter. The orders cost the American Surety Company when they come from the printer $4.35 per thousand. We started off, as Mr. Pierson, your former President, knows, by first of all simply having an order blank. We have added to that a stub for your convenience, we have added a receipt for the purchaser, and all of that has increased the cost of the orders very materially. The orders are printed upon the bankers' safety paper, and it takes three numberings, and that costs 75 cents a thousand. Therefore, there is no money in it for directing the scheme by the surety company, but we have gone into it and we are going to make it a success.

Mr. LYFORD: In connection with this subject, Mr. President, I would like to state that the representatives of this association were largely instrumental in having the American Bankers' Association adopt this form of bank money order. I present the following resolutions, and move their adoption:

Resolved, That the money order plan, devised by the American Bankers' Association and now in use, be adopted and used by the members of the New York Bankers' Association and that the following charges be recommended in the sale of said orders, viz.: 5 cents for orders up to $10; 10 cents over $10 and up to $25; 15 cents over $25 and up to $50; 20 cents over $50 and up to $75; 25 cents over $75 and up to $100.

Resolved, further, That the members of the New York Bankers' Association, in order to place in general use the money orders of the American Bankers' Association, endeavor in every way to discourage and discontinue the issuance of small drafts of the institution and without a charge similar to that made for money orders.

Resolved, further, That this association and the members thereof co-operate with the American Bankers' Association for the purpose of propagating and extending this new feature of banking.

Mr. PIERSON: I second the adoption of those resolutions.

PRESIDENT SABIN: All in favor of the adoption of the resolutions will please signify it by saying aye; those opposed, no. Adopted.

I will now call for the report from the auditing committee.

SECRETARY ELDREDGE: Mr. President, the report of the auditing committee has been handed to me and is as follows:

Frontenac, N. Y., July 13, 1905.

To the New York State Bankers' Association:

Gentlemen—The committee appointed to audit the accounts of the treasurer beg to report that they have examined the treasurer's report and the vouchers accompanying it, and certify that they are correct in every particular.

(Signed) F. C. HAVILAND.
R. K. HALDANE,
LOUIS J. CLARK.

Mr. CURTIS: I move that the report be received and the committee discharged with thanks.

J. H. LUDLAM: I second the motion.

PRESIDENT SABIN: All in favor of the motion will signify it by saying aye; those opposed no. Carried.

This, of course, approves the treasurer's report and places it on file. Are the members of the committee on resolutions ready to report?

REPORT OF COMMITTEE ON RESOLUTIONS.

STEPHEN M. GRISWOLD: Mr. President and Gentlemen—Prefacing the presentation of our report, I desire to state on behalf of the committee that in our opinion this is the most successful convention the association has ever held. Meeting as it does in this charming and ideal location, it has brought together not only a large attendance of members, but guests and ladies, and the presence of the ladies always insures a delightful gathering. In addition, the addresses delivered before the convention have been by gentlemen of national reputation and of an extremely interesting and instructive character.

Now, on behalf of the committee, I desire to offer the following resolutions and move their adoption:

Resolved (1) That the sincere thanks of the delegates be, first of all, tendered to the committee of arrangements, consisting of Messrs. Curtis, McDougal, Eldredge, Howe and D. H. Pierson, for their wisdom in selecting this ideal location for holding the convention and the completeness with which their plans have been carried out;

(2) To the retiring officers of the association who have had in charge the conduct of the convention;

(3) To Mr. S. R. Flynn, of Chicago, Ill.; Hon. James M. Beck and Mr. John R. Van Wormer, of New York city; Mr. Joseph G. Brown, of Raleigh, N. C., and Mr. F. W. Lafrentz, of New York, for their addresses before the convention;

(4) To Rev. Lawrence N. Serrill and Rev. Bouck White, of Clayton;

(5) To Manager C. G. Trussell, of the Hotel Frontenac, and his corps of able assistants, for their successful efforts in entertaining the convention;

(6) To the Venetian Quartette of the Cafe des Beaux Arts, New York, who have contributed so much to the pleasure of those in attendance;

(7) To Messrs. Brown, Coler, Flynn, Beck and Lawson, whose brilliant speeches rendered the banquet so enjoyable;

(8) To the Thousand Island Steamboat Company, the New York Central Railroad Company and the People's Line Steamers for transportation facilities and courtesies;

(9) To the members of the financial press, who have so ably seconded the efforts of the officers of the association in their efforts to make this, the twelfth annual convention, a notable success.

GEORGE W. SPENCE: I second the adoption of the report of the committee on resolutions.

PRESIDENT SABIN: All in favor of the adoption of the report of the committee on resolutions will signify it by rising. Adopted.

In connection with the resolutions I want to make one remark. This has undoubtedly been a very successful convention, and the success of it is largely due to Mr. Curtis and his colleagues on the committee of arrangements.

New business is now in order, and, under this head, I will call upon Mr. Hiram R. Smith to present the matter which he brought before the council of administration and which was favorably referred to the convention.

MR. SMITH: A couple of weeks ago I mailed the following letter, giving notice of my intention to propose an amendment to our constitution, to every member of the association:

Rockville Centre, N. Y., June 29, 1905.

To the Members of the N. Y. State Bankers' Association:

Gentlemen—Whereas, the protective feature of the American Bankers' Association has been most efficient and successful in protecting its members against professional criminals, but has not given special attention to the minor offenses, and I believe that our association could take up the matter to the advantage of our own members, and at the same time be in line with the action of other State associations. Therefore I give notice of my intention of proposing at our annual meeting to be held at "The Frontenac," Thousand Islands, on July 13, 14, 1905, the following amendments to our constitution:

ARTICLE V.

Section 1. The council of administration shall appoint a standing protective committee of three persons, whose names shall not be made public. The said committee shall control all actions looking to the detection, prosecution and punishment of persons attempting to cause or causing loss, either by false statements, or any other form of crime, to any member of the association.

Sec. 2. The said committee, when called upon for aid by any member of the association through the secretary, shall forthwith take such steps as it shall deem proper to arrest and prosecute the party charged with the crime, provided, however, that no expense or liability shall be incurred beyond the amount of funds in the treasury especially appropriated for that purpose.

Sec. 3. The said committee is prohibited from compromising or compounding with parties charged with crime, or with their agents or attorneys.

Sec. 4. All detective and legal expenses and costs incurred by the protective committee and other committees not exceeding the appropriations set apart for the use of these committees, respectively, shall be paid by the treasurer only upon vouchers drawn by the chairmen of the various committees, duly countersigned as provided for in article III, section 9, of this constitution.

Sec. 5. All members of the association, when called upon by the secretary in behalf of the protective committee for information or aid, shall promptly respond by giving all assistance in their power; and all members shall, at all times, notify the secretary, who shall promptly notify the committee, of any attempted or accomplished crime reported to him likely to affect other members of the association.

Yours truly,
HIRAM R. SMITH,
President Bank of Rockville Centre.

In drawing this amendment I have followed the form used by the American Bankers' Association, and, it having been recommended by the council of administration, I present it to the convention at this time for its action.

PRESIDENT SABIN: As Mr. Smith has given the required notice to enable him to present an amendment to the constitution, the amendment is before the convention. What is the pleasure of the members regarding it?

Mr. DIMSE: I move the adoption of the report and that the constitution be amended as stated.

Mr. SCHLESINGER: I am heartily in favor of the amendment. It is just what this association wants. We heard from various chairmen of groups yesterday statements about the efforts they were making to get in new members, and I think this will tend to bring in new members more than anything else.

PRESIDENT SABIN: All in favor of the adoption of the amendment proposed will signify it by saying aye; those opposed, no. Adopted.

Mr. GRISWOLD: I have a brief resolution which I desire to present, although I do not ask you to adopt it, but I have introduced it at the request of some members of the association, and I ask simply that it be referred to the council of administration for consideration:

Whereas, The New York State Bankers' Association secured the equalization of the taxation of banking capital; and

Whereas, The members of this association believe that a tax law should be passed that will be so framed that new measures for producing revenue, except for exceptional or extraordinary expenditures, will not have to be considered every year; therefore

Resolved, That the council of administration be empowered to appoint a committee to take up the question of general taxation, secure information in any and every way possible, consult with the State Tax Commission and other State officers, and secure as soon as possible the enactment of a just and equitable tax law with a basis that will be unchangeable.

PRESIDENT SABIN: I understand, Mr. Griswold, you present the resolution and ask that it be referred to the council of administration?

Mr. GRISWOLD: Yes, sir.

PRESIDENT SABIN: The resolution will be so referred.

Mr. SCHLESINGER: I read the other day some remarks of the Superintendent denouncing the practice of banks paying interest on deposits. Legitimate banking cannot be conducted if a bank is to pay four per cent. on deposits. We have seen the results of the large payment of interest by trust companies and banks, and we know what it leads to. I am receiver now of a bank that attempted to pay four per cent. on deposits. I think the Council of Administration should take this matter up with the Superintendent of Banking and call attention to the fact that it is unsafe banking business. That would in time tend to stop the practice and then the banks could afford to pay us poor officers a decent living salary to come up and enjoy the beauties of the St. Lawrence, and, furthermore, would assure depositors that if they put their money in the banks where we have the honor to be their trustees, they will have money to enable them also to come here and spend their vacations.

PRESIDENT SABIN: Certainly a great deal can be done by the council of administration and by this association to discourage this practice.

REFORM IN THE STATE AND NATIONAL BANKING LAWS.—STATEMENT SUBMITTED BY EX-CONGRESSMAN C. A. PUGSLEY, PRESIDENT OF THE WESTCHESTER COUNTY NATIONAL BANK, PEEKSKILL.

Peekskill, N. Y., July 5, 1905.

Chas. H. Sabin, Esq., President New York State Bankers' Association, Albany, New York:

My Dear Mr. Sabin: I have conferred with Mr. Elliott C. McDougal, President of the Bank of Buffalo, and Mr. Gates W. McGarrah, President of the Mechanics' National Bank, of New York city, the other members of the committee appointed by you to consider the advisability of reform in the State and National banking laws, and we are of the opinion that the subject is one of such great importance and so intricate that the committee could not, in the limited time at its disposal, present a comprehensive report at this meeting of the association. It may be proper for me to state, however, that the general consensus of opinion seems to be that both State and National banking laws might be amended with advantage to the banking interests of the State and nation.

Suggestions have been made that there should be an amendment to the National Bank Act, so as to permit the loaning of ten per cent. of capital and surplus, instead of ten per cent. of capital, as is now provided. Any effort, or contemplated legislation aiming to change the law, which allows loans of only ten per cent. upon the amount of the capital, would undoubtedly occasion much criticism. Many of the most conservative bankers believe this provision is a most wise and prudent one. It is generally understood, however, that in some instances there is an evasion of the law; but whether a greater latitude in the matter of loans would be beneficial to the banking interests of the country as a whole, is a mooted question.

Many plans, designed to give our currency greater flexibility, have been presented. Asset currency has been debated throughout the country, but has not, as yet, met popular approval. A supplementary currency has also been advocated, to be based upon other than Government bonds, and to be available in times of panic. It might possibly be advisable to permit of the issuing of such a supplemental currency in proportion to the capital and surplus of the banks, or based upon the amount of Government bonds held by the banking institutions, but it should be taxed heavily, so as to secure its retirement when the occasion which called it into existence had passed. Just what provision should be made for the securing of this supplemental currency is, however, a problem demanding very careful consideration.

The great essential of any currency is quality, rather than quantity. Our present national bank currency, guaranteed by the Government, though an expensive system, is not of doubtful quality, and any supplemental currency issued by the National banks should be guaranteed by the Government and the Government should have some security for its guarantee. The great increase in National bank circulation, however, during the past five years, owing to the withdrawal of Government bonds held for public deposits, and the pledging of them for circulation, has possibly lessened the demand for a supplementary or asset currency.

The elasticity or flexibility needed in our system could be had by enlarging the amount of circulating notes of National banks that might be surrendered in any one month from $3,000,000 to $6,000,000 or even $10,000,000 per month. This should give us an expansion or contraction of the currency to the extent desired without the enactment into law of any measure that would radically change our present system. Bills have been presented to Congress along these several lines, but none has, as yet, met just the requirements.

It would further seem necessary that banks holding Government deposits secured by the pledge of Government bonds should be required to keep a reserve against these deposits, the payment of which is usually provided for in advance of the withdrawal of the deposits by an arrangement for sale of the Government bonds pledged by the banks. Ample reserve should be held against deposits, but there should not be an unnecessary tying up of money when such reserve is not required for the protection of the special deposits of public funds of the Government.

In the matter of State banking laws, there seems to be a general feeling that the laws should be so amended as to bring State banks and trust companies which are doing a commercial banking business upon a more equal footing in regard to reserves kept, as well as along other lines.

While I have written you thus fully, my letter is not intended as a report, but rather as an indication of the scope of the work before the committee. I will request the other members of the committee to also write you their personal views, and I trust that the opinions expressed may be of some value to the committee that may be appointed to consider these important problems.

Very sincerely yours,

CORNELIUS A. PUGSLEY.

P. S.—Mr. Gates W. McGarrah, President of the Mechanics' National Bank, of New York city, has read the foregoing, and concurs in the views expressed.

PRESIDENT SABIN: There are several invitations from various places for the convention to meet next year, among them one from the Business Men's Association of Saratoga Springs, and they will be referred to the council of administration for consideration.

We will now proceed to the election of officers. It is customary for the secretary to cast the ballot of the association for the election of president, if that is the pleasure of the convention.

Mr. SCHLESINGER: I move that the secretary cast the ballot of the association for the election of Alfred H. Curtis as president.

Mr. LYFORD: I second that motion.

PRESIDENT SABIN: All in favor of the motion will signify it by saying aye; those opposed, no. Carried.

SECRETARY ELDREDGE: Mr. President, I beg to announce that I have cast the ballot of the association for the election of Mr. Alfred H. Curtis as president.

PRESIDENT SABIN: I declare Mr. Curtis duly elected president of the association for the ensuing year, and I request Mr. Griswold and Mr. Schlesinger to escort the president-elect to the chair.

The president-elect then ascended the platform.

PRESIDENT CURTIS: Gentlemen of the New York State Bankers' Association, I thank you. It is certainly a great honor to be chosen as the head of this organization, numbering as it does the greatest banks of our country. I assure you that I shall endeavor to the utmost of my ability to deserve the confidence you have reposed in me.

I believe the next business in order is the election of the vice-president.

Mr. NEWELL: I move that the secretary cast the ballot of the association for the election of Mr. Elliott C. McDougal as vice-president.

Mr. GRISWOLD: I second that motion.

PRESIDENT CURTIS: All in favor of the motion will manifest it by saying aye; opposed, no. Carried.

SECRETARY ELDREDGE: Mr. President, I announce that I have cast the ballot of the association for the election of Mr. Elliott C. McDougal as vice-president of the association.

PRESIDENT CURTIS: The chair declares Mr. McDougal elected vice-president. Now comes the election of secretary, and, with the permission of the house, I will request the retiring president, Mr. Sabin, to cast the ballot of the association for the election of Mr. E. O. Eldredge as secretary.

Mr. SABIN: Mr. President, I announce that I have cast the ballot of the association for Mr. E. O. Eldredge as secretary.

PRESIDENT CURTIS: I declare Mr. Eldredge elected secretary.

Now the treasurer, and I will ask Mr. Eldredge to cast the ballot of the association for the election of Mr. David Cromwell the nominee for treasurer.

SECRETARY ELDREDGE: I announce that I have cast the ballot of the association for Mr. David Cromwell for treasurer.

PRESIDENT CURTIS: I declare Mr. Cromwell elected treasurer. The next business in order is the selection of delegates to attend the convention of the American Bankers' Association at Washington. It is customary to call upon each group in order for its selection.

Group I. (No response.) Group II.

Mr. TEFFT: Group II names Mr. M. S. Sandford.

PRESIDENT CURTIS: Group III.

Mr. LYFORD: Group III nominates Mr. Charles Adsit.

PRESIDENT CURTIS: Group IV.

F. L. BARNES: Group IV nominates Mr. E. S. Tefft.

PRESIDENT CURTIS: Group V. (No response.) Group VI.

Mr. HAMLIN: Group VI nominates Mr. Bradford Rhodes.

PRESIDENT CURTIS: Group VII.

Mr. GRISWOLD: Group VII nominates Mr. George W. Spence, President of the People's Bank of Brooklyn, with Mr. E. H. Davis, Cashier of the Bank of Port Jefferson, as alternate.

PRESIDENT CURTIS: Group VIII.

Mr. DIMSE: Group VIII will send in the names of the secretary.

Mr. HAMLIN: I would like to add the name of Mr. A. M. Holden as alternate for Group II.

LEWIS S. PIERSON: It is possible that we may have 500 members by the time of the convention of the American Bankers' Association, and, if so, we will be entitled to another delegate. Perhaps it might be well to name an additional delegate at this time.

SECRETARY ELDREDGE: The association is entitled to nine delegates now, and we may possibly be entitled to a tenth delegate. At any rate, we have elected eight delegates, or are entitled to elect eight, besides one delegate at large.

Mr. Pierson: I nominate as the delegate at large the retiring president, Mr. Sabin.

Mr. Cromwell: I second that nomination.

President Curtis: All in favor of the nominations that have been made will signify it by saying aye; those opposed, no. Carried.

Mr. Lyford: Now, in case we are entitled to another delegate, I move that Mr. Lewis E. Pierson be that delegate.

Mr. Griswold: I second the motion.

President Curtis: All in favor of the motion will signify it by saying aye; opposed, no. Carried.

Is there any further business to come before this convention? If not, a motion to adjourn is in order.

Mr. Schlesinger: I move that the convention adjourn.

Mr. Cromwell: I second the motion.

President Curtis: All in favor of the motion will signify it by saying aye; those opposed, no. Carried.

I declare the convention adjourned sine die.

THE BANQUET.

A notable incident of the convention was the banquet on the evening of July 13. Following is a report of the speeches.

President Sabin: Ladies and Gentlemen—I do not suppose there is a man or woman in this room who does not know what the Governor of North Carolina said to the Governor of South Carolina. (A Delegate: "I don't.")

Well, to that gentleman who does not know I am going to ask Mr. Brown, of North Carolina, to tell him.

Response of Joseph G. Brown, President Citizens' National Bank, Raleigh, N. C.

If the gentleman who said he did not know what the Governor of North Carolina remarked to the Governor of South Carolina had been sitting at this elevated table, I am sure he would have soon learned that every other man, and almost every woman, in this company were very well acquainted with the remark that was made. I judge it by the frequency with which they have raised their glasses.

Not many weeks ago Joseph Chamberlain was the guest of honor at a banquet in Liverpool. After they had enjoyed the dinner some hour or two the Lord Mayor, who was presiding, touched Mr. Chamberlain on the arm and said: "Shall we let this company continue to enjoy themselves or shall we have your speech now?" If our honored toastmaster had touched me on the arm I should have replied, let the company continue to enjoy themselves.

I came here to-night not dreaming that I would have hanging over my head that dread which everyone knows who has ever made an after-dinner speech, but no sooner had I taken my seat than your president said I had to break the ice. I presume you are familiar with that dread which some speaker not long ago expressed when he said that he felt when he had to make an after-dinner speech very much like an old darkey down our way, who had just buried his fourth wife. As he was returning from the burial a friend said: "How do you feel?" He replied: "I feel like I am in the hands of an all-wise but unscrupulous providence."

To make an after-dinner speech without any preparation, one must have the utmost self-confidence he should have as much confidence in himself and in his powers as the old darkey preacher had. Some of the bad boys—and we do have some bad boys down South as well as North—found out what he was going to read for his Sunday morning lesson and they slipped into his pulpit during the week and finding that the words of the lesson began near the bottom of one page and finished at the top of the next, they very carefully pasted the two pages together so that the subject would change. Sunday morning came, and the old preacher gave out the first hymn and had it sung, and then he looked up his lesson and began to read: "And Noah when he was an hundred and twenty years old took unto himself a wife;" and he turned over and continued, "and she was one hundred and forty cubits long, sixty cubits wide, built of gopher wood, and covered with pitch inside and out." The old darkey was a little nonplussed at first, and he took out his glasses and carefully rubbed them and readjusted them and turned back and read again: "And Noah when he was an hundred and twenty years old took unto himself a wife, and she was one hundred and forty cubits long, sixty cubits wide, built of gopher wood, and covered with pitch inside and out," and he remarked: "Brethren, I never came across this passage before, but it is in the Holy Scriptures and so I am sure it is true, and doubtless it is given to teach us that we are fearfully and wonderfully made."

But, my friends, I am to have my chance at you to-morrow, and, as I am to tax your patience then, I am not going to weary you much to-night, but will give the time to the other speakers. I thank you, however, for the continued courtesies to me, and I thank you for this delightful entertainment. I feel like I could use the blessing pronounced by a young fellow who was called upon and who arose in his seat, and, as he did, he saw the savory and tempting viands, and he earnestly said: "O Lord, we thank Thee for this that we are about to receive. We thank Thee for its quality. We thank Thee for its quantity and variety, and, O Lord, we thank Thee for capacity."

You have given us a good dinner and we have enjoyed it, but you have given us something more. It was Dean Swift, I believe, who said when he was urged to attend a dinner and given the bill of fare: "What do I care for the bill of fare? Give me your bill of company." I am sure that even the fastidious gentleman would have been satisfied with this company to-night. You people have evidently learned the art of making happy the people that are about you; you have learned the art of being kind.

"So many Gods and so many creeds,
So many paths that wind and wind,
When just the art of being kind
Is all this old world needs."

James Whitcomb Riley was right when he said:

"It makes no matter whate'er the weather;
It is the songs you sing and the smiles you wear
That makes the sunshine everywhere."

I know that the most enjoyable part of this occasion to-night is the presence of the women. After all it is the women that make life worth the living.

(Here the company burst into singing "So Say We All of Us.")

That went without saying, gentlemen.

From this viewpoint as I have looked around here to-night I have become more than ever satisfied of one thing, and that is that we are pretty much the same people wherever we come from. Before I left my home in North Carolina I think I would have said, and said it conscientiously, that the North Carolina women are just a little the prettiest of any women on earth. But to-night as I look about me I must forego that claim and say simply that the New York women, and I am going to say the Virginia women and the North Carolina women, are the counterparts of each other, and that of all of them it may be said, as some one has very happily said of the strawberry, doubtless God could have made a prettier thing, but doubtless God never did.

Now, if you will allow me I want to give you just a little verse dedicated to my esteemed young friend David Pierson:

"The pepper grain is very small, but seasons every dinner,
More than all other condiments, although you spread it thinner.
And so a little woman, if love will let you win her,
There's not a joy in all the world you cannot find within her."

President Sabin: I have the honor of introducing to you now Hon. Bird S. Coler, of New York city.

Response of Hon. Bird S. Coler.

Mr. Toastmaster, Ladies and Gentlemen—I can assure you that I have felt very much agitated this evening since your president handed me a card and said I was to speak second, for he made me feel just about as bad as I did three years ago when I was second.

I thank you for your applause. Never before, excepting on one occasion, have I seen so many intelligent men and so many men that were familiar with commissions and rake-offs as to-night, and that was the occasion of the police captains' dinner in New York. The simile was accentuated when you all joined in singing "On the Bowery" and the thought then occurred to me what would happen to some poor bank clerk if the president here saw him doing those things on the Bowery.

I think the same of the ladies as does Mr. Brown, but I am here to defend them to-night. Mr. Beck this morning rather cast some aspersions on the presence of so many ladies at this convention, and he seemed to infer that they had a desire to go into business like Mrs. Chadwick. Now, I beg to inform him that every lady who takes a few dollars out of her husband's pockets is not a Mrs. Chadwick. She only does that because she disagrees with Mr. Flynn. Mr. Flynn said, Put the money not in your pocket, but in the bank and then it would go four times farther. She believes that in her hands it will go four times further still.

Seriously speaking, Mr. Flynn touched upon a most important subject. He referred to the old Vigilance days in California and told why it was necessary for the people to take the law into their own hands, and said that the judge was the first man they hanged. The recent revelations in our city has made me fear that something might happen to our junior senator in the State of New York. In fact, I was very fearful about him until Mr. Beck proved that all of us were the best that ever happened.

I do not intend to detain you from hearing those who are better able to entertain you than I am, but I do want to congratulate the association upon the large attendance here and upon the necessity of further developing this great association. To-morrow you will hear an interesting address from Mr. Van Wormer upon socialism. To my mind it seems to me that the great way to combat that movement is for the people to get together, to become acquainted with each other, for when the time of crisis comes we may all have to act and we will surely be better able to act intelligently if we know each other and appreciate each other's relation. I thank you.

PRESIDENT SABIN: **There was a time when Mr. Curtis was the strongest man in the New York Athletic Club, and now I have the pleasure of introducing Mr. John R. Van Wormer, the president of that club.**

RESPONSE OF JOHN R. VAN WORMER.

Mr. Toastmaster, Ladies and Gentlemen—This seems to have resolved itself into an experience meeting. The gentleman from North Carolina comes to New York for the first time and discovers that we have beautiful and charming women. That shows how remotely a man may be removed from modern civilization. I had always been taught to believe that one of the great virtues of the South was that some of its leading citizens had the wisdom to select Northern wives, and consequently we had this splendid product of mixed civilization and added virtue, as well as beauty. Don't you think it would have been a splendid idea if as good looking a fellow as he had picked up one of our magnificent Northern beauties? You knew the moment those honeyed phrases fell from his lips decorated with that peculiar Southern pronunciation of his, what superb things might have happened.

And then Coler comes along with his confession about a second advent of disappointment, and he twits on facts and speaks to you bankers about rake-offs. He would never have done that before election, all of which shows how defeat inspires courage.

With all these ladies present I was thinking about a great classic in American literature. Thomas Wentworth Higginson wrote a book on the theme, "Shall women learn the alphabet," a startling announcement at the outset. In that remarkable book he referred to the fact that as late as 1844 it was seriously discussed by the school board at Boston whether or not it was expedient to permit women to learn more than reading, writing and arithmetic. It was said that the boys must have the best education, and in some mysterious and unknown manner the Lord was to take care of the girls. Well, the Lord has, and the girls have taken care of the rest of us.

That brought to the minds of many thoughtful people the fact of how utterly woman was disregarded in economic, civil and religious provisions of society in this country to that time. The boy, it was said, was more likely to favor the mother than the father, because, you know, the mothers had to endure the fathers. That was an infliction in itself, because of that old New England hypocrisy that made a fellow who was desperately uncertain of his position try to maintain himself under lost conditions. The result was that he always came out at the little end of the horn, and the women dominated the situation. We are wiser far in this generation, because we recognize the fact that that is the motive force that makes all civilization progressive, and to-day in this community the women are far more near ultimate emancipation than they ever were in the history of the country. I remember, as a native of this county, when the life of a farmer's wife was desolation personified. To-day the home of the farmer's wife is the personification of hope, courage, and progress. All brought about through modern education. Yet for 250 years in this country it was overlooked, and only recently there has been the installation of women and she has come into her own. I presume that is one of the reasons why the New York State Bankers' Association has taken counsel of wisdom and experience and is in at the finish. It is a beautiful thing to contemplate, because man no longer fears the inspiration or even the competition of women. Twenty-five years ago in some walks of business life it was considered almost a crime for a woman to be able to earn her own livelihood in a business calling. To-day it is honored throughout the land, and no man who is worthy of the name has been in anywise damaged. It is a superb commentary on the emancipation of religion and modern philosophy and civilization, and I congratulate the New York State Bankers' Association of having the most brilliant background to show off their peculiarities that could possibly be imagined.

PRESIDENT SABIN: **It is not necessary for me to introduce to you the next speaker, because he is well known to all, Stephen M. Griswold, one of the former presidents of this association.**

RESPONSE OF HON. STEPHEN M. GRISWOLD.

Mr. Toastmaster, Ladies and Gentlemen—While I appreciate the honor of being invited to say a few words to you, it would be presumptuous on my part to occupy more than a few moments of your time.

I was thinking while sitting here what a world of change this is. I remember when this association was founded twelve years ago, and I think there are only two men here who were instrumental in its organization—Mr. Cannon and myself. Several have died and a number have dropped out, and the present managers of the association are new men. Well, that is the way it should be. Forty or fifty years ago the bank President was a very different type from what he is at present. In those days the President of a bank came downtown, stepped out of his carriage, walked through the bank with stately tread into an inner room without a smile upon his face, and only the sanctified few were admitted to his presence. It was about twelve o'clock when he arrived at the bank, and about two o'clock he came out and walked through the bank with the same stately tread, and without a smile upon his face, entered his carriage and departed.

All that is changed. The President of a bank to-day, to use the popular expression, must be a hustler. He must get out and get business. He must be cheerful and pleasant to all the customers. He must shake hands with all the ladies, and sometimes kiss the babies. He must give a man three per cent. interest on his deposit if he demands it. He must be ready to promote the welfare of the Bottomless Pit Mining Company, and to accept as collateral the guaranteed bonds and mortgages on clear sky in Colorado. He must own a yacht, and he must ride in an automobile. If he is over fifty years of age, why, he is too old. Well, that is all right, too. That is progress, and I suppose it is all right.

I was quite impressed to-day with the able addresses that we listened to in the convention, and especially with the spirit of patriotism that ran through them. We are Americans. After singing "John Brown's Body," and the "Star Spangled Banner" and "America," I am satisfied that the bankers are loyal and patriotic. The proudest moment I ever experienced was some years ago when I was travelling through the East. After leaving Naples we took our way across the Indian Sea through the Grecian Archipelago up to Constantinople, across the Black Sea to Sebastopol, up to Odessa, where we called upon the Emperor of Russia, then back again to Constantinople, down the coast of Asia Minor, up the Gulf of Smyrna, and in all that journey we never saw the American flag. But sailing up the Gulf to the City of Smyrna, one bright beautiful morning, we saw an American gunboat anchored, and, as we went by, they ran up the American flag. Never in my life was I so proud of America as when I saw Old Glory go up the halyard. It reminded me of home and of the greatest nation in the world. I tell you, my friends, we can take them all in.

The Frenchman loves his native wine,
   The German loves his beer,
The Englishman loves his half and half,
   Because it gives good cheer;
The Irishman loves his whiskey straight,
   Because it gives him dizziness;
The American has no choice at all
   But drinks the whole blame business.

I am not going to take up your time any longer. A man of my age when he gets up and sees such a great assemblage of young men feels that he must give advice. So I will just give you a word of advice and sit down. I have had fifty years of experience in business life, and I tell you that if you will stop working for yourselves and try to make other people around you happy, you will fulfil the highest mission of life. The optimist always succeeds, the cheerful man always attains success. What you do for yourselves will not live after you. It is what you do for others, to make them happy and to make them cheerful, that will endure. Lord Stratford once gave a dinner to the officers of the Crimean War, and during the course of the dinner he asked each officer to secretly write upon a card the name of the greatest hero of that war and the one whose name would live longest in history, and it was found when the cards were collected that every officer had written the name Florence Nightingale.

President Sabin: I wish to introduce to you again, Mr. S. R. Flynn, of Chicago.

Response of S. R. Flynn.

I will make no apologies for being on my feet to-night, having bored you once before, but I do wish to state that I plead in vain with your toastmaster to save you.

Since I was told that I was to be the fifth speaker, I believe that is to be the title of my address—I have vainly searched my mind for some message that title might fit. One after another these gentlemen have taken the thunder I might have used. My friend, Mr. Griswold, has told of the qualifications necessary for a bank President—shaking hands with the babies and kissing the ladies. Well, being a habitant of the Chicago stock yards, I am glad to say that is not one of the requisites there.

I have vainly endeavored to find a story that might be told in this presence. If I had the eloquence of Van Wormer or of Beck or Griswold or Coler or Brown I might acquit myself creditably. If I had the speed of a limited train that a friend of mine told me of, going through the town of Bristol in Indiana, I might do so. An old darkey there was asked if the Limited ever stopped at Bristol, and he replied: "Stop! Why, no indeed, honey, it don't even hesitate."

I have thought that perhaps I might give you some words of wisdom as to profits and the best way to attain them, but since I heard of one of Mr. Brown's friends in the South I find that I am the merest amateur. An old darkey wanted to move his crops and he needed $10. So he went to a bank and told of his need, and the clerk at the window passed him on to another window where he told his story again, and that clerk passed him on to another window, until at last he found his way to the President of the bank. The President listened to his request, asked him how many wives—I mean children—he had, and such other necessary information as he thought he required, and finally concluded that he would let the old darkey have the $10. So he had a note made out for $10, and the darkey signed it and took it back to one of the windows to get the money, and they handed him out $7.50. The darkey went out of the bank scratching his head in deep thought, and, as he walked down the street a man who knew him accosted him and said: "What's the matter, what are you in a quandary about?" "Well, I'll tell you," said the darkey, "I just went up to this bank shop cause I wanted to get $10 for to move my crops; I went to all the various gemmen in there and at last I found one that seemed to be de boss in authority and he said he would let me hab the $10, and I signed a note for de $10 and dey give me $7.50, and I am just thinking what would have happened if I had asked for the money for four months instead of only one month because den I wouldn't have got anything."

In the days when I used to offend in this way more than I have been guilty of lately, I had many friends who would suggest things to me of what I might say. On one occasion a friend said to me: "Say, I just heard the best story you ever heard in your life. Of course, I can't tell it the way you could, but I'm going to give you the points and you can fix it up and tell it and you'll make a hit. There was a drummer got on the train one night late, and he said to the porter, 'Now, I want you to put me off at Elkhart. Here is a $5 bill, and you be sure that I am put off at Elkhart.' Well, the man went to sleep, and when he woke up the next morning the train was approaching Chicago, and he went to the porter and said, 'Why didn't you put me off at Elkhart?' The porter looked at him and laughed and said: 'If you the gemmen that told me to put him off at Elkhart Ha! Ha! Ha! I wonder who that man was that I did put off.'"

It would be impossible in this presence with the patriotic airs that have been sung not to be imbued with a sense of patriotism. I noted to-night with much pleasure that when "Dixie" was played everyone applauded, and I turned to Mr. Brown and asked him if they were singing the "Star Spangled Banner" in the South, and he said they were. It was a glad message to me. I regret exceedingly that the West—although I am not a native of the West, but am an adopted son—has not some air that the South and the North and the East can applaud. We of the West applaud "Dixie" and the "Star Spangled Banner," but we have no distinctive air of our own. Still, the people there are as you are. I think the people of the East more often than they should mistake the character of the West, the people, and the conditions obtaining there. They who travel know that we are, after all, one people—a people with but one flag and with one common purpose. As the nations of the older world have contributed in some cases their worst, but also their best, to the people of this entire country, so you of the East have contributed to the West, and the splendid energy that has developed the West comes from the East. It is not as it used to be when I first went there. At that time a gentleman from North Carolina, in a speech that he delivered there, very aptly illustrated the conditions existing at that time. He was a celebrated stump speaker, and he was visiting a town where the papers had paid great attention to him and had abused him in every possible way. When he appeared on the platform and was introduced, he said: "The people of this town and the newspapers have abused and vilified me, but if I am guilty of one-half the crimes I have been charged with I ought to have been hanged long ago, but I can tell you one thing: I am travelling under the same name way out here that I lived under in my own home town in North Carolina, and that is a — sight more than seventy-five per cent. of you people can say." There was a time when respected citizens who had lived in the community long enough to think that their past deeds had been forgotten, announced with a flash of trumpets that they were about to visit their old home, and banquets and ovations were given them. They were gone about a week and then the papers announced that they had been jailed for some old crime. But that is all passed away, and as I have said, the East has contributed a lot to the spirit that exists in the West; it is responsible for it. A young boy going to the West, a boy raised in the East, went to the West with this sentiment, and I can tell you that many of them have lived up to it. It is a little piece of poetry written by an Eastern literateur to his parting young friend:

> A word at parting, counsel true,
> Is fit, my boy, from me to you.
> And since I, your senior many years,
> Have learned life's lesson from its care,
> Long experience bids me say,
> Success in life has but one way:
> It is the path of right.
> In every action of thy life,
> Whether at peace or bitter strife,
> Let conscience be your guide;
> Misfortunes bear with manly pride.
> When fortune smiles, prepare to dream.
> Success with humble thanks receive,
> When richest think most poor;
> When poorest shun the rich man's door.
> Never desert a friend in need;
> Never forget a kindly deed.
> For gratitude is magic test
> Of all in man that is the best.

Be neither sinner nor a saint.
If ill-luck comes, make no complaint.
Some ills of life admit no cure;
He is the man who can endure
Who bravely can each burden bear;
Suffer and hope when most despair;
Accept thy cross with good grace;
Thy heart keep young when old thy face,
And know that years will bring content
To him whose life has been well spent.
Farewell, my boy; you do your best,
And trustfully leave to God the rest.

PRESIDENT SABIN: I will again introduce to you Mr. Beck.

RESPONSE OF HON. JAMES M. BECK.

I congratulate you all upon the very great success this convention has already had, and especially upon this notable banquet. It reminds me very much of the story of two newsboys out in Seattle who climbed up in the peanut gallery in the theatre to see the play of "Hamlet." They followed that marvelous masterpiece until the last act, when the dead were coming fast and thick and when the stage was a huge quarry of riot, when one of the boys said to the other: "Come, Jimmy, let's run to the newspaper office, 'cause there'll be extras out on dis."

I am sure if the newspaper press does justice to this convention there will be extras out on this.

Nothing was further from my thought than that I should again trespass on your patience. Yet I can hardly pass by some of the remarks that have been made by the preceding speakers because they naturally prompt comment. Mr. Griswold says it is the customary function of modern bankers to kiss the female depositors and shake hands with the babies. When I heard that, I could only wish that I had been a banker instead of a poor but honest lawyer. Then, I was much struck by the lament of the last speaker, that the great imperial West, from which he came, had no peculiar song with which to celebrate its patriotism. It never occurred to me before that it had that deficiency, and I am going to claim the originality of suggesting to him when he returns to his fellow citizens of the far West, a most appropriate song for the West, that will be a companion piece to "Dixie" and the "Star Spangled Banner." It is this: "If You Haven't Got Any Money, You Needn't Come Around." And there was my friend, Coler, who administered to me a most righteous rebuke, and from a most unworthy motive. He had already, as he told us, run once second, and I am going so far as to say that he would run first if there had been no opposition. But he, knowing that he would again challenge the suffrages of his fellow citizens and knowing perfectly well that in the coming day the women should have a right to vote in anticipation of the claim to their suffrages, visited upon me a rebuke as to a slur which he said I in my address this morning cast upon the fair sex. Now, in the wisdom of that appeal to woman suffrage I perceive in this particular bird an owl.

I want to say that I did not cast any slur upon the ladies. I may run for office myself one of these days, and I want to say that they have no more respectful admirer than I am, notwithstanding the somewhat bombastic utterances with respect to the ladies of the preceding speakers. I vie with them in all they have said about the ladies. Why, I think a woman a born economist. They often appeal to us to relieve us of the necessity of administering our wealth, and for the most part they do it. And, what is more, such is the woman's craze for economy that I have known a woman to spend a whole day travelling around to save two cents on a ribbon and spending twenty-five cents in car fares. But I say to you in all sincerity that I, for one, would open wide the avenues to women.

Now, as my eloquent friend has lapsed into poetry, I will venture to lapse, and I quote:

"The woman of the coming time,
  Of this you may be sure
And bet your bottom dollar
  She will do as she's a mind to.
As she says she will or says she won't,
  It will be the same as now;
But if she does or if she don't,
  God bless her, anyhow."

Why, I shall not yield to these gentlemen in the praise of woman, and, as patriotism seems to be the prevailing note of the evening, let me remind you that it was an American woman who first wove an American flag and flung it to the breeze, and as long as that flag floats in the heavens so long may every chivalrous American cherish and love the noblest creation of God—woman.

I indulged in a good many pedantic references this morning that I do not believe went beyond the Christian era, still I am going to refer to something now which shows the antiquity of the banker. I was very much interested some months ago in reading reports of the wonderful excavations at Nippur conducted under the auspices of the University of Pennsylvania, and I read how Dr. Peters in delving into the ruins came across a bandaged mummy that had utterly escaped previous observation. As they slowly unfolded wrapper after wrapper they discovered that he was a high priest of Babylonia. Then in further excavation they discovered the old temple of Nippur and the old library. Unquestionably, it was the temple library; but as they failed to discover any books, these savants reached the conclusion that it must have been a Carnegie library. Then they came upon the ruins of an old bank, for they found clay tablets upon which were written promissory notes and collateral obligations, and what convinced them absolutely that it must have been a bank was that when they opened the vault they found nothing in it.

I have wondered why it is that the bankers chose this for their place of meeting until I chanced to glance across this beautiful river and saw the shores of Canada—what Moses saw when he stood upon Nebo's heights and beheld the promised land.

Thanking you all for the patience with which you have listened to my rather didactic discourse, I can only say, come up to the Thousand Islands again, but do not cross over to the other side of the river.

President Sabin: I introduce to you Mr. Joseph A. Lawson, of Albany.

Response of Joseph A. Lawson.

I am frank to admit that I am going to be a little didactic myself. It may be that I come from Albany, but in Albany they are not publishing the "Simple Life" or "The Pace That Kills." I have stood in the presence of lovely women before; I have spoken in the presence of crowned heads—four queens. All I said was, "That's good." I am reminded of those beautiful lines of Coleridge—you see, I have read something besides reading, writing and arithmetic, I am not absolutely ignorant if I do come from Albany—"Money, money everywhere, and not a cent for me."

To invite a poor lawyer from the capital of the State to come here in this aggregation of wealth makes him feel like a three-card monte man at a country circus. I wish I knew a lot of those Joe Millers that my friend Beck has entertained you with. But talking about antiquity, I know as much about mummies as he does; that's because I live in Albany. I look with veneration upon Moses as the author of the twelve tables, but when I reflect that little Moses was found on a bank and by Pharaoh's daughter, it must have been a faro bank, then I realized that the law is not one, two, three with banking.

I wish I had something serious to say to you. I am not a bank President, nor a director. I have mighty little money in the bank, but I have got out a lively lot of discounts. I cannot talk on collateral, however, for one dinner.

Mr. Toastmaster and descendants of Pharaoh's daughter, and bankers of the State of New York, for your consideration in listening to these desultory remarks I thank you.

President Sabin: Before we disperse I think we should hear from Mr. Curtis.

Alfred H. Curtis: Mr. Toastmaster, I do not think at this late hour you care to hear from me, so I will simply wish you good-night.

LIST OF DELEGATES AND GUESTS ATTENDING THE CONVENTION.

Adams—Geo. Hannahs, Farmers' National Bank.

Alexandria Bay—C. U. Putnam, First National Bank.

Albany—Charles H. Sabin, National Commercial Bank; Geo. A. White, N. Y. State National Bank; Fred'k A. Mead, First National Bank.

Baldwinsville—W. F. Morris, First National Bank.

Ballston Spa—Andrew S. Booth and Samuel R. Taverner, Ballston Spa National Bank.

Batavia—Samuel Parker, First National Bank.

Brockport—Luther Gordon and Philip F. Swart, First National Bank.

Brooklyn—Edmund D. Fisher, Flatbush Trust Co.; Henry E. Hutchinson, Brooklyn Bank; Stephen M. Griswold, Union Bank of Brooklyn; Bird S. Coler, Brooklyn Bank; E. A. Walker, J. S. Ogilvie and John Eaton, Seventeenth Ward Bank; R. K. Haldane, Coney Island and Bath Beach Bank; Geo. M. Spence, People's Bank of Brooklyn; Stephen M. Randall, Seventeenth Ward Bank; W. A. Field, First National Bank.

Buffalo—Elliott C. McDougal and Ralph Croy, Bank of Buffalo; E. J. Newell, People's Bank.

Canajoharie—Q. S. Brumley, Canajoharie National Bank.

Canandaigua—F. H. Hamlin, Canandaigua National Bank.

Cohoes—Geo. R. Wilsdon and Wm. P. Adams, National Bank of Cohoes.

Carthage—F. W. Coburn, Carthage National Bank.

Cooperstown—G. Pomeroy Keese, Second National Bank.

Corinth—Theo. Elixman, Corinth National Bank.

East Bloomfield—Henry M. Parmele, Hamlin & Co.

Freeport—Wm. G. Miller, Jr., Freeport Bank.

Fulton—Thos. Hunter, First National Bank.

Gainesville—John T. Symes, Gainesville National Bank.

Geneva—M. S. Sandford, Geneva National Bank.

Glens Falls—John W. Parry, National Bank.

Gloversville—Chas. N. Harris and W. H. Byers, Manufacturers and Merchants' Bank.
Gouverneur—F. M. Burdick, First National Bank; H. G. Aldrich and Henry Sudds, Bank of Gouverneur.
Herkimer—A. W. Haslehurst, First National Bank.
Hilton—A. B. Frazer, A. B. & G. G. Frazer.
Honeoye Falls—A. M. Holden, Bank of Honeoye Falls.
Hoosick Falls—Delmer Runkle, People's National Bank.
Hudson—Alex. R. Benson, First National Bank; M. D. Herbs and F. C. Haviland, Farmers' National Bank.
Huntington—Henry F. Sammis and Thos. Young, Bank of Huntington.
Johnstown—W. A. Hersey, Jr., Johnstown Bank.
Jamestown—F. W. Hyde, Chautauqua County Trust Co.
Kingston—E. J. R. Clark and C. R. Cantine, National Ulster County Bank.
Larchmont—Walter B. Manny, Larchmont National Bank.
Liberty—W. E. Sprague, Sullivan County National Bank.
Lowville—Frederick McCullock, First National Bank.
Little Falls—L. O. Bucklin, Little Falls National Bank.
Lyons—S. B. Gavitt, Gavitt National Bank.
Malone—M. F. McGarrahan, People's National Bank.
Mamaroneck—R. G. Brewer, First National Bank.
Mexico—Chas. A. Peck, First National Bank.
Middletown—D. C. McMonagle and Wm. B. Rouce, First National Bank.
Mount Kisco—Theodore Carpenter, Mount Kisco National Bank.
Mount Vernon—Theo. F. Nesbitt, First National Bank.
New York City—W. L. Walker, National Bank of North America; James G. Cannon, Fourth National Bank; Wm. C. Cornwell, J. S. Bache & Co.; D. H. Pierson, Bank of Manhattan Co.; C. F. Hess, J. B. Russell & Co.; David Taylor, Coal & Iron National Bank; H. H. Applegate, Hanover National Bank; Alfred I. Warren, Fisk & Robinson; E. B. Wire, National Bank of North America; H. C. Miller, Nassau National Bank; Frederick Phillips, Lincoln Trust Co.; Wm. R. Hooper, National Bank of North America; Mortimer H. Wagar, Consolidated National Bank; P. S. Babcock, Colonial Trust Co.; Milton C. Roach, National Bank of North America; Jos. L. Barker, "U. S. Investor"; W. K. Cleverly, Seaboard National Bank; Leo Schlesinger, Mechanics & Traders' Bank; Chas. W. Riecks, Liberty National Bank; J. G. White, National Bank of North America; Chas. A. Morrison, stenographer; Arthur Sachs, Goldman, Sachs & Co., W. J. B. Mills, Geo. W. Young & Co.; Alfred W. Day, Mercantile National Bank; Edwin B. Day, Battery Park National Bank; H. L. Crandell, Bank of Long Island; John A. Thayer, National Bank of North America; F. E. Marshall, Phenix National Bank; Walter Kutzleb, Russo-Chinese Bank; G. E. Lewis, Gallatin National Bank; John S. Davis, Jr., Hamilton Bank; Frederick H. Reed, National Bank of North America; Geo. N. Hartman, Knickerbocker Trust Co.; A. A. Knowles, Mechanics' National Bank; A. W. Snow, Garfield National Bank; E. Myerson, stenographer; Wm. J. Henry, New York National Exchange Bank; W. O. Jones, National Park Bank; James M. Donald, Hanover National Bank; Albert S. Cox, Merchants National Bank; Thomas Simpson, Twelfth Ward Bank; Wm. L. Frankenbach, Yorkville Bank; Alfred M. Barrett, Guardian Trust Co.; W. E. Purdy, Chase National Bank; J. P. Dunning and F. T. Martin, Corn Exchange Bank; F. W. Kinsman, Jr., Hamilton Bank; James V. Lott, Mercantile National Bank; Henry Dimse, Citizens Central National Bank; Chas. Elliot Warren, Lincoln National Bank; Lewis E. Pierson, N. Y. National Exchange Bank; Alfred H. Curtis, National Bank of North America.

Northport—Henry S. Mott, Bank of Northport.
Northville—E. Eglin, Northville Bank.
Norwich—Geo. T. Dunham and H. H. Higley, Chenango National Bank; Howard D. Newton, National Bank of Norwich.
North Tonawanda—Benj. L. Rand, Benj. L. Rand & Co.
Ogdensburg—R. J. Donahue, National Bank of Ogdensburg.
Oneonta—E. A. Scramling, Wilber National Bank.
Oswego—F. E. Sweetland and L. W. Mott, Second National Bank.
Owego—G. Truman, Jr., First National Bank; W. L. Ayer and E. O. Eldredge, Owego National Bank; F. E. Corey, stenographer.
Oyster Bay—Jas. H. Ludlum, Oyster Bay Bank.
Oxford—John R. Van Wagenen, First National Bank.
Philadelphia—W. A. Marwick and D. C. Rodenhurst, Bank of Philadelphia.
Pleasantville—Danl. P. Hays, Mount Pleasant Bank.
Port Jefferson—E. M. Davis, Bank of Port Jefferson; F. A. Kline, First National Bank.
Port Jervis—Frederick B. Post, First National Bank.
Patchogue—F. A. Overton, J. C. Mills and S. W. Conklin, The Patchogue Bank.
Peekskill—Cornelius A. Pugsley, Westchester County Bank.
Port Chester—John W. Ingman, First National Bank.
Port Henry—Eugene Wyman, Citizens' National Bank.
Port Richmond—J. T. Smith and Chas. E. Griffith, Port Richmond National Bank.
Poughkeepsie—E. T. Hulst, Nassau Trust Co., Brooklyn.
Pulaski—Louis J. Clark, Pulaski National Bank.
Rochester—Wm. J. Trimble, Traders' National Bank; P. R. McPhail, Merchants' Bank; Eugene Satterlee, German-American Bank; Peter A. Vay, Flour City National Bank.
Rockville Centre—Hiram R. Smith, Bank of Rockville Centre.
Rome—Geo. G. Clarabut, Farmers' National Bank; Fred H. Shelley, First National Bank.
Schenectady—E. L. Milmine, Mohawk National Bank.

Sherburne—W. S. Sanford, Sherburne National Bank.
Silver Springs—J. G. Kershaw, Silver Springs National Bank.
Springville—F. O. Smith, Farmers' Bank.
Syracuse—L. G. Lacy, Third National Bank; Anthony Lamb, Commercial National Bank; E. S. Tefft, First National Bank; F. L. Barnes, National Bank of Syracuse.
Ticonderoga—W. W. Richards, First National Bank.
Utica—D. A. Avery, Second National Bank; H. R. Williams, First National Bank.
Waterloo—Jas. H. Haslett, First National Bank.
Watertown—Geo. V. Massey, Jefferson County National Bank.
Waverly—F. E. Lyford, First National Bank.
Warsaw—W. J. Humphrey, Wyoming County National Bank.
White Plains—David Cromwell, First National Bank.

GUESTS.

Albany—Jos. A. Lawson.
Baltimore, Md.—Jas. R. Edmunds.
Chicago, Ill.—S. R. Flynn, John J. Abbott, W. Y. Barnet and Chas. O. Austin.
Cleveland, O.—Edward H. Cady and C. E. Farnsworth.
Detroit—C. R. Andrews, Mrs. Andrews and Miss Andrews.
Hoboken—Jas. R. Ferons.
Jersey City—Wm. J. Field, Secretary New Jersey Bankers' Association.
Philadelphia—Wm. Post, Thos. Gamon, Jr., Jos. Wayne, Jr., Mrs. Wayne, W. Z. McLear, Hartman Baker, Mrs. Hartman Baker, Bert W. Baker and Geo. H. Millett.
Pittsburg—Edward E. McCoy, W. E. Schelter, H. S. Zimmerman and F. H. Richard.
Raleigh, N. C.—Jos. G. Brown.
St. Louis—J. A. Lewis, Mrs. J. A. Lewis and W. E. Schweppe.
Albany—Henry W. Dun, Jos. R. Swan, E. H. Cady and Mrs. F. A. Mead.
Baldwinsville—Miss Morris.
Ballston Spa—Mrs. M. L. Deihl.
Batavia—Mrs. Samuel Parker.
Brooklyn—Mrs. H. E. Hutchinson, Mrs. S. M. Griswold, Mrs. Bird S. Coler, Mrs. E. A. Walker, Mrs. J. S. Ogilvie, Mrs. G. W. Spence, Mrs. Andrews, Mrs. R. Cole, Miss Elsie Wilson and Mrs. W. A. Field.
Buffalo—Mrs. E. C. McDougal and Mrs. Ralph Croy.
Canajoharie—Mrs. S. Brumley.
Canandaigua—Arthur T. Hamlin.
Cohoes—Mrs. G. R. Wilson.
Clayton—Rev. L. W. Sirrell and Mrs. L. W. Sirrell.
Cohoes—Miss Adams.
Freeport—Mrs. W. G. Miller.
Frontenac—Hubert Van Wagenen and Mrs. H. Van Wagenen.
Fulton—Carlisle E. Hunter.
Gainesville—Mrs. J. T. Symes.
Geneva—Miss Sandford.
Gloversville—Mrs. C. H. Harris and Mrs. W. H. Byers.
Gouverneur—Mrs. F. M. Burdick, Miss Burdick, Mrs. H. G. Aldrich, Misses Aldrich and E. D. Barry.
Herkimer—Mrs. A. W. Haslehurst and Miss Haslehurst.
Hilton—Mrs. A. B. Fraser and Eva E. Kerr.
Hoosick Falls—Mrs. Delmer Runkle.
Hudson—Mrs. M. D. Herbs and Mrs. F. C. Haviland.
Huntington—Mrs. H. F. Sammis, Mrs. Thomas Young and Miss Bertha L. Young.
Johnstown—Mrs. W. A. Hersey, Jr.
Kingston—Mrs. F. J. R. Clarke, Miss Clarke, Mrs. C. F. Cantine and Miss Cantine.
Larchmont—Mrs. W. B. Manny.
Liberty—Mrs. W. E. Sprague and Miss Louise Young.
Little Falls—F. I. Small.
Malone—Mrs. M. F. McGarrahan.
Mamaroneck—Miss Louise Rushmore, Mrs. R. G. Brewer and Miss Nellie G. Brewer.
Mexico—Mrs. C. A. Peck.
Middletown—Mrs. D. C. McMonagle and Mrs. W. B. Royce.
Mount Kisco—Mrs. Francis H. Carpenter.
Mount Vernon—Horace Loomis, Mrs. Horace Loomis and Mrs. T. F. Nesbitt.
New York City—Mrs. W. L. Walker, Mrs. James G. Cannon, B. J. Robertdon, Mrs. H. H. Applegate, Miss Mildred Applegate, Mrs. E. B. Wire, Mrs. H. C. Miller, Mrs. M. H. Wager, J. H. Allaire, Mrs. J. L. Barker, Mrs. Leo Schlesinger, Mrs. Daninberg, Mrs. Dugan, Mrs. J. G. White, J. Dugal White, Mrs. C. A. Morrison, Miss Marion Morrison, Geo. A. Farnham, Mrs. A. Farnham, Anthony Stumpf, James R. Branch, Secretary American Bankers' Association, C. C. Hay, W. H. McFarland, D. W. Armstrong, Jr., Ballard McCall, J. M. Fitzpatrick, F. Howard Hooke, J. H. McFarland, Dwight H. Day, H. T. Lansing, J. M. Beck, Mrs. J. M. Beck, E. W. Kimball, Mrs. J. S. Davis and son, E. M. Scovil, Mrs. J. A. Thayer, Lloyd E. Brown, H. D. Marshall, Jr., G. W. Smith, Mrs. H. L. Crandell, Arthur F. Schermerhorn, C. W. Kingsley, Mrs. C. W. Kingsley, F. W. Lafrentz, Mrs. A. W. Day, Miss Day, Mrs. F. W. Lafrentz, A. E. Sheridan, Albert Henry Auge, Mrs. Albert Henry Auge, H. A. Canfield, Miss Canfield, C. H. Senauer, Mrs. F. H. Reed, Kenneth McK. Reed, Mrs. W. J. Henry, Miss Florence R. Rhodes, Mrs. W. O. Jones, Mrs. J. M. Donald, Mrs. A. S. Cox, Mrs. Thos. Simpson, Mrs. W. L. Frankenback, Misses Frankenback, John R. Van Wormer, Mrs. H. Dimse, Mrs. C. E. Warren, Mrs. L. E. Pierson, Miss Grace Thorn, Miss Maud Thorn, Mrs. A. H. Curtis, Mrs. M. P. Claggert, Mrs. Eugene Van Schaick and Clarence R. Leach.
Northport—Mrs. Henry S. Mott.
Norwich—Mrs. H. H. Higley, Miss Anna Newton and Miss Margaret Newton.
North Tonawanda—Mrs. B. L. Rand and Jas. H. Rand.
Owego—Mrs. E. O. Eldredge, Mrs. G. Truman, Jr., Mrs. W. L. Ayer, F. W. Clifford and Mrs. F. W. Clifford.
Oswego—Mrs. F. E. Sweetland.
Oyster Bay—Mrs. J. H. Ludlum.
Oxford—Mrs. J. R. Van Wagenen.
Philadelphia—Mrs. W. A. Markwick and Mrs. D. C. Rodenhurst.
Pleasantville—Mrs. D. P. Hays.
Port Jefferson—Mrs. F. A. Kline, Mrs. E. M. Davis and Miss Davis.
Patchogue—Mrs. S. W. Conklin and Miss Conklin.

Peekskill—Mrs. C. A. Pugsley.
Port Chester—Miss Grace E. Ingman and Miss Florence P. Ingman.
Port Henry—Mrs. Eugene Wyman.
Port Richmond—Mrs. J. T. Smith, C. F. Smith and Mrs. C. E. Griffith.
Poughkeepsie—Mrs. E. T. Hulst.
Pulaski—Mrs. L. J. Clark.
Rochester—Mrs. W. J. Trimble, I. Heckmyer, Edmund Ocumbaugh, Mrs. Eugene Satterlee and Miss Satterlee.
Rome—Mrs. F. M. Shelley.
Sherburne—H. H. Wells.
Syracuse—E. T. Clark, Mrs. A. Lamb, Herbert W. Lamb and Miss Julia Coe.
Troy—Mrs. A. B. Cobden, Ben Franklin, Mrs. F. E. Howe, Miss Fancher, E. F. Howe, Julius Christensen and Mrs. J. W. Fleming.
Ticonderoga—Mrs. W. W. Richards.
Waterloo—Mrs. J. H. Haslett.
Waverly—Mrs. F. E. Lyford, Mrs. C. W. Slaughter and Miss Gertrude Slaughter.
Warsaw—Miss Humphrey.
White Plains—Mrs. David Cromwell

TENNESSEE BANKERS' ASSOCIATION.

This year's convention of the bankers of Tennessee was held at Lookout Mountain, June 20 and 21. After the customary preliminary exercises the annual address was delivered by President Joseph P. Gaut, President of

F. B. FISHER,
President Tennessee Bankers' Association.

FRANK K. HOUSTON,
Secretary Tennessee Bankers' Association.

the Holston National Bank, Knoxville. He described the work done by the association in the past year, and reported an increase in membership from 175 at the last annual meeting to 250 at the present one. In regard to the banking business of the State, President Gaut said:

"There are in the State of Tennessee approximately 307 banks. These banks have an authorized and fully-paid capital stock of about $18,500,000. They also have in addition to their capital stock a fund of surplus and undivided profits amounting to about $6,500,000. They have on deposit a sum in excess of $85,000,000. From these figures it will be seen that there is no business interest in Tennessee that compares in importance, or perhaps in magnitude, with that of the banking interests. That their vast sums of money are, and must be, the real means for developing the resources of our State, and marketing and disposing of its products, will be readily conceded. That the wise handling of such funds, so that they may at once be available for all legitimate enterprises and business interests, and at the same time furnish no help to doubtful and speculative enterprises is a most important problem, will be as readily conceded."

J. F. Brownlow, Cashier of the Farmers and Merchants' Bank, Columbia, made an address in which he favored the organization of a Southern bankers' association.

Harvie Jordan, of the Southern Cotton Association, spoke on "Closer Relations Between Farmers and Bankers." He favored the encouragement of the establishment of standard warehouses and of more cotton mills, and said there was need of more State banks, distributed throughout the rural counties of the South. "Conservative Banking" was the theme of an address by F. B. Fisher, Cashier of the Jackson Banking Co. In the course of his address he said:

"Speculation and speculative securities are not in harmony with conservative banking. A speculator has no place in a bank. The first time an executive or an employee of a bank speculates, even though the stake be small, that is the moment for him to tender his resignation, and, failing to offer his resignation, he should be discharged. No satisfactory excuse can be made for a person holding a fiduciary position speculating. Conservative banking exacts correct morals, correct habits, correct living upon the part of every employee from President down, and includes the directors. People intrusted with the savings of other people are under moral as well as legal obligations to the depositors, and conservative banking exacts moral integrity as well as financial integrity."

Tate L. Earnest, Cashier of the Unaka National Bank, Johnson City, described "The Ideal Banker and His Opposite." His address dealt chiefly with the qualities that constitute an ideal banker. He spoke strongly in favor of providing employees with good bank literature, modern systems of accounting, and time and labor-saving equipment.

Following are the new officers of the Tennessee Bankers' Association:

President—F. B. Fisher, Cashier Jackson Banking Co., Jackson.

Vice-Presidents—J. B. Walker, Cashier First National Bank, Centreville; J. N. Fisher, Cashier First National Bank, Morristown; G. P. Hurt, President Kenton Bank, Kenton.

Secretary—Frank K. Houston, Nashville.

Treasurer—D. W. Shofner, Cashier Bank of Mt. Pleasant, Mt. Pleasant.

Chairman of Executive Council—T. R. Preston, President Hamilton Trust and Savings Bank, Chattanooga.

President State Bank Section—J. Arnold, President Bank of Cookeville.

H. S. HANSBROUGH,
President Virginia Bankers' Association.

N. P. GATLING,
Secretary Virginia Bankers' Association.

D. H. McKee,
President Iowa Bankers' Association.

J. M. Dinwiddie,
Secretary Iowa Bankers' Association.

Cliff W. Gress,
President Minnesota Bankers' Association.

J. C. White,
President Texas Bankers' Association.

Offices of J. S. Bache & Co.,

42 Broadway, New York.

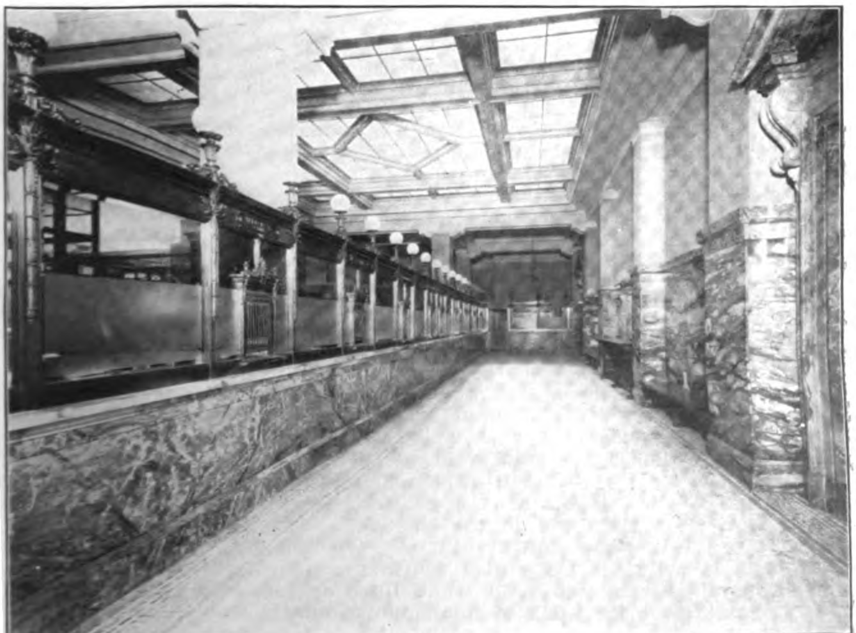
A TYPICAL NEW YORK BANKING FIRM.

It is after all only a few years since the skyscraper was a seven-days' wonder and the ten-million-dollar corporation gigantic. What a few years back was a stupendous enterprise is to-day scarcely noticed. It is an age of progress, and probably nowhere has this been reflected to a greater extent than in the Wall Street district. A revolution, commercial, financial and industrial, has taken place, and to-day it is not remarkable if a single firm or corporation transacts as much business as did a dozen important firms a decade ago.

The recent installation of Messrs. J. S. Bache & Co. at 42 Broadway, is a typical illustration of recent progress. The firm's new quarters are the finest private banking offices not alone in America but in the entire world. Covering in extent practically the whole of the ground floor of that enormous building, the offices occupy fifteen thousand feet of floor space and stretch from Broadway to New Street. On the Broadway front are the executive offices, the headquarters of the members of the firm, while on the New Street side are the various departments, the customers' room and the wire-room. Solid mahogany and quartered oak have been used throughout in the wood finishings, and their massive effect is in sharp but pleasing contrast to the vari-colored Sienna marble of the mural decorations. The furnishings are harmonious throughout. The artistic bronze fixtures and the richness of the office furniture impress upon the mind the idea of luxury without ostentation.

Altogether the firm's new quarters exhibit a completeness that is unparalleled. They are in keeping with the important banking position and financial standing of the firm. In contradistinction to brokerage firms dominated by a railroad president, a market operator or the representative of a corporation, Messrs. J. S. Bache & Co. are a "Commission House" profiting by their ability to serve the public in financial transactions. Exchange operations by

BANKING ROOM OF J. S. BACHE & CO.



CORRIDOR MAIN BANKING ROOM—J. S. BACHE & CO.

ORDER AND TELEGRAPH DEPARTMENT,

J. S. Bache & Co., 42 Broadway, New York.

no means absorb the activities. It is a banking as well as a brokerage firm; buying and selling bonds whether listed on Exchange or not; buying and selling domestic and foreign exchange and transacting a general banking business. Operations are both international and domestic; letters of credit are issued on any place in the world that has banking facilities, and through foreign correspondents intimate relations are maintained with the principal European centres of commerce and finance.

For the transaction of their brokerage business Messrs. J. S. Bache & Co. are members of the leading exchanges of the country and their activities embrace transactions in every commodity that is traded in on the larger financial markets. Stocks and bonds on the New York, Boston, Philadelphia, Chicago and Rochester Stock Exchanges, and on the New York Curb market; cotton on the New Orleans, New York and Liverpool Cotton Exchanges; grain and produce on the New York Produce Exchange and the Chicago Board of Trade; pig iron on the New York Produce Exchange and coffee on the New York Coffee Exchange, are all the objects of daily transactions.

In addition to its headquarters at 42 Broadway the firm has two branch offices in New York city and branches at Albany and Troy, Philadelphia, Montreal, Rochester, Newark, N. J., and at Liverpool, England, besides summer offices at Atlantic City and Saratoga. These offices, of course, cover a large field, but one that is small in comparison with the territory tributary to the private wire system. From New York in the East to San Francisco in the West, from Montreal in the North to New Orleans in the South, stretches a private wire system centering in the firm's wire-room at 42 Broadway. It embraces the entire continent. It reaches every important city, either directly by the main trunk lines or indirectly by branch lines radiating as in the cotton belt to smaller but important centres of trade and commerce where the firm has correspondents. Altogether the firm's relations are world wide. They are typical of New York's financial progress, of its imposing financial position, reflecting immediately a change in the financial pulse whether at home or abroad.

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.

—W. F. H. Koelsch, Assistant Secretary of the Alliance Trust Co., has been appointed Treasurer to succeed Charles Dittman, resigned. ' Gilbert S. Mott and Webb Floyd have been appointed Assistant Secretaries.

—The Guardian Trust Company has taken the entire ground floor of the building at the southeast corner of Broadway and Maiden Lane, and will now be fully prepared to accommodate its business, which has increased thirty-three and one-third per cent. in the last four months.

—Charles H. Hampton was recently unanimously appointed Assistant Cashier of the Hanover National Bank.

—At a recent meeting of the directors of the Greenwich Bank William A. Hawes, Cashier, was appointed auditor; Clarence Foote, manager of the William Street branch, was appointed Cashier; and Frank Hammond, paying teller at the main office, and Harry A. Golding, manager of the Broadway branch, were appointed Assistant Cashiers.

—The Farmers' Loan and Trust Company has leased the property at 475 Fifth avenue, adjoining the southeast corner of Forty-first street, and opposite the new Public Library, and will erect there a new building, to be occupied as an uptown branch.

—The Mercantile National Bank, which has been at the southwest corner of Broadway and Dey street for nearly fifty years, is about to move across the street into the Western Union Building, on the northwest corner, where it has taken a long lease of the entire first floor.

The bank owns its present building as well as the one adjoining, at 189 Broadway, the two together covering a plot 46 by 100.

NEW ENGLAND STATES.

Long Service in a Bank.—Francis N. Plimpton, who has been for sixty years continuously in the service of the Wrentham (Mass.) National Bank, severed his connection with that institution on August 1. He entered the bank at the age of seventeen, filling minor positions for a time. Forty years ago he was made Cashier.

Newport, R. I.—The Industrial Trust Co., of Providence has absorbed the Coddington Savings Bank, and the Newport Trust Company has absorbed the First National Bank.

Bank Commissioner Resigns.—Frederick B. Washburn has sent to Governor Douglas his resignation as Savings Bank Commissioner for Massachusetts, to take effect September 1.

MIDDLE STATES.

New York Savings Banks.—Deposits in the New York Savings banks during the past year show an increase of $85,836,855; the increase the past six months has been about $52,000,000. Prior to this year the largest increase in any one year was in 1899 when the deposits increased $71,336,282.

The total resources of the banks on June 30 were $1,367,692,595. The amount on deposit is $1,252,928,299. One year ago the deposits were $1,166,091,444. The surplus is now $114,139,526, as compared with $108,584,097 one year ago.

The amount of money deposited during the year aggregated $363,213,466, and the amount withdrawn $317,711,472. On the deposits interest in the sum of $41,748,434 was paid or credited during the year. The number of open accounts in the banks is 2,513,570.

WESTERN STATES.

Cleveland, Ohio.—Governor Myron T. Herrick has resigned as President of the Society for Savings, and A. L. Withington, who has been Secretary and Treasurer for the past ten years, succeeds him. Governor Herrick will be Chairman of the Board of Trustees—a position created for him. His resignation was due to the pressure of official and political duties upon his time and attention. The Society for Savings ranks among the largest institutions of its class in the country.

Oklahoma City, Okla.—A consolidation of the Bank of Commerce and the American National Bank, under the title of the last-named institution was recently effected. The officers are: President, J. H. Wheeler; Vice-President, G. G. Sohlberg; Cashier, F. P. Johnson; Assistant Cashiers, H. B. Carson and O. L. Avey. By the consolidation the resources of the American National will be greatly increased, its capital being $100,000 and deposits $800,000.

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.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Cottonwood, Ala.; by G. H. Malone, et al.
First National Bank, Polo, Mo.; by J. B. Bathgate, et al.
First National Bank, Lancaster, S. C.; by Chas. D. Jones, et al.
First National Bank, Waukomis, Okla.; by J. A. Butler, et al.
First National Bank, Sanger, Texas; by A. J. Nance, et al.
Citizens' National Bank, Sidney, Ohio; by Wm. A. Graham, et al.
Island City National Bank, Key West, Fla.; by E. M. Martin, et al.
First National Bank, Skiatook, I. T.; by C. H. Cleveland, et al.
First National Bank, New Berlin, Pa.; by F. H. Maurer, et al.
First National Bank, Rush Springs, I. T.; by Stephen Brown, et al.
First National Bank, Islip, N. Y.; by Geo. W. Weeks, Jr., et al.
First National Bank, Sedro-Woolley, Wash.; by August Peterson, et al.
Biglerville National Bank, Biglerville, Pa.; by C. L. Longsdorf, et al.
Farmers' National Bank, Clinton, Mo.; by J. W. Perry, et al.
First National Bank, Salem, Mo.; by J. H. Butler, et al.
German-American National Bank, New Orleans, La.; by Felix J. Dreyfous, et al.
Phoenix National Bank, Columbia, Tenn.; by J. L. Hutton, et al.
First National Bank, Luverne, Ala., by Fox Henderson, et al.
First National Bank, Bloomington, Neb.; by J. B. McGrew, et al.
California National Bank, Riverside, Cal.; by T. E. Stevens, et al.
National Bank of Waupun, Waupun, Wis.; by B. W. Davis, et al.
First National Bank, New Bremen, Ohio; by Julius Boesel, et al.
First National Bank, Mylo, N. D.; by David F. Simpson, et al.
First National Bank, Kensal, N. D.; by Allen S. Miller, et al.
First National Bank, Gillespie, Ill.; by Eli Miller, et al.
First National Bank, Randolph, Kans., by V. E. Johnson, et al.
McKeen National Bank, Terre Haute, Ind.; by Wm. R. McKeen, et al.
First National Bank, Brantley, Ala.; by Fox Henderson, et al.
First National Bank, Hagerstown, Ind.; by Henry C. Starr, et al.
Sheldon National Bank, Sheldon, Iowa; by W. M. Barrager, et al.
Comal National Bank, New Braunfels, Texas; by Arlon B. Davis, et al.
Gillespie National Bank, Gillespie, Ill.; by Edward Lane, et al.
First National Bank, Bethany, Mo.; by W. H. Leazenby, et al.
Slocomb National Bank, Slocomb, Ala.; by J. R. Faircloth, et al.
Alliance National Bank, Alliance, Ohio; by R. L. Haugh, et al.
First National Bank, Ludlow, Mo.; by E. W. Fink, et al.
First National Bank, Carrizo Springs, Texas; by B. H. Walker, et al.
First National Bank, Veblen, S. D.; by Bert Winter, et al.
First National Bank, Slocomb, Ala.; by G. H. Malone, et al.
First National Bank, Yellow Springs, Ohio; by W. T. S. Blackburn, et al.
First National Bank, Vicksburg, Mich.; by J. O. Becroft, et al.
First National Bank, McGee, I. T.; by E. D. Nims, et al.
First National Bank, Berthoud, Colo.; by Thomas H. Robertson, et al.
First National Bank, Norris City, Ill.; by R. J. Bailey, et al.
First National Bank, Redondo, Cal.; by Herman W. Hellman, et al.
First National Bank, Nome, Alaska; by James D. Hoge, et al.
Citizens' National Bank, Indiana, Pa.; by H. M. Lowry, et al.
First National Bank, Shippenville, Pa.; by John Gibson, et al.
First National Bank, Hominy, Okla.; by Prentiss Price, et al.

NATIONAL BANKS ORGANIZED.

7807—Sabinal National Bank, Sabinal, Texas; capital, $30,000; Pres., Louis M. Peters; Vice-President, Leon F. Heard; Cashier, Merton Swift.
7808—City National Bank, St. Louis, Mo.; capital, $200,000; Pres., M. Landau; First Vice-Pres., Jno. E. Allan; Second Vice-Pres., P. J. Farrington; Cashier, H. R. Rehme.
7809—First National Bank, Granada, Colo.; capital, $25,000; Pres., Starr C. Gregory; Vice-Pres., Lilburn D. Boggs; Cashier, James L. Mayfield; Asst. Cashier, John N. Akey.
7810—First National Bank, Tolley, N. D.; capital, $25,000; Pres., J. L. Mathews; Vice-Pres., J. N. Fox; Cashier, J. M. Hynes.
7811—Walters National Bank, Walters, Okla.; capital, $25,000; Pres., D. T. Carter; Vice-Pres., W. D. McNees; Cashier, R. H. Sultan; Asst. Cashier, J. T. Sawyer.
7812—National Bank of New England, East Haddam, Conn.; capital, $50,-

000; Pres., A. E. Purple; Vice-Pres., A. H. Dayton; Cashier, E. N. Peck.

7813—First National Bank, Lestershire, N. Y.; capital, $50,000; Pres., W. J. Jones; Vice-Pres., C. Fred Johnson; Cashier, W. H. Windus.

7814—Jacksboro National Bank, Jacksboro, Texas; capital, $25,000; Pres., W. A. Shown; Vice-Pres., C. O. Hess and J. G. Mullens; Cashier, E. Mitchell.

7815—Stockton National Bank, Stockton, Kans.; capital, $40,000; Pres., J. W. Anderson; Vice-Pres., Geo. Yoxall; Cashier, E. J. Williams; Asst. Cashier, E. L. Williams.

7816—Citizens' National Bank, Vandergrift, Pa.; capital, $50,000; Pres., S. H. Grimm; Vice-Pres., Wm. Welsh; Cashier, Dean Clark.

7817—American National Bank; Chattanooga, Tenn.; capital, $250,000; Pres., H. S. Probasco; Vice-Pres., J., C. Guild; Cashier, Frank A. Nelson; Asst. Cashier, Geo. Gardenhire.

7818—City National Bank, Columbus, Ohio; capital, $300,000; Pres., Foster Copeland; Vice-Pres., C. H. Hanna; Cashier, J. J. Jennings.

7819—Marion Center National Bank, Marion Center, Pa.; capital, $35,000; Pres., Horace J. Thompson; Vice-Pres., Charles R. Griffith; Cashier, William L. Buchanan.

7820—Citizens' National Bank, Jamestown, N. D.; capital, $50,000; Pres., J. J. Nierling; Vice-Pres., Morris Beck; Cashier, C. R. Hodge.

7821—Farmers' National Bank, York, Neb.; capital, $50,000; Pres., Charles A. McCloud; Vice-Pres., Charles A. Schrandt; Cashier, A. B. Christian.

7822—First National Bank, Haskell, I. T.; capital, $25,000; Pres., D. W. Hogan; Vice-Pres., Carr Peterson; Cashier, Cleat Peterson.

7823—Central National Bank, Buffalo, N. Y.; capital, $200,000; Pres., Geo. F. Rand; Vice-Pres., J. F. Schoellkopf and John D. Larkin; Cashier, S. F. Nivling.

7824—First National Bank, Batesville, Ind.; capital, $30,000; Pres., John A. Hillenbrand; Vice-Pres., John Meyer; Cashier, T. Sanders Orr.

7825—Farmers' National Bank, Haskell, Texas; capital, $25,000; Pres., T. L. Montgomery; Vice-Pres., H. M. Rike; Cashier, R. C. Montgomery; Asst. Cashier, H. E. Fields.

7826—Citizens' National Bank, Middletown, Pa.; capital, $50,000; Pres., J. W. Rewalt; Cashier, Harry A. Bell.

7827—Brady National Bank, Brady, Texas; capital, $50,000; Pres., F. M. Richards; Vice-Pres., Jno. P. Sheridan; Cashier, F. W. Henderson; Asst. Cashier, W. H. Ballou.

7828—First National Bank, Everly, Iowa; capital, $25,000; Pres., A. W. Sleeper; Vice-Pres., Peter Ketelsen; Cashier, Lewis Scharnberg; Asst. Cashier, W. H. Sleeper, Jr.

7829—National Bank of Mena, Ark.; capital, $50,000; Pres., R. M. Quigley; Vice-Pres., James D. Shaver; Cashier, F. N. Hancock; Asst. Cashier, H. A. Babcock.

7830—Ferdinand National Bank, Ferdinand, Ind.; capital, $25,000; Pres., John G. Beckmann; Cashier, F. X. Rickelmann.

7831—First National Bank, Hayward, Wis.; capital, $25,000; Pres., Edward Hines; Vice-Pres., Thomas S. Whitten; Cashier, Henry E. Rohlf.

7832—Morgan County National Bank, Fort Morgan, Colo.; capital, $50,000; Pres., M. L. More; Vice-Pres., R. M. Handy, Cashier, J. H. Roediger.

7833—First National Bank, Randolph, Iowa; capital, $25,000; Pres., H. J. Failing; Vice-Pres., W. A. Townsend; Cashier, H. M. Townsend.

7834 — American National Bank, McMinnville, Tenn.; capital, $50,000; Pres., J. B. Biles; Vice-Pres., J. J. Meadows; Cashier, C. J. Potter.

7835—Springvale National Bank, Springvale, Maine; capital, $25,000; Pres., Geo. W. Hanson; Vice-Pres., Geo. H. Roberts; Cashier, Hiram B. Rowe.

7836—Stanton National Bank, Stanton, Neb.; capital, $50,000; Pres., F. P. Hanlon; Vice-Pres., Agge Axen; Cashier, J. Eberly; Asst. Cashier, H. P. Zibler.

7837—Poudre Valley National Bank, Fort Collins, Colo.; capital, $150,000; Pres., Nathaniel C. Alford; Vice-Pres., James B. Arthur; Cashier, Charles H. Sheldon; Asst. Cashier, Verner U. Wolf.

7838—First National Bank, Franklin, Texas; capital, $25,000; Pres., Robert S. Glass; Vice-Pres., T. T. Easter; Cashier, G. H. Albert; Asst. Cashier, R. M. Duffey.

7839—Longmont National Bank; Longmont, Colo.; capital, $50,000; Pres., J. W. Paxton; Vice-Pres., Willis A. Warner; Cashier, F. W. Flanders; Asst. Cashier, J. E. White.

7840—First National Bank, Ovid, N. Y.; capital, $25,000; Pres., M. S. Sandford; Vice-Pres., Seymour Horton; Cashier, Patrick Savage.

7841—Neoga National Bank, Neoga, Ill.; capital, $25,000; Pres., W. H. Hancock; Vice-Pres., Wm. T. Miller; Cashier, L. A. Osborne.

7842—First National Bank, Milburn, I. T.; capital, $25,000; Pres., James R. McKinney; Vice-Pres., T. E. Pendleton; Cashier, T. F. Allen.

7843—Citizens' National Bank, Hampton, Iowa; capital, $100,000; Pres., T. J. B. Robinson; Vice-Pres., N. W. Beebe; Cashier, W. L. Robinson; Asst. Cashier, Chas. Krag.

7844—St. John National Bank; St. John, Kans.; capital, $25,000; Pres., R. B. Temple; Vice-Pres., Geo. Sill; Cashier, J. D. Stewart.

7845—First National Bank, Hendricks, W. Va.; capital, $50,000; Pres., Bishop W. Jennings, Vice-Pres., Lewis C. Dyer.

7846—First National Bank, McCumber, N. D.; capital, $25,000; Pres., David N. Tallman; Vice-Presidents, David H. Beecher and Napoleon B. Felton; Cashier, F. E. Wood.

7847—First National Bank, Pocahontas, Va.; capital, $35,000; Pres., W. R. Graham; Cashier, James H. McNeer.

7848—Hamilton National Bank, Chattanooga, Tenn.; capital, $250,000; Pres., T. R. Preston; Vice-Pres., H. T. Olmstead and G. H. Miller; Cashier, C. M. Preston; Asst. Cashier, C. L. Knoedler.

7849—Berkeley National Bank, Berkeley, Cal.; capital, $100,000; Pres., J. W. Richards; Vice-Pres., Benjamin Bangs and Jno. U. Calkins; Cashier, W. M. Roberts.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Florence—Alabama Savings Bank; capital, $30,000; Pres., R. L. Glenn; Vice-Pres., M. J. Dillard; Cashier, J. Fred. Johnson.
Moulton—Bank of Moulton; capital, $10,000; Pres., James C. Kumpe; Vice-Pres., C. C. Prince; Cashier, Clarence S. Hardin.

ARIZONA.

Benson—Citizens' Bank capital, $10,000; Pres., L. C. Hanks; Vice-Pres., H. Germien; Cashier, J. A. Gibbs.
Lowell—Miners & Merchants' Bank (Branch of Bisbee); C. A. Bennett, Mgr.

ARKANSAS.

Helena—Interstate Banking & Trust Co.; capital, $200,000; Pres., B. Seelig; Vice-Pres., S. C. Moore; Cashier, Claude Fitzpatrick.
Humphrey—Merchants & Planters' Bank; capital, $5,000; Pres., J. H. Stillwell; Vice-Pres., J. W. Seavan; Cashier, A. H. Jones.

CALIFORNIA.

Centerville—Bank of Centerville; capital, $21,000; Pres., Jno. G. Mattos, Jr.; Vice-Pres., F. T. Dusterberry; Cashier, Joseph Dias.
Glendale—Bank of Glendale; capital, $12,500; Pres., J. C. Kays; Vice-Pres., D. W. Hurt; Cashier, J. C. Sherer.
Inglewood—First State Bank; capital, $25,000; Pres., C. H. Brown; Vice-Pres., Geo. Chaffey; Cashier, W. G. Brown.
Petaluma—California Savings Bank; capital, $25,000; Pres., A. J. Bloom; Vice-Pres., C. P. Smith; Cashier, J. H. Gwinn; Asst. Cashier, H. H. Huntington.
San Diego—Security Savings Bank & Trust Co.; capital, $125,000; Pres., Julius Wangenheim; Vice-Pres., Geo. W. Marston; Cashier, Nat R. Titus; Asst. Cashier, Jno. C. Fredericks.
San Francisco—Provident Bank; capital, $200,000; Pres., S. P. Young; Vice-Pres., Wm. Nicholls, Jr.; Acting Cashier, I. W. Young.—Seaboard Bank; capital, $100,000; Pres., C. M. Goodall; Vice-Pres., Robert J. Tyson; Cashier, W. A. Houts.
Santa Monica—Santa Monica Savings Bank; capital, $25,000; Pres., T. H. Dudley; Vice-Pres., Wm. S. Vawter; Cashier, Geo. F. Doty.
Selma—Selma Savings Bank; capital, $12,500; Pres., D. S. Snodgrass; Vice-Pres., M. Vincent; Cashier, W. C. Freeland.
South San Francisco—Bank of South San Francisco; capital, $50,000; Pres., P. N. Lilienthal; Vice-Pres., Leroy Hough; Cashier, M. E. Glucksman.
Venice—Bank of Venice; capital, $50,000; Pres., David Evans; Vice-Pres., Dana Bucks; Cashier, C. H. Randall.

COLORADO.

Calhan—Bank of Calhan; capital, $10,000; Pres., B. M. Narron; Vice-Pres., H. B. Slaven; Cashier, L. A. Schlessman.
Craig—Citizens' Bank (successor to Amsterdam Banking Co.); capital, $10,000; Pres., A. M. Merrill; Vice-Pres., M. H. Smith; Cashier, C. S. Merrill.
Denver—South Denver Bank; Pres., Jno. M. Campbell; Vice-Pres., I. N. Moberly; Cashier, Gabriel Jones.

GEORGIA.

Atlanta—Gould & Co.; capital, $10,000; Cashier, W. H. Gould.
Gray—Bank of Gray; capital, $15,000; Pres., Jno. D. Walker; Vice-Pres., T. S. Bush.
Lexington—Oglethorpe County Bank; capital, $15,000; Pres., L. O. Benton; Vice-Pres., R. C. Calloway.
Taylorsville—Bank of Taylorsville; capital, $18,000; Pres., W. S. Witham; Vice-Pres., W. D. Trippe; Cashier, R. T. Eberhardt.
Winder—Winder Savings Bank; capital, $15,000; Pres., W. H. Toole; Vice-Pres., L. T. Ross; Cashier, W. H. Quarterman.

IDAHO.

Hailey—Idaho State Bank; capital, $50,000; Pres., J. J. Plume; Vice-Pres., Geo. Cramer; Cashier, L. A. Duvall.

ILLINOIS.

Chicago—Live Stock Trust & Savings Bank; capital, $200,000; Pres., P. J. Harmon; Vice-Pres., John E. Traeger; Cashier, J. E. Griffin.—Union Bank of Chicago; capital, $200,000; Pres., Chas. E. Schlytern; Vice-Pres., E. Hegstrom and F. A. Lindstrand; Cashier, G. Hollbom.—P. F. CcCarthy & Co.
Elmhurst—Citizens' State Bank; capital, $35,000; Pres., H. F. Buchholz; Vice-Pres., E. W. Balgeman; Cashier, Emil Balgeman.
Hillview—Hillview Bank; Pres., C. A. Manker; Vice-Pres., B. Heavner; Cashier, Geo. Lucas.
New Holland—New Holland State Bank (successor to L. Burchett & Son); capital, $25,000; Pres., L. Burchett; Vice-Pres., D. M. Burner; Cashier, C. W. Binns.
North Chicago—North Chicago State Bank (successor to North Chicago Savings Bank); capital, $25,000; Pres., C. E. Saylor; Vice-Pres., Robert S. Grice; Cashier, C. Wachter.
Ursa—Bank of Ursa; capital, $10,000; Pres., Charles Laycock; Cashier, R. E. Laycock.
Wauconda—Wauconda Bank; capital, $5,000; Pres., E. W. Brooks; Vice-Pres., Harry T. Fuller; Cashier, G. D. Stroker.
West Frankfort—West Frankfort State Bank; capital, $25,000; Pres., Peter Wastler; Vice-Pres., T. A. Henson; Cashier, L. T. Clem.

INDIANA.

Hazlewood—Farmers' Bank (successor to E. V. Milhon); capital, $10,000; Cashier, E. V. Milhon.
Indianapolis—Farmers' Trust Co.; capital, $100,000; Pres., C. N. Williams; Vice-Pres., D. M. Parry and T. A. Wynne; Sec. and Treas., G. E. Brewer.
Mishawaka—Mishawaka Trust & Savings Co. (successor to Clark & Whitson); capital, $100,000; Pres.,

M. W. Mix; Vice-Pres., E. L. Beatty and J. H. Beiger; Treas., Wm. M. Clark; Sec., P. S. Fuson.

INDIAN TERRITORY.

Haskell—International Bank; capital, $25,000; Pres., J. W. Hays; Vice-Pres., Thomas O. Hays; Cashier, Ren D. Marr; Asst. Cashier, E. K. Moss.
Keota—First State Bank; capital, $12,500; Pres., John W. Robinson; Vice-Pres., H. D. Price; Cashier, Jay F. Price; Asst. Cashier, Charles S. Leonard.
Warner—Merchants & Planters' Bank (successor to Bank of Russell, Hereford); capital, $11,800; Pres., W. E. Rowsey; Vice-Pres., James F. Shepherd; Cashier, F. C. Garner.
Wister—Bank of Wister; capital, $15,000; Pres., Minnie Baldwin; Vice-Pres., R. G. Harris; Cashier, D. H. McPherson; Asst. Cashier, D. E. McPherson.

IOWA.

Dixon—Dixon Savings Bank; capital, $10,000; Pres., John Langseth; Vice-Pres., Wm. H. Rock; Cashier, Charles Ludwig.
Exline—Bradley's Bank; capital, $10,000; Pres., D. C. Bradley; Cashier, S. P. Maring.—Exline Savings Bank; capital, $10,000; Pres., H. E. Bunker; Vice-Pres., A. H. Corey; Cashier, Frank M. Rogers; Asst. Cashier, J. D. Rowan.
Floris—Floris Savings Bank; capital, $10,000; Pres., L. A. Andrew; Vice-Pres., H. L. Stevens; Cashier, Geo. F. Carson.
Fontanelle—State Savings Bank; capital, $10,000; Pres., L. M. Lyons; Vice-Pres., Charles T. Launder; Cashier, C. A. Baker.
Hospers—Citizens' Bank; Cashier, J. A. Smith.
Keystone—Farmers' Savings Bank; capital, $15,000 Pres., H. J. Meyer; Vice-Pres., Ferd. Schluenz; Cashier, Wm. Krombach.
Marengo—People's Savings Bank; capital, $25,000; Pres., Arthur M. Vette; Vice-Pres., J. B. Murphy; Cashier, J. Ervin Evans.
Marne—Marne Savings Bank (successor to Bank of Marne); capital, $15,000; Pres., James E. Bruce; Vice-Pres., C. M. Bruce; Cashier, W. C. Harvey; Asst. Cashier, J. M. Carlson.
Reasnor—Reasnor Savings Bank (successor to Bank of Reasnor); capital, $10,000; Pres., H. B. Allfree; Vice-Pres., L. A. Andrew; Cashier, W. A. Williamson; Asst. Cashier, Carl Trout.
Yetter—State Savings Bank (successor to Citizens' Bank); capital, $12,000; Pres., Frank Corey; Vice-Pres., Chas. Hucka; Cashier, C. E. Richards.

KANSAS.

Brewster—Brewster State Bank; capital, $10,000; Pres., Ike W. Connely; Vice-Pres., V. C. Eddy; Cashier, W. L. Goultermont.
Burdick—Burdick State Bank; capital, $10,000; Pres., Wm. Atkinson; Vice-Pres., E. Persson; Cashier, E. F. Anderson.
Effingham—Farmers & Merchants' State Bank; capital, $12,000; Pres., W. B. Sharpless; Vice-Pres., Fred Sutter; Cashier, A. J. Smith.
Kensington—Citizens' State Bank; capital, $10,000; Pres., C. H. Baird; Vice-Pres., Henry Santrock; Cashier, C. R. Detwiler.
La Cygne—La Cygne State Bank; capital, $12,500; Pres., W. F. Baird; Vice-Pres., J. T. Stainbrook; Cashier, R. F. Carr; Asst. Cashier, E. Rockhill.
Plainville—Farmers & Merchants' Bank; capital, $15,000; Pres., J. D. Robertson; Cashier, G. M. Brown.
Solomon—Solomon State Bank; capital, $12,000; Pres., F. Hageman; Vice-Pres., L. C. Baker; Cashier, C. D. Reimold.
Quenemo—Quenemo State Bank; capital, $10,000; Pres., Geo. W. Cradit; Vice-Pres., E. A. May; Cashier, C. I. Limbocker.
Waldron—Waldron State Bank; capital, $10,000; Pres., Richard Sithman; Vice-Pres., Wm. Bray; Cashier, A. C. Cutler; Asst. Cashier, M. E. Cutler.

KENTUCKY.

Glencoe—People's Deposit Bank; capital, $15,000; Pres., O. B. Yager; Vice-Pres., J. J. Kemper; Cashier, Chas. W. Renaker.
Smithfield—Smithfield Bank (successor to Branch Bank of New Castle); capital, $7,500; Pres., H. F. Hopkins; Vice-Pres., Enos S. Swain; Cashier, E. M. Swain.
Waco—Waco Deposit Bank; capital, $15,000; Pres., C. L. Searcy; Vice-Pres., M. Lackey; Cashier, R. M. Rowland.

LOUISIANA.

Covington—St. Tammany Banking Co. & Savings Bank; capital, $30,000; Pres., Harvey E. Ellis; Vice-Pres., W. A. Hood; Cashier, Robert Aubert.
Plaquemine—Iberville Bank & Trust Co.; capital, $100,000; Pres., Jos. A. Grace; Vice-Pres., Frederick Wilbert; Cashier, Louis Desobry; Asst. Cashier, A. Joly, Jr.
Port Allen—Bank of West Baton Rouge; capital, $25,000; Pres., A. V. Dubroca; Vice-Pres., Henry Cohn, Jr., Cashier, Wm. L. Bernard.

MAINE.

Van Buren—Van Buren Trust Co.; capital, $50,000; Pres., P. C. Keegan; Vice-Pres., J. F. Theriault; Treas., H. K. Bradbury.

MASSACHUSETTS.

Worcester — Boston Banking Co. (Branch of Boston).

MICHIGAN.

Byron—State Bank (successor to Exchange Bank); capital, $20,000; Pres., L. C. Kanouse; Vice-Pres., W. Harper; Cashier, F. Wm. Nothnagel.
Freeland—Bank of Freeland; Pres., Wm. Greene; Vice-Pres., H. L. Smith.
Lakeview—Commercial Savings Bank; capital, $15,000; Pres., C. M. Northrop; Vice-Pres., C. L. Meach; Cashier, F. M. Northrop.
Menominee—Commercial Bank; capital, $65,000; Pres., G. H. Haggerson; Vice-Pres., Jerry Madden; Cashier, M. H. Kern.
Morley—Bank of Morley (successor to

Bank of Mecosta); capital, $4,000; Cashier, Wm. F. Turner.

MINNESOTA.

Altona (P. O. Candor)—Farmers' State Bank; capital, $10,000; Pres., L. W. Oberhauser; Vice-Pres., C. W. Higley; Cashier, G. M. Hopp.

Brooten—Scandinavian State Bank; capital, $10,000; Pres., H. J. Haskamp; Vice-Pres., W. J. Bohmer; Cashier, J. B. Wall.

Chatfield—First State Bank (successor to Root River Bank); capital, $25,000; Pres., G. H. Haven; Cashier, S. E. Bibbins; Asst. Cashier, G. A. Haven.

Clearwater—Clearwater State Bank; capital, $10,000; Pres., W. A. Shaw; Vice-Pres., J. Mitchell; Cashier, E. A. Shaw; Asst. Cashier, D. E. Shaw.

Floodwood—Bank of Floodwood (successor to First State Bank); capital, $5,000; Pres., J. B. Mayer.

Houston—Farmers & Merchants' State Bank; capital, $10,000; Pres., J. D. McMillan; Vice-Pres., A. Forsyth; Cashier, K. T. Thompson.

Mayer—State Bank (successor to Citizens' Bank); capital, $10,000; Pres., Geo. E. Hanscom; Vice-Pres., James J. Presford; Cashier, W. H. Shrader.

New Market—First State Bank (successor to Bank of New Market); capital, $10,000; Pres., Theodore Weiland; Vice-Pres., Joseph Baltes; Cashier, J. J. Behles.

Sacred Heart—Farmers' State Bank; capital, $25,000; Pres., Edward O'Connor; Vice-Pres., A. O. Skrukrud; Cashier, J. L. Johnson; Asst. Cashier, C. G. Hillard.

MISSISSIPPI.

Heidelberg—Jasper County Bank; capital, $10,000; Pres., T. M. Heidelberg; Vice-Pres., S. W. Abney; Cashier, C. A. Ferrill.

Jackson—Capital City Bank & Trust Co.; capital, $200,000; Pres., A. H. Longino; Vice-Pres., W. Q. Cole; Cashier, S. J. Snook.

Newton—Merchants & Farmers' Bank; capital, $25,000; Pres., J. A. McCain; Cashier, H. A. Sivley.

Schlater—Planters' Bank; Pres., B. L. Jones; Vice-Pres., D. C. Anderson; Cashier, Rowan Thayer.

West—Bank of West (Branch of Merchants & Farmers' Bank, Lexington).

MISSOURI.

Blue Springs—Citizens' State Bank; capital, $20,000; Pres., E. E. Montgomery; Vice-Pres., John B. Strode; Cashier, W. D. Warren.

Cameron—Cameron Trust Co.; capital, $50,000; Pres., A. J. Althouse; Vice-Pres., L. C. Livengood, I. D. Cottey and Robert L. McKee; Cashier, J. H. Botthoff; Asst. Cashier, Wm. J. Althouse.

Edna—First State Bank; capital, $15,000; Pres., Henry Schuette; Vice-Pres., E. A. Wells; Cashier, Emil Steck.

Grain Valley—Bank of Grain Valley; capital, $10,000; Pres., J. R. Hubbard; Vice-Pres., M. M. Herrington; Cashier, H. E. Warren.

Morrisville—Bank of Morrisville; capital, $5,000; Pres., W. T. Henderson; Cashier, Chas. J. Wilkins; Asst. Cashier, J. C. Edwards.

Newburg—Newburg State Bank; capital, $10,000; Pres., J. W. Scanlan; Vice-Pres., H. S. Mattingly; Cashier, R. M. Snow.

Owl Creek—Bank of Owl Creek; capital, $10,000; Pres., John S. Towl; Vice-Pres., Thomas R. Tolleson; Cashier, Ben F. Towl.

Parma—Parma Bank; capital, $10,000; Pres., J. T. Blackman; Vice-Pres., J. R. Wrather; Cashier, W. W. Hyde.

Schley—Farmers' State Bank; capital, $10,000; Pres., Theo. Guenther; Vice-Pres., J. T. McCann; Cashier, Edward Allen; Asst. Cashier, Arthur Burton.

Williamsville—Williamsville State Bank; capital, $5,000; Pres., C. W. Chilton; Vice-Pres., D. N. Holladay; Cashier, R. M. Duckett.

Zalma—Bank of Zalma; capital, $6,000; Pres., B. H. Bollinger; Vice-Pres., Wm. Lages; Cashier, J. V. Slinkard; Asst. Cashier, Leo. Slinkard.

NEBRASKA.

Foster—Bank of Foster; capital, $6,000; Pres., F. C. Holbert; Vice-Pres., Thomas Harrison; Cashier, L. B. Nicols.

Hardy—Farmers' State Bank; capital, $12,000; Pres., B. T. Yeates; Vice-Pres., O. D. Althouse; Cashier, T. D. Griffin; Asst. Cashier, O. D. Althouse.

Hastings—Bank of Commerce; capital, $30,000; Pres., W. M. Lowman; Vice-Pres., O. C. Zinn; Cashier, F. E. Garratt.

Meadow Grove—Security Bank; capital, $10,000; Pres., F. J. Hall; Vice-Pres., J. X. Clark; Cashier, R. G. Rohrke.

Orchard—Farmers' State Bank; capital, $5,000; Pres., S. D. Thornton; Vice-Pres., C. L. Watters; Cashier, S. D. Thornton, Jr.

Taylor—Bank of Taylor; capital, $5,000; Pres., J. M. Conrad; Vice-Pres., W. L. McMullen; Cashier, F. B. Paist.

Wilsonville—Wilsonville State Bank; capital, $15,000; Pres., C. E. Pierce; Vice-Pres., H. Houser; Cashier, P. M. Peirce; Asst. Cashier, L. M. Peirce.

NEW JERSEY.

East Orange—East Orange Bank; capital, $50,000; Pres., David Bingham; Vice-Pres., Willis L. Brownell; Cashier, Fred Lee Palmer.

Jersey City—Mercantile Trust Co.; capital, $100,000; Pres., Charles Fall; Vice-Pres., Wm. M. Cahill; Treas., Lawrence Fagan; Asst. Treas., C. H. Clark.

NEW YORK.

Williamson—State Bank (successor to Cheetham & Transue); capital, $30,000; Pres., C. F. Garfield; Vice-Pres., G. F. Cheetham; Cashier, J. L. Transue.

NORTH CAROLINA.

Fair Bluff—Bank of Fair Bluff; capital, $9,900; Pres., J. W. Powell; Vice-Pres., A. G. Floyd; Cashier, J. F. Rogers; Asst. Cashier, J. E. Dick.

Marshall—Madison County Bank; capital, $16,000; Pres., J. M. Gudger, Jr.; Vice-Pres., J. H. White and J. F. Redenow; Cashier, Thomas N. James.

Richland—Bank of Richland; capital, $4,000; Pres., J. S. Carr; Vice-Pres., J. E. Stud; Cashier, R. C. Shaw.

Roanoke Rapids—Bank of Roanoke Rapids; Pres., Wm. H. S. Burgwyn; Vice-Pres., H. C. Cooper and John L. Patterson; Cashier, S. B. Pierce.
Spray—Bank of Spray (Branch of Bank of Leaksville).
Williamston—Farmers & Merchants' Bank; capital, $14,250; Pres., Dennis S. Biggs; Vice-Pres., Chas D. Carstarphen; Cashier, Frank F. Fagan; Asst. Cashier, A. D. Mizler.

NORTH DAKOTA.

Harvey—Bank of Harvey; capital, $9,750; Pres., C. E. Webster; Vice-Pres., W. W. Brant; Cashier, F. O. Brewster.
Lansford—State Bank; capital, $10,000; Pres., John S. Tucker; Vice-Pres., Chas. T. Grace; Cashier, C. A. Adams.
Martin—First State Bank; capital, $5,500; Pres., E. F. Volkmann; Vice-Pres., P. L. Bishop; Cashier, Fr. Breitzmann.
Medford—First State Bank; capital, $10,000; Pres., John Birkholz; Vice-Pres., C. E. Van Arsdale; Cashier, M. L. Dryburgh.
Rock Lake—State Bank; capital, $15,000; Pres., F. L. Thompson; Vice-Pres., C. J. Lord; Cashier, Cal. A. Lapham; Asst. Cashier, J. L. Thompson.
Russell—First State Bank; capital, $10,000; Pres., L. S. Champine; Vice-Pres., E. V. McKnight; Cashier, J. F. McKnight.
Valley City—Bank of Valley City; capital, $35,000; Pres., E. G. Sarles; Vice-Pres., L. S. Platon; Cashier, James J. Earley; Asst. Cashier, Walter Coop.

OHIO.

Jackson—Citizens' Savings & Trust Co.; Pres., Beman Thomas; Vice-Pres., E. O. Roberts; Cashier, David Armstrong.
Zanesville—American Trust & Savings Bank (successor to American Bank); Pres., W. M. Bateman; Vice-Pres., M. Luby and J. K. Geddes; Cashier, Geo Brown; Asst. Cashier, Caldwell H. Brown.

OKLAHOMA.

Beaver—First State Bank; capital, $10,000; Pres., J. G. Bryson; Vice-Pres., J. E. George; Cashier, H. L. Judy.
Darrow—Darrow Bank; capital, $10,000; Pres., W. M. Stigall; Vice-Pres., T. J. Kerwood; Cashier, J. D. Henderson.
Guthrie—Oklahoma State Bank; capital, $50,000; Pres., I. B. Levy; Vice-Pres., S. L. Moore; Cashier, G. I. Gilbert.
Shattuck—First State Bank; capital, $10,000; Pres., E. Rall; Cashier, L. E. Rall.

OREGON.

Echo—Echo State Bank; capital, $24,200; Pres., W. J. Furnish; Vice-Pres., R. N. Stanfield; Cashier, R. R. Stanfield.
Laidlaw—Laidlaw Banking & Trust Co.; capital, $25,000; Pres., J. D. Laidlaw; Vice-Pres., W. A. Laidlaw; Cashier, T. A. Rutherford.
Nyssa—Farmers & Merchants' Bank; capital, $16,100; Pres., Wm. Alley; Vice-Pres., J. R. Good; Cashier, John Ennis.
Silverton—People's Bank; Pres., C. F. DeGuin; Vice-Pres., John Hicks; Cashier, Nicholas Freres.

PENNSYLVANIA.

Philadelphia—Empire Title & Trust Co.; capital, $500,000; Pres., Wm. Powers; Vice-Pres., P. J. McGarvey; Sec. and Treas., Reginald B. Chase.
Thompsontown—Farmers' Bank; Pres., Jonathan Kiser; Vice-Pres., W. S. Brown; Cashier, S. B. Hetrick.

SOUTH DAKOTA.

Astoria—State Bank; capital, $5,000; Pres., Jer. F. Fries; Vice-Pres., John T. Hogie; Cashier, O. C. Hauger.
Gregory—Bank of Gregory; capital, $5,000; Pres., M. P. Meholin; Vice-Pres., Ed. G. Johnson; Cashier, N. E. Gardner.
Henry—Citizens' State Bank; capital, $1,500; Pres., Geo. A. Henningsen; Vice-Pres., D. L. Keyes; Cashier, L. E. Foss.
Kidder—Kidder State Bank; capital, $10,000; Pres., C. E. Castle; Vice-Pres., John Powers; Cashier, F. A. Wright.

TENNESSEE.

Cumberland Gap—People's Bank; capital, $5,000; Pres., M. F. Overton; Vice-Pres., J. M. Wheeler; Cashier, W. D. Overton.
Fayetteville—Farmers' Bank & Trust Co.; capital, $30,000; Pres., J. E. Poindexter; Vice-Pres., P. Hobbs; Cashier, W. Z. Dozier.
Greenbrier—Bank of Greenbrier; capital, $10,000; Pres., G. B. Sprouse; Vice-Pres., Wm. Althouser; Cashier, Jno. F. Joyner.
McKenzie—Citizens' Bank & Trust Co.; capital, $25,000; Pres., Morgan Green; Vice-Pres., C. R. Bostick; Cashier, G. D. McKenzie.
Mercer—Bank of Mercer; capital, $12,500; Pres., T. E. Mercer; Vice-Pres., L. W. McGee; Cashier, W. S. Nuckolls.
Murfreesboro—Murfreesboro Bank & Trust Co.; capital, $50,000; Pres., B. F. Moore; Vice-Pres., G. S. Harding; Cashier, Leland Jordan.

TEXAS.

Cleburne—Traders' State Bank (successor to Western Bank & Trust Co.); capital, $50,000; Pres., S. P. Ramsay; Cashier, A. D. Thompson.
Houston—American Bank & Trust Co.; capital, $100,000; Pres., C. A. Beasley; Vice-Pres., Sterling Meyer; Cashier, F. W. Vaughan.—Union Bank & Trust Co.; capital, $500,000; Pres., J. S. Rice; Cashier, Homer N. Tinker; Asst. Cashier, D. C. Dunn.
Marshall—State Bank; capital, $50,000; Pres., Charles Cobb, Jr.; Vice-Pres., Marvin Turney; Cashier, John Copeland.
Sadler—Bank of Sadler; capital, $10,000; Pres., H. B. McMahan; Vice-Pres., O. C. Fowler; Cashier, J. W. Hayes.

UTAH.

Beaver—State Bank of Beaver County; capital, $25,000; Pres., J. F. Tolton; Vice-Pres., E. S. Sawyer; Cashier, N. P. Ipson.
Riverton—Jordan Valley Bank; capi-

tal, $6,500; Pres., A. T. Butterfield; Vice-Pres., Thomas Nichols; Cashier, Jno. Hansen, Jr.
Spanish Fork—Commercial Bank; capital, $18,750; Pres., Henry Gardner; Vice-Pres., John Y. Smith; Cashier, A. B. Rockhill.

VIRGINIA.

Woodstock—Valley Savings Bank; capital, $15,000; Pres., Jno. Funk; Vice-Pres., M. L. Bauserman; Cashier, J. L. Feller.

WASHINGTON.

Colfax—First Savings & Trust Bank of Whitman County; capital, $50,000; Pres., Edwin T. Coman; Vice-Pres., Alfred Coolidge; Cashier, H. G. DePledge.
Eltopia — Bank of Eltopia; Pres., J. D. Bassett; Cashier, W. H. Sutherland; Asst. Cashier, A. G. Sutherland.
Granite Falls—Commercial Bank; capital, $15,000; Pres., Charles S. Wiley; Cashier, J. B. Gibbons.
Hillyard—Hillyard State Bank; capital, $25,000; Pres., W. W. Cooper; Vice-Pres., W. G. Cushing; Cashier, H. C. Howe.
Kettle Falls — Bank of Colville (Branch); Manager, J. M. Williams.

WEST VIRGINIA.

Clarksburg—Lowndes Savings Bank & Trust Co.; capital, $150,000; Pres., Richard T. Lowndes; Sec. & Treas., Geo. L. Duncan.

WISCONSIN.

Hudson—Wisconsin Savings, Loan & Trust Co.; capital, $100,000; Pres., N. B. Bailey; Vice-Pres., F. E. Setterquer and F. B. Brown; Sec. and Treas., C. N. Gorham.
Random Lake—State Bank; capital, $10,000; Pres., James Leahy; Vice-Pres., M. N. Altenhoefen; Cashier, D. M. Rosenheimer.

CANADA.

ONTARIO.

Holstein—Ontario Bank; R. S. Bredin, Manager.
New Liskeard—Imperial Bank of Canada; Arthur P. Nasmith, Manager.
Smithville—Union Bank of Canada; Joseph Anderson, Manager.
Toronto Junction—Bank of Hamilton; Jos. McNeel, Manager.

BRITISH COLUMBIA.

Nicola Lake—Bank of Montreal.

NORTH WEST TERRITORY.

High River—Canadian Bank of Commerce.
Saskatoon—Canadian Bank of Commerce; W. P. Kirkpatrick, Manager.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Tuscaloosa — Merchants' National Bank; W. S. Wyman, Jr., Asst. Cashier in place of H. H. Leland.

ARIZONA.

Tucson—Arizona National Bank; L. M. Jacobs, Vice-Pres.; J. M. Ormsby, Cashier in place of L. M. Jacobs.
Yuma—First National Bank; J. W. Dorrington, Vice-Pres.

ARKANSAS.

Gentry—State Bank; Leo A. Moore, Vice-Pres.; G. O. Perry, Cashier.
Greenwood—Sebastian County Bank; capital increased from $10,000 to $50,000.
Little Rock—Union Trust Co.; capital stock increased from $200,000 to $500,000.

CALIFORNIA.

Cucamonga—First National Bank; C. F. Thorpe, Pres. in place of D. S. Barmore, deceased.
Pasadena—First National Bank; Ernest H. May, Pres. in place of A. R. Metcalfe; A. K. McQuilling; Vice-Pres. in place of Ernest H. May.
Riverside—First National Bank; capital increased to $100,000.
San Jose—Bank of San Jose; T. Ellard Beans, Pres., deceased.

COLORADO.

Greeley—Union National Bank; W. H. Farr, Pres. in place of B. D. Harper.
Steamboat Springs — First National Bank; M. S. Merrill, Pres. in place of A. M. Merrill; A. M. Merrill, Cashier in place of C. A. Van Dorn; W. H. Dressler, Asst. Cashier.

DELAWARE.

Wilmington—National Bank of Delaware; John Richardson, Jr., Pres. in place of Henry S. Banning.

GEORGIA.

Milledgeville—Merchants & Farmers' Bank; L. C. Hall, Cashier in place of Robert L. Day.

IDAHO.

Boise—First National Bank; Robert F. McAfee, Cashier in place of Geo. F. Redway; Geo. S. Bartlett, Asst. Cashier in place of Robert F. McAfee.

ILLINOIS.

Atlanta—Atlanta National Bank; J. P. Hieronymus, Pres. in place of W. S. Dunham; no Cashier in place of J. P. Hieronymus.
Carlinville — Carlinville National Bank; Joseph Bird, Vice-Pres. in place of Peter Heinz.
Chicago—Bank of Nova Scotia; Wm. H. Davis, Asst. Manager, resigned.
Danville—Palmer National Bank; no Vice-Pres. in place of B. E. Bandy, deceased.
Kewanee—Union National Bank; W. W. Calhoun, Cashier in place of H. L. Kellogg; W. T. Pierce, Asst. Cashier in place of W. W. Calhoun.
Springfield—State National Bank; Wm. E. Riggins, Asst. Cashier.
Sterling—First National Bank; Henry

Green, Cashier in place of T. S. McKinney, deceased.
Triumph—First National Bank; no Asst. Cashier in place of W. V. Strong.
Westville—First National Bank; A. L. Somers, Asst. Cashier.

INDIANA.

Anderson—Citizens' Bank; Frank R. Brown, Cashier.
Brookville — National Brookville Bank; Jno. P. Goodwin, Vice-Pres.
Michigantown—Michigantown Bank; A. R. Lowden, Pres.; C. A. Marshall, Vice-Pres., J. W. Hedgcock, Cashier; Robert Goodnight, Asst. Cashier.
Poseyville—First National Bank; Oscar Cale, Vice-Pres. in place of James Cale.

INDIAN TERRITORY.

Atoka—Citizens' National Bank; O. L. Dulany, Second Vice-Pres.; J. W. McClendon, Cashier in place of Louis Rosinsky.
Eufaula—Eufaula National Bank; E. C. Million, Vice-Pres. in place of R. M. Counterman.
Tishomingo—First National Bank; Glenn M. Johnson, Asst. Cashier in place of E. F. Capshaw.

IOWA.

Anamosa—Anamosa National Bank; J. N. Ramsey, Asst. Cashier.
Boone—City Bank; Frank Champlain, Pres., deceased.
Logan—First National Bank; B. J. Wood, Cashier in place of E. J. Wood; E. J. Wood, Asst. Cashier.
Maquoketa—First National Bank; M. S. Dunn, Vice-Pres.
Milford—First National Bank; V. D. Flemming, Asst. Cashier in place of L. O. Pillsbury.
Prescott—First National Bank; J. C. Allen, Pres. in place of G. H. Currier; C. Johnson, Vice-Pres. in place of J. C. Allen.
Shell Rock—F. M. Mansfield & Co.; J. H. Carter, Pres., deceased.
Titonka—First National Bank; F. B. Stevens, Cashier; no Asst. Cashier in place of F. B. Stevens.

KANSAS.

Alma—Alma National Bank; O. F. Deans, Asst. Cashier.
Chanute—Bank of Commerce; E. E. Ward, Cashier in place of John F. Roe.
Eureka—First National Bank; E. W. Thrall, Vice-Pres. in place of G. E. Thrall.
Kingman—First National Bank; P. H. McKenna, Asst. Cashier in place of Clyde Murphy.
Meade—First National Bank; J. R. Graves, Pres. in place of J. B. Buck.
St. Marys—First National Bank; Thomas J. Moss, Pres. in place of John A. Moss, deceased; Frank A. Moss, Cashier in place of Thomas J. Moss.

KENTUCKY.

Louisville—First National Bank; Clint C. McClarty, Pres. in place of G. W. Lewman; C. C. Bickel, Vice-Pres. in place of Clint C. McClarty; J. B. Lewman, Cashier in place of Clint C. McClarty; C. N. Matthews, Asst. Cashier in place of J. B. Lewman.

Owensboro—National Deposit Bank; R. S. Hughes, Vice-Pres. in place of F. T. Gunther, deceased.
Sturgis—First National Bank; no Asst. Cashier in place of J. C. Slaton.

LOUISIANA.

New Orleans — Whitney National Bank; title changed to Whitney-Central National Bank.

MARYLAND.

Baltimore—Maryland National Bank; Edward H. Thomson, Pres. in place of Thornton Rollins; H. S. Platt, Vice-Pres., resigned. — German Bank; August Weber, Pres. in place of A. H. Schulz.
Westminster—First National Bank; John L. Reifsnider, Pres., deceased.
Frederick—Central National Bank; John S. Newman, Pres. in place of Henry Williams.

MASSACHUSETTS.

Boston—Bank of Nova Scotia; Wm. H. Davies, Manager.
Conway—Conway Savings Bank; Merrill Pease, Treasurer, resigned.
Lynn—National Security Bank; C. Irving Lindsey, Cashier in place of Geo. R. Felt.
Pittsfield—Pittsfield National Bank; Edson Bonney, Asst. Cashier.
Rockland—Rockland Savings Bank; Harry W. Burrell, Treasurer in place of E. R. Studley, resigned.
Worcester—Worcester Five Cents Savings Bank; Burton W. Grout, Asst. Treas., deceased.
Wrentham—National Bank of Wrentham; Francis N. Plimpton, Cashier, resigned.

MICHIGAN.

Calumet—First National Bank; Joseph W. Selden, Cashier in place of W. B. Anderson.
Escanaba—First National Bank; E. G. Royce, Asst. Cashier.
Laurium—State Savings Bank; Ernest Bollman, Pres., deceased.
Reed City—First National Bank; J. W. Parkhurst, Pres. in place of L. K. Parkhurst; W. A. Allen, Vice-Pres.; L. G. Hammond, Cashier in place of J. W. Parkhurst.

MINNESOTA.

Bemidji—First National Bank; W. H. Roberts, First Vice-Pres.; R. H. Schumaker, Cashier in place of W. H. Roberts.
Benson—First National Bank; Frank M. Thornton, Pres., deceased.
Eyota—First National Bank; C. P. Russell, Pres. in place of Verrazano Simpson; Josephine H. Simpson, Vice-Pres. in place of C. P. Russell.
Fergus Falls—Fergus Falls National Bank; J. S. Ulland, Pres. in place of E. J. Webber; P. M. Joice, Vice-Pres. in place of J. S. Ulland.
Fosston—First National Bank; A. D. Stephens, Pres. in place of J. W. Ford; S. S. Stadsvold, Vice-Pres. in place of L. Ellington; L. G. Hancock, Vice-Pres.; Lewis Lohn, Cashier in place of E. M. Roberts; Hardin Helland, Asst. Cashier.
Minneapolis—Swedish-American National Bank; E. L. Mattson, Cashier in place of F. A. Smith; A. Vostrom, Asst. Cashier in place of E. L. Mattson.

Owatonna—National Farmers' Bank; Benjamin Cook, Vice-Pres., deceased.
Winthrop—First National Bank; J. Aug. Swanson, Pres. in place of Jacob Klossner, Jr.; E. W. Olson, Cashier in place of F. F. McGuire; A. L. Olson, Asst. Cashier.

MISSISSIPPI.

Magnolia—Magnolia Bank; capital increased to $100,000.

MISSOURI.

Clayton—St. Louis County Bank; E. W. Warfield, Cashier, deceased.
Independence—Bank of Independence; John B. Wood, President, deceased.
Wellston—Wellston Bank; H. R. Rehme, Cashier, resigned.

NEBRASKA.

Crete—Crete State Bank; James G. Miller, Asst. Cashier.
David City—First National Bank; F. W. Ruzicka, Cashier in place of S. G. Moore.
Humphrey—First National Bank; David Farnsworth, Asst. Cashier.
Leigh—Maple Valley State Bank; Ed. Wurdeman, Asst. Cashier in place of H. W. Graves.
Lexington—First National Bank; J. K. Temple, Vice-Pres. in place of E. A. Temple.
Pender—Pender National Bank; N. H. Nye, Vice-Pres. in place of Geo. J. Adams; Geo. J. Adams, Cashier in place of John Forrest.
Stanton—First National Bank; H. D. Miller, Cashier in place of W. Gerecke.
Wahoo—First National Bank; no Cashier in place of F. A. Clark, deceased; Ernest Hanson, Asst. Cashier.

NEW HAMPSHIRE.

Manchester — Amoskeag National Bank; Arthur M. Heard, Pres. in place of G. Byron Chandler, deceased; Willis B. Kendall, Cashier in place of Arthur M. Heard.

NEW JERSEY.

Long Branch—Long Branch Banking Co.; James H. Lippincott, Pres., deceased.
Newark — Manufacturers' National Bank; capital increased to $350,000.—National Newark Banking Co.; Edward S. Campbell, Pres., deceased.
Plainfield—City National Bank; James Franklin Hubbard, Pres., deceased; also Pres. Dime Savings Institution.

NEW YORK.

Freeport—First National Bank; Samuel T. Raynor, Asst. Cashier.
Goshen—National Bank of Orange County; C. S. Edsall, Cashier in place of Chas. J. Everett, deceased.
Hudson—First National Bank; Alexander R. Benson, Pres., deceased.
Kingston—Kingston National Bank; H. C. Connelly, Vice-Pres. in place of Luke Noone.
Massena—First National Bank; E. B. Bumsted, Pres. in place of F. J. Hyde.
New York—Hanover National Bank; Charles H. Hampton, Asst. Cashier. —Greenwich Bank; Clarence Foote, Cashier; Harry A. Golding and Frank Hammond, Asst. Cashiers.—Empire Trust Co.; Harry W. McVickar, Vice-Pres., deceased.—Mutual Alliance Trust Co.; W. F. H. Koelsch, Treas. in place of Charles Dittman, resigned. Gilbert S. Mott and Webb Floyd, Asst. Secretaries.
Nyack—Nyack National Bank; capital increased to $100,000.
Utica—Utica City National Bank; James S. Sherman, First Vice-Pres. in place of Henry W. Millar, deceased.

NORTH CAROLINA.

Winston - Salem — People's National Bank; Wm. A. Blair, Vice-Pres. and Cashier.

NORTH DAKOTA.

Hampden—First National Bank; C. D. Lord, Vice-Pres. in place of H. Rostad; N. B. Felton, Second Vice-Pres.; J. L. Rosholt, Asst. Cashier.

OHIO.

Cleveland—Society for Savings; Albert L. Withington, Pres. in place of Myron T. Herrick, resigned.
Columbus—New First National Bank; Charles R. Shields, Henry Pausch, Jr. and Edgar L. Abbott, Asst. Cashiers.
Defiance—Defiance City Bank; capital increased to $250,000.
Sandusky—American Banking Co.; title changed to American Banking & Trust Co.

OKLAHOMA.

Oklahoma—Bank of Commerce and American National Bank; consolidated under latter title; capital, $100,000; Pres., J. H. Wheeler; G. G. Sohlberg, Vice-Pres.; F. P. Johnson, Cashier; H. B. Carson and O. L. Avery, Asst. Cashiers.

OREGON.

Portland—Morris Bros. & Christensen; firm name changed to Mulius Christensen & Co.
Ontario—First National Bank; C. E. Kenyon, Cashier in place of E. H. Test; C. W. Platt, Asst. Cashier in place of C. E. Kenyon.

PENNSYLVANIA.

Carlisle—Merchants' National Bank; G. W. Cook, Cashier in place of T. J. Parmley.
Coatesville—National Bank of Chester Valley; Hugh E. Stone, Asst. Cashier in place of G. H. Spackman.
Cresson—First National Bank; Chas. A. Cunningham, Cashier in place of Edwin Empfield.
Dillsburg—Dillsburg National Bank; D. G. Bowman, Pres. in place of D. W. Beitzel; M. Bender, Vice-Pres. in place of D. G. Bowman; D. W. Beitzel, Cashier in place of G. W. Cook.
Jeannette—Jeanette National Bank; J. W. Ambler, Vice-Pres. in place of J. W. Keltz.
Marysville—First National Bank; F. W. Geib, Cashier in place of J. E. Wilson.
Millsboro—First National Bank; R. E. L. Rogers, Vice-Pres. in place of Osman McCarty; Osman McCarty, Cashier in place of Louis Klein; E. M. Emery, Asst. Cashier.
Mount Joy—First National Bank; Jacob W. Nissley, Pres., deceased.
Norristown — Montgomery National

Bank; W. H. Slingluff, Pres. in place of Benjamin Thomas; Egbert Baily, Acting Cashier in place of W. H. Slingluff.

Philadelphia—Commercial Trust Co.; James H. Hyde, Vice-Pres., resigned. —Textile National Bank; J. M. Maylone, Asst. Cashier.—Union National Bank; John W. Mink, Asst. Cashier. —Philadelphia Trust S. D. & Insurance Co.; Wm. L. Dubois, Pres. in place of J. L. Erringer.

Pittsburg — Union National Bank and N. Holmes & Sons; consolidated under former title.

Pittston—First National Bank; W. L. Watson, Pres. in place of Theo. Strong; Jos. L. Cake, Vice-Pres. in place of W. L. Watson.

Slippery Rock—First National Bank; J. E. Bard, Vice-Pres. in place of W. M. Humphrey.

Titusville—Second National Bank; John Fertig, Pres. in place of Louis K. Hyde; J. C. McKinney, Vice-Pres.

RHODE ISLAND.

Newport—Coddington Savings Bank and First National Bank; absorbed by Industrial Trust Co. and Newport Trust Co. respectively.

SOUTH DAKOTA.

Hot Springs—Hot Springs National Bank; G. D. Horras, Cashier in place of W. W. Stewart; J. M. Cleveland, Asst. Cashier.

TENNESSEE.

Chattanooga—First National Bank; Chas. A. Lyerly, Pres. in place of T. G. Montague; J. T. Lupton, Second Vice-Pres.; C. C. Nottingham, Third Vice-Pres.; J. P. Hoskins, Cashier in place of J. H. Rathburn; W. H. DeWitt, Asst. Cashier in place of John W. Faxon.

Huntingdon—Citizens' Bank; M. F. Hurdle, Vice-Pres. in place of John Spillings, deceased.

Liberty—Bank of Liberty; D. D. Overall, Pres.; W. H. Overall, Cashier in place of A. E. Potter.

Tullahoma—First National Bank; F. A. Raht, Pres. in place of J. D. Raht; T. K. Williams, Cashier in place of F. A. Raht.

TEXAS.

Alvin—First National Bank; Robert Ingram, Pres. in place of R. H. King; no Vice-Pres. in place of Robert Ingram; E. S. Atkinson, Cashier in place of Robert Ingram; no Asst. Cashier in place of E. S. Atkinson.

Austin—First National Bank; M. A. Taylor, Pres. in place of J. L. Hume; R. H. Cousins, Vice-Pres.

Colorado—Colorado National Bank; H. B. Smoot, Cashier in place of J. S. McCall.

Dallas—City National Bank; J. A. Pondrom, Asst. Cashier.—Gaston National Bank; J. Howard Ardrey and W. T. Henderson, Asst. Cashiers in place of J. B. Jackson.—American National Bank and National Exchange Bank; consolidated under title of American Exchange National Bank.—Texas National Bank; reported consolidated with American Exchange National Bank.

Goldthwaite—Goldthwaite National Bank; W. E. Pardue, Cashier in place of Joe H. Frizzell.

Hereford—Hereford National Bank; J. L. Fuqua, Pres. in place of John E. Ferguson.

La Grange—First National Bank; Aug. Warnken, Vice-Pres. in place of R. T. Bradshaw.

McKinney — First National Bank; Francis Emerson, President, deceased.

Merit—First National Bank; J. D. Leatherwood, Cashier in place of J. Frank Potts.

Texarkana—City National Bank; M. J. Jones, Cashier in place of B. C. Barrier, resigned.

UTAH.

Garland—Bank of Garland; W. W. Fiter, Pres. in place of L. S. Hills.

Ogden—First National Bank; no Vice-Pres. in place of Thomas D. Dee, deceased.

WASHINGTON.

Palouse—Palouse State Bank; capital increased to $50,000; H. M. Boone, Pres.; Geo. M. Swartwood, Vice-Pres.; A. R. Patten, Cashier.

Tacoma—Lumbermen's National Bank and Pacific National Bank; consolidated under latter title; H. L. McCormick, Pres. in place of W. M. Ladd; W. M. Ladd and L. J. Pentecost, Vice-Pres.; W. E. Bliven, Cashier in place of L. J. Pentecost; Stephen Appleby, Asst. Cashier.

WEST VIRGINIA.

Belington—Citizens' National Bank; no Vice-Pres. in place of L. B. Lovett, deceased.

Wheeling—National Bank of West Virginia; G. A. Wagner, Cashier in place of John Wagner, deceased.

WISCONSIN.

Antigo—First National Bank; H. G. Hambright, Cashier in place of W. B. McArthur.

Milwaukee—First National Bank; O. Kasten and Henry Kloes, Asst. Cashiers.

Oshkosh—National Union Bank; R. T. Morgan, Vice-Pres., deceased.

Sheboygan — Bank of Sheboygan; George End, Pres., deceased.

Strum—First State Bank; capital increased to $10,000.,

Tigerton—First National Bank; R. T. Morgan, Vice-Pres., deceased.

Winneconne—Union Bank; R. T. Morgan, Vice-Pres., deceased.

CANADA.

ONTARIO.

Cannington—Standard Bank of Canada; John Houston, Manager, deceased.

Toronto—Bank of Toronto capital increased to $3,300,000.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CONNECTICUT.

Seymour—Valley National Bank.

ILLINOIS.

Spring Valley—Spring Valley National Bank; in hands of Receiver July 5.
Toluca—First National Bank; in hands of Receiver July 5.

INDIANA.

Ashley—Ashley Bank.
Hagerstown—Commercial Bank.
Terre Haute—Vigo County National Bank; in hands of Receiver June 28.

KANSAS.

Topeka—First National Bank; in hands of Receiver July 3.

LOUISIANA.

New Orleans—Germania National Bank; in vol. liq. July 3; absorbed by Whitney-Central National Bank.

MASSACHUSETTS.

Boston—Mechanics' National Bank; in vol. liq.; succeeded by Mechanics' Trust Co.

MICHIGAN.

Vicksburg — Vicksburg Exchange Bank.

MISSOURI.

Kansas City—City National Bank; in hands of Receiver July 20.

NEBRASKA.

Omaha—Commercial National Bank; in vol. liq. July 22; consolidated with United States National Bank.

NEW YORK.

Oneida—Central Bank.

OHIO.

College Corner—First National Bank; in vol. liq. July 1.
Columbus—Franklin County Bank.
Spring Valley—Farmers' Bank.
Yellow Springs—Citizens' Bank.

SOUTH CAROLINA.

Darlington—Darlington Trust Co.

SOUTH DAKOTA.

Deadwood—American National Bank; in vol. liq. June 30; consolidated with First National Bank.

TENNESSEE.

Chattanooga — Chattanooga National Bank; in vol. liq. June 30; consolidated with First National Bank.

TEXAS.

Kemp—Kemp Bank.

WASHINGTON.

Colfax—First National Bank; in vol. liq.; absorbed by Colfax National Bank.

WISCONSIN.

Platteville—Platteville State Bank.

THE BANKER'S RESPONSIBILITIES.—At the recent convention of the South Carolina Bankers' Association, R. G. Rhett, President of the People's National Bank, Charleston, delivered an address on "The Banker: His Moral Responsibility." Mr. Rhett said, in part:

"There is no business in which the element of moral responsibility does not enter. But it will be seen that the business of the banker is one of such power and influence that it is proportionately more important it should not be overlooked by him. In the first place, in him is centered not only the cash balances of the community, but its credit, and the credit of its component parts. These constitute practically the motive power of the community, and the throttle rests in the hands of the banker. He can choke the steam, and stop its progress; he can pull wide the lever, and destroy the machinery in reckless speed, or he can steadily and wisely feed the power so as to bring forth and develop its full strength. In other words, he can dwarf and strangle industries by curtailing their credit unduly; he can discourage new enterprises by refusing them credit recklessly and extravagantly, and thus encourage and create unsound enterprises which must fail, and in their failure bring discredit upon the whole community. He can legally demand his pound of flesh when enterprises totter, and bring them to ruin while saving himself. He can, on the other hand, with equal safety extend the hand of help in this hour of need.

In all these cases he should not forget that the very foundation of his business is the community's cash and credit, which it has placed in his hands in trust, not for him to utilize as he pleases, but for him to employ in its upbuilding. Before he destroys he is morally bound, in my judgment, to exhaust every prudent effort to save. Before he employs his resources in other fields, he is morally bound to exhaust every effort to safely employ them in his own community."

AMERICAN BANKERS' ASSOCIATION.—The dates for the thirty-first annual convention of the American Bankers' Association have been changed to October 11, 12 and 13, 1905. The conventions of the trust company section and savings bank section will be held October 10. Headquarters will be at the New Willard, Washington, D. C.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, August 3, 1905.

GENERAL CONDITIONS rather than special events gave tone to financial sentiment during the month just closed. New developments were few, the most prominent being the arrangement of a conference between Russia and Japan to be held at Portsmouth, N. H. Some unpleasant disclosures regarding the crop-reporting department of the Government furnished a temporary sensation.

As to the conditions which generally make for the advantage of investors, there is little that can be found to cause apprehension. Except as to cotton the crop situation is favorable and both wheat and corn promise to be bountiful in yield. Railroad earnings are showing gains and a number of railroads have recently declared increased dividends. The owners of railroad shares are getting larger returns than in many years past. Foreign trade, both exports and imports, is larger than ever before. Money is in ample supply and loaning rates are low.

Under the call of the Secretary of the Treasury the National banks made a further surrender of public deposits and now only about $65,000,000 is held by those institutions. This represents fully fifty per cent. of the available cash balance in the Treasury, which will be further reduced if the deficit in revenues continues. As the banks have surrendered public deposits they have increased their note circulation. About $60,000,000 of the bonds now securing public deposits are Government bonds and may be used to secure circulation should the Government further withdraw its deposits from the banks. Beyond that there is not much opportunity for increasing circulation, even if the evidence did not point to an overissue of currency at the present time. There is now $2,901,000,000 of money in the country, of which the Treasury holds nearly $297,000,000, leaving about $2,605,000,000 in actual circulation. As this is equal to $31.29 per capita, the supply of money seems to be amply sufficient for all future needs for some time.

An important event in the financial world was the successful marketing of the new $150,000,000 4½ per cent. sterling loan of Japan in New York, London and Berlin. To each of these money centers $50,000,000 was allotted, and the amount was oversubscribed in each instance. The bonds were offered here at 87⅝ per cent. and accrued interest. They run to July 10, 1925.

The hopes of investors were stimulated somewhat by the action of the directors of the Erie Railway last month in declaring the first dividend on the second preferred stock, of which there is $16,000,000 outstanding. The dividend is four per cent., payable two per cent. on October 9 next and two per cent. on April 9, 1906. While a dividend on the common stock is not yet in sight, the payment of a first dividend on the second preferred stock is a hopeful sign. The Erie is now paying four per cent. on about $64,000,000 of its two classes of preferred stock. The common stock amounts to $112,000,000 and it would require $4,500,000 a year to pay a similar rate on that stock.

The Baltimore and Ohio is another railroad among many which have prospered wonderfully in recent years. Less than ten years ago it went into the hands of a receiver, and it was not until 1899 that it was restored to the possession of the stockholders. Within a year it was paying four per cent. per annum on both common and preferred stock and last month the rate on the common stock was increased from two to 2½ per cent. semi-annually. This road, so lately in danger of foreclosure, is now earning substantial dividends on more than $180,000,000 of stock, far in excess of the dividends it is actually paying. The Union Pacific Railroad also increased the semi-annual dividend on the common stock from two to 2½ per cent.

The financial statement for the quarter ended June 30 issued by the United States Steel Corporation showed an improved condition of affairs. The net earnings were $30,305,116, as compared with $19,490,725 in the same quarter of 1904 and with $36,642,308 in 1903. The balance applicable to dividends was $16,875,600 this year against $9,082.563 last year and $27,801,956 in 1903. The corporation has not yet recovered the earning capacity which it developed in 1901, 1902 and 1903. The surplus applicable to dividends in the June quarter of 1902 was $29,703,830 and of 1901 $27,801,956. The Corporation reports unfilled orders on June 30 of 4,829,655 tons which compares with 5,597,560 tons on March 31, 1905, and with 3,192,277 tons on June 30, 1904.

A far more unsatisfactory state of affairs is disclosed by the delayed annual statement of the International Mercantile Marine Company, which is more generally known as the "Shipbuilding Trust." The statement is for the calendar year 1904 and covers the second year of its existence. The following table shows the increase for the two years:

	1904.	*1903.*	*Changes.*
Gross voyage earnings	$27,926,908	$29,677,756	Dec. $1,750,848
Miscellaneous earnings	920,085	1,359,664	Dec. 439,579
Totals	$28,846,993	$31,037,420	Dec. $2,190,427
Gross expenses	27,040,586	27,036,898	Inc. 3,688
Net earnings	$1,806,407	$4,000,522	Dec. $2,194,115
Charges –			
Interest on bonds	$3,312,151	$3,083,346	Inc. $228,805
Interest on loans	469,2[illegible]8	441,218	Inc. 28,065
English income tax	64,123	120,663	Dec. 56,540
Totals	$3,845,557	$3,645,227	Inc. $200,330
Deficit for year	$2,039,150	*$355,295	Inc. $2,394,445
Surplus insurance account	897,052	1,442,502	Dec. 545,450
Final deficit	$1,142,098	*$1,797,797	Inc. $2,939,895

* Surplus.

A deficit of $2,000,000 is hardly a favorable showing for a company with over $100,000,000 capital stock and $70,000,000 bonded debt. The prospect for 1905 is, however, said to be much brighter than the results in 1904 would indicate.

Significant of the investment situation is the very great increase that has taken place in the listing of securities at the New York Stock Exchange. A compilation made for the first six months of the year and published by the "Financial Chronicle" shows that $642,315,650 of bonds and $358,064,800 of stocks were listed, of which $342,800,000 bonds and $66,794,200 stocks were issues for new capital. The following summary is obtained from the "Chronicle's" figures:

FIRST 6 MONTHS.	BONDS.		STOCKS.	
	Issues by new capital.	*Total listed.*	*Issues by new capital.*	*Total listed.*
1896	$125,243,000	$360,255,500	$10,522,997	$292,458,885
1897	20,707,502	217,935,500	23,168,500	385,801,800
1898	28,657,000	387,705,500	8,943,305	253,723,505
1899	66,911,240	267,504,740	152,790,300	405,239,230
1900	65,831,000	293,745,000	206,609,000	325,320,150
1901	161,678,500	396,191,000	296,830,050	1,273,587,575
1902	157,261,313	355,377,700	128 093,700	313,[illegible]53,890
1903	115,577,150	322,165,800	86,258,840	290,967,435
1904	193,144,500	233,856,500	30,336,900	41,527,300
1905	342,800,000	642,315,650	66,794,200	358,064,800

The fact that there were $1,000,000,000 of stocks and bonds listed in the first six months of the year, as compared with $275,000,000 in 1904 and $613,000,000 in 1903, is suggestive of a revival of activity in investments. The listing of United States Steel securities in 1901 alone prevented the year 1905 making a new record.

The first of the quarterly statements which the trust companies of this State are now required to make, was issued as of June 7. It showed that the growth of these companies continues at a marvellous rate. The aggregate resources were $1,487,424,480, an increase of $123,000,000 since January 1 last and of $279,000,000 since July 1, 1904. The aggregate deposits were $1,233,662,205, an increase since January of $106,000,000 and since July 1, 1904, of $255,000,000. The principal assets are classified as follows for the dates mentioned:

	July 1, 1904.	*Jan. 1, 1905.*	*June 7, 1905.*
Cash and cash deposits.................	$262,247,178	$218,367,788	$180,719,525
Loans on collateral.....................	500,106,646	681,449,715	762,798,786
Loans on personal security.............	71,611,198	72,346,980	[illegible]2,88[illegible],807
Bonds and mortgages	61,224,759	64,549,930	83,9[illegible]6,364
Stock investments	276,024,912	295,663,165	341,661,738

Sine July, 1904, cash on hand and in banks has been reduced $81,000,000, while all the other classes of assets have increased—loans on collateral, $262,-000,000; loans on personal security, $11,000,000; bonds and mortgages, $22,-000,000, and stock investments $65,000,000.

The official statements of the Department of Agriculture regarding the grain crops were very encouraging last month. True, there was a lowering in the condition of both winter and spring wheat as compared with the June report. But the indicated yield of wheat this year is 705,000,000 bushels, which compares with an actual yield of 552,000,000 bushels in 1904. Such a total will bring the 1905 crop ahead of all other years except 1901, when the total was 748,000,000 bushels.

The first official information about the corn crop came last month and was of a very encouraging character. The condition on July 1 was reported at 87.3 as against 86.4 on the same date in 1904 and 79.4 in 1903. The area is 94,011,000 acres or about the same as in 1902, while the indirect yield is in excess of 2,651,000,000 bushels. That is an increase over last year's first estimate of nearly 114,000,000 bushels. Such a yield would exceed that of any other year so far as the Department estimates show. The census report made the yield in 1899 2,666,000 bushels. Reports regarding the cotton crop have been less favorable. The Government in the first place revised its estimate of area and made the total planted 27,000,000 acres. The condition on July 25 is reported at 74.9, as compared with 77.0 on June 25 last, and with 91.6 on July 25, 1904. The condition is the lowest reported for a corresponding date in more than twenty years. From these figures estimates of the probable yield of cotton this year have fallen below 10,000,000 bales. Future weather conditions, however, may materially change the figures.

The reports of the foreign trade movement for the fiscal year ended June 30, 1905, are to some extent surprising in the magnitude of the results shown. Once more the exports of merchandise have surpassed all previous records. In 1901 the record of $1,487,764,991 was made, and after a decline of $106,000,-000 in the following year, the figures of 1901 were not again reached until now. The total for 1905 is $1,518,462,833, exceeding the 1901 record by $30,000,000. Imports of merchandise have also made a new record. The previous high record was $1,025,719,237, made in 1903. The total in the year just closed is $1,117,507,500. The exports exceeded the imports by nearly $401,000,000, which is about the smallest balance reported for any year since 1897.

The gold movement in the past year was exceptionally large. Our exports of gold were $92,000,000—the largest in any year since 1896, and our imports were $53,000,000, making the net loss nearly $39,000,000. This is the only considerable loss of gold since 1896. The total movement of gold both ways was $146,000,000 and rarely has there been so large a total in a single year. In the previous year it was $180,000,000, making in the last two years $326,-000,000 sent into and out of the country, yet the net result is a loss of $21,000,000 in the two years. The clearing-house device might well be adapted to the international gold movements. The following table shows the total movements and balances of merchandise and gold yearly since 1892:

Merchandise.

Fiscal Year.	Exports.	Imports.	Excess.	
1892	$1,030,278,148	$827,402,462	Exp.	$202,875,686
1893	847,665,194	866,400,922	Imp.	18,737,728
1894	892,140,572	654,994,622	Exp.	237,145,950
1895	807,538,165	731,969,965	"	75,568,200
1896	882,606,938	779,724,674	"	102,882,264
1897	1,050,993,556	764,730,412	"	286,263,144
1898	1,231,482,330	616,049,654	"	615,432,676
1899	1,227,023,302	697,148,480	"	529,874,813
1900	1,394,483,082	849,941,184	"	544,541,898
1901	1,487,764,991	823,172,165	"	664,592,826
1902	1,381,719,401	903,320,948	"	478,398,453
1903	1,420,141,679	1,025,719,237	"	394,422,422
1904	1,460,827,271	991,087,371	"	469,739,900
1905	1,518,462,833	1,117,507,500	"	400,955,333

Gold.

Year.	Exports.	Imports.	Excess.	
1892	$50,195,327	$49,699,454	Exp.	$495,873
1891	108,680,814	21,174,381	"	87,506,463
1894	76,978,061	72,449,119	"	4,528,942
1895	66,468,481	36,384,760	"	30,083,721
1896	112,409,947	33,525,065	"	78,884,882
1897	40,361,580	85,014,780	Imp.	44,653,200
1898	15,406,391	120,391,674	"	104,985,283
1899	37,522,086	88,954,643	"	51,432,507
1900	48,266,759	44,765,184	Exp.	3,693,575
1901	53,185,177	66,051,187	Imp.	12,836,010
1902	48,568,950	52,021,254	"	3,452,304
1903	47,090,595	44,982,027	Exp.	2,108,568
1904	81,459,986	99,055,368	Imp.	17,595,382
1905	92,594,024	53,637,862	Exp.	38,956,162

THE MONEY MARKET.—Rates for money are easy both for call and time money. There is no present indication of a hardening of rates. At the close of the month call money ruled at 1¾ @ 2 per cent., averaging about 2 per cent. Banks and trust companies loaned at 2 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 2¾ @ 3 per cent. for 60 to 90 days, 3¼ @ 3½ per cent. for 4 months, 3½ @ 3¾ per cent. for 5 months, and 3¾ @ 4 per cent. for 6 months on good mixed collateral. For commercial paper the rates are 4 @ 4¼ per cent. for 60 to 90 days' endorsed bills receivable, 4 @ 4¼ per cent. for first-class 4 to 6 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.

	Mar. 1.	Apr. 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	2¼—3	3½—4½	2¾—3¼	2¼—4	3 - 6	1¾—2
Call loans, banks and trust companies	2¼—	3½—	3 —	2¼—	2 —	2 —
Brokers' loans on collateral, 30 to 60 days	3 — ¼	3¼— ½	3¼—	2¾—3	2¾ 3	2¾—3
Brokers' loans on collateral, 90 days to 4 months	3¼—	3½— ¾	3¼— ½	3 —3¼	3 — ¼	3 — ¼
Brokers' loans on collateral, 5 to 7 months	3½— ¾	3½— ¾	3½— ¾	3¼— ½	3½—4	3¾—4
Commercial paper, endorsed bills receivable, 60 to 90 days	3½—4	3¾ - 4¼	3¾—4	3¾—4	3½—4	4 — ¼
Commercial paper prime single names, 4 to 6 months	3¾—4¼	4 —4½	4 —4½	3¾—4	3¾ - 4¼	4 — ¼
Commercial paper, good single names, 4 to 6 months	4½- 5	4½—5	4½- 5	4½—5	4½ 5	4½—5

NEW YORK CITY BANKS.—While the clearing-house banks made a net gain in their surplus reserves in July of $3,600,000, they are in a much weaker position than they were a year ago at this time. The surplus at this time is $15,305,000, as compared with nearly $56,000,000 a year ago. In August last year the surplus further increased to over $58,600,000 and then set in a decline which left it at about $8,000,000 early in September. Deposits last month fell off about $8,000,000 in the first week and then increased in the following three weeks $41,000,000. Loans decreased in the first two weeks $13,000,000 and increased in the last two weeks $37,000,000. Deposits are $5,000,000 less than they were on August 1, 1904, while loans are $47,000,000 larger. Deposits are now $55,000,000 in excess of loans, while a year ago they were $107,000,000 greater than the loans. The latter are now very near the highest record.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
July 1...	$1,120,869,000	$214,744,100	$88,424,500	$1,166,038,900	$11,658,875	$48,586,800	$1,775,663,300
" 8...	1,116,458,500	210,971,300	86,562,800	1,158,305,100	7,957,825	48,859,900	2,128,827,800
" 15...	1,107,308,100	220,162,100	89,115,700	1,159,018,200	19,523,250	49,157,100	1,722,590,100
" 22...	1,126,366,700	220,190,500	89,109,000	1,177,398,200	14,949,950	48,913,200	1,439,283,300
" 29...	1,144,847,400	224,830,700	90,411,500	1,190,744,900	15,305,975	48,804,600	1,402,125,700

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1903.*		*1904.*		*1905.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$873,115,000	$10,193,850	$866,178,900	$9,541,850	$1,104,049,100	$13,683,425
February......	931,778,900	27,880,775	1,023,943,800	25,129,050	1,189,828,600	26,979,550
March.........	956,206,400	5,951,900	1,027,920,400	32,150,200	1,179,824,900	14,646,075
April.........	894,260,000	6,280,900	1,069,369,400	27,755,050	1,138,661,300	8,664,575
May...........	905,760,200	11,181,850	1,114,367,890	33,144,250	1,146,528,600	16,665,250
June..........	913,081,800	9,645,150	1,098,953,500	29,692,325	1,136,477,700	6,050,275
July	903,719,800	12,923,850	1,152,988,800	36,105,300	1,166,038,900	11,658,875
August........	908,864,500	24,060,075	1,204,965,600	55,989,600	1,190,744,900	15,305,975
September....	920,123,900	20,677,925	1,207,302,800	57,375,400	....	....
October.......	897,214,400	13,937,500	1,212,977,100	19,913 425	....	....
November....	885,616,600	10,274,150	1,204,434,200	16,793,650	....	....
December.....	841,552,000	6,125,200	1,127,878,100	8,539,075	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,145,-989,200 on October 8, 1904, and the surplus reserve $111,623,000 on Feb. 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 Reserve.*
July 1....	$123,107,600	$140,856,600	$5,378,000	$6,764,400	$15,808,700	$8,984,300	$1,721,250
" 8 .	123,930,800	143,387,600	5,340,000	7,131,400	16,348,200	9,411,200	2,384,800
" 15....	124,251,600	142,903,100	5,580,400	7,419,300	15,681,200	9,771,800	2,676,925
" 22....	122,227,700	140,268,000	5,752,000	7,289,900	15,357,400	9,646,200	2,978,500
" 29....	123,189,800	139,205,100	5,655,900	7,225,300	14,753,600	9,008,600	1,842,125

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
July 1........	$192,752,000	$232,501,000	$18,251,000	$6,193,000	$7,658,000	$145,451,800
" 8........	194,527,000	231,578,000	18,662,000	6,084,000	7,664,000	156,738,800
" 15........	194,674,000	232,933,000	19,194,000	6,677,000	7,717,000	155,077,100
" 22........	193,527,000	227,194,000	19,147,000	6,963,000	7,645,000	142,581,500
" 29........	193,034,000	223,052,000	18,453,000	7,058,000	7,707,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
July 1.................	$221,600,000	$261,926,000	$64,725,000	$12,815,000	$142,230,900
" 8.................	221,754,000	260,827,000	64,349,000	12,730,000	126,803,500
" 15.................	221,981,000	262,986,000	64,811,000	12,738,000	129,520,700
" 22.................	220,738,000	262,787,000	66,498,000	12,728,000	125,100,700
" 29.................	220,895,000	263,566,000	67,597,000	12,775,000	121,011,925

FOREIGN EXCHANGE.—The market for sterling exchange was generally weak throughout the month, although making a slight advance in the last few days. There was a renewed demand for remittance on Japanese account at the close of the month.

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.
July 1	4.8520 @ 4.8530	4.8695 @ 4.8705	4.8725 @ 4.8735	4.84⅞ @ 4.85	4.84¼ @ 4.85¼
" 8	4.8525 @ 4.8530	4.8695 @ 4.8700	4.8715 @ 4.8725	4.84⅞ @ 4.85	4.84¼ @ 4.85¼
" 15	4.8495 @ 4.8505	4.8665 @ 4.8675	4.8685 @ 4.8695	4.84¾ @ 4.84⅞	4.84 @ 4.85
" 22	4.8470 @ 4.8480	4.8640 @ 4.8645	4.8660 @ 4.8670	4.84⅝ @ 4.84¾	4.84¼ @ 4.84½
" 29	4.8490 @ 4.8500	4.8655 @ 4.8660	4.8680 @ 4.8690	4.84½ @ 4.84⅝	4.84 @ 4.84¾

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	April 1.	May 1.	June 1.	July 1.	Aug. 1.
Sterling Bankers—60 days	4.84⅛— ¼	4.84½— ⅝	4.85 — ⅛	4.85¼— ⅜	4.84⅝— ¾
" " Sight	4.85⅞–86	4.86½— ⅝	4.87 — ⅛	4.86⅞–87	4.86⅝— ⅞
" " Cables	4.86¼— ⅜	4.86¾— ⅞	4.87¼— ⅜	4.87¼— ⅜	4.86⅝— ¾
" Commercial long	4.83¾— ⅞	4.84 — ¼	4.84½— ¾	4.84⅞–85	4.84½— ⅝
" Docu'tary for paym't.	4.83 — 4¼	4.83½— 4¼	4.84¼— 5⅛	4.84¼— 5¼	4.84 — ⅝
Paris—Cable transfers	5.17½—16⅞	5.16¼—	5.16⅞— ¼	5.15⅝—	5.16¼—
" Bankers' 60 days	5.20 —19⅜	5.18⅛— ¾	5.18⅛—	5.15⅛—	5.18¾—
" Bankers' sight	5.17½—	5.16¼— ⅞	5.16⅞--	5.16¼—	5.16⅞—
Swiss—Bankers' sight	5.18⅛—	5.17⅛—	5.16⅞—	5.16⅞—	5.16⅞—
Berlin—Bankers' 60 days	94 9/16— ⅝	94 11/16— ⅝	94¾— 13/16	94 13/16— ¾	94 11/16— ¾
" Bankers' sight	94 15/16–95	95 1/16–95	95¼— 1/16	95⅛— 13/16	95 1/16— ⅛
Belgium—Bankers' sight	5.18⅛ –	5.17⅛—	5.16⅞- 17⅛	5.16⅞—	5.17⅛—
Amsterdam—Bankers' sight	40⅛— 3/32	40¼— 5/16	40 5/16— ¼	40¼— 5/16	40¼— 5/16
Kronors—Bankers' sight	26¾— ⅞	26¾— ⅞	26 13/16— 15/16	26 13/16— 15/16	26.13/16— 15/16
Italian lire—sight	5.17½ -	5.16⅞ - 17⅛	5.16⅞ - ¼	5.15 1/16— ⅝	5.15⅝—

FOREIGN BANKS.—The Bank of England lost $5,000,000 gold last month and the Bank of Germany $15,000,000. The Bank of France gained $18,000,000 and Russia nearly $20,000,000. These four institutions together hold $150,-000,000 more gold than they did a year ago.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	June 1, 1905.		July 1, 1905.		Aug. 1, 1905.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£37,886,406	....	£39,048,782	....	£38,021,410	....
France	114,645,558	£44,398,482	113,785,158	£44,432,185	117,335,024	£44,252,446
Germany	42,119,000	14,040,000	40,763,000	13,588,000	37,701,000	12,567,000
Russia	104,665,000	6,491,000	105,667,000	6,291,000	109,532,000	5,909,000
Austria-Hungary	48,035,000	13,188,000	47,458,000	13,129,000	47,237,000	12,971,000
Spain	14,800,000	22,001,000	14,833,000	22,390,000	14,873,000	22,895,000
Italy	22,405,000	3,614,800	22,329,000	3,651,000	24,108,000	3,327,400
Netherlands	6,754,800	6,298,300	6,793,500	6,278,500	6,382,800	6,249,200
Nat. Belgium	3,152,000	1,576,000	3,224,667	1,612,333	3,192,000	1,596,000
Totals	£394,462,764	£111,557,582	£393,902,107	£111,372,018	£398,382,234	£109,267,046

MONEY RATES ABROAD.—Open market rates were generally easier last month, although toward the close of the month were somewhat firmer in London and Germany. There were no changes in the posted rates of discount of the principal banks. The Bank of England rate of discount is unchanged at 2½ per cent. Discounts of 60 to 90 day bills in London at the close of the month were 1¾ @ 1⅞ per cent., against 1-15/16 per cent. a month ago. The open market rate at Paris was 1½ @ 1⅝ per cent., against 2 per cent. a month ago, and at Berlin and Frankfort 2⅛ @ 2¼ per cent., against 2⅜ @ 2½ per cent. a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Apr. 30, 1905.	*May 31, 1905.*	*June 30, 1905.*	*July 31, 1905.*
Circulation (exc. b'k post bills)	£28,643,000	£29,500,000	£30,132,000	£30,678,000
Public deposits	10,650,000	11,608,000	14,456,000	9,791,000
Other deposits	39,736,000	41,613,000	44,697,000	43,857,000
Government securities	15,495,000	15,750,000	16,171,000	16,752,000
Other securities	27,048,000	28,417,000	33,396,000	29,186,000
Reserve of notes and coin	26,629,000	24,897,000	27,367,000	25,261,000
Coin and bullion	36,822,232	37,886,406	39,049,682	36,884,155
Reserve to liabilities	50¾%	50.82%	46.19%	47.45%
Bank rate of discount	2½%	2½%	2½%	2½%
Price of Consols (2¾ per cents.)	90¼	91⅛	90 1/16	90¼
Price of silver per ounce	26 5/16d.	26 13/16d.	26 15/16d.	27 5/16d.

SILVER.—The price of silver was alternately strong and weak and again strong at the close. The opening price was 26⅞d., an advance to 27-5/6 and a decline to 27⅛ following. Then there was a recovery to 27-5/16, the closing price.

MONTHLY RANGE OF SILVER IN LONDON—1903, 1904, 1905.

MONTH.	*1903.*		*1904.*		*1905.*		MONTH.	*1903.*		*1904.*		*1905.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January	22⅝	21 11/16	27 5/16	25⅛	28⅝	27 9/16	July	25⅜	24¼	27	26⅜	27 5/16	26⅞
February	22 5/16	21⅞	27⅛	25⅝	28 5/16	27⅝	August	26¾	25 5/16	27	26 5/16	....	....
March	22 11/16	22⅛	26 11/16	25⅛	27 11/16	25 13/16	Septemb'r	26 1/16	26 3/16	26⅞	26	....	....
April	25 1/16	22⅝	25⅛	24 7/16	26⅝	25 7/16	October	28⅛	27 7/16	26 15/16	26½	....	....
May	25¼	24 5/16	25 11/16	25⅛	27 5/16	26⅛	Novemb'r	27⅝	26¼	27 5/16	26¾	....	....
June	24 9/16	24⅛	26⅛	25 5/16	27⅛	26¾	Decemb'r	26⅛	25	28 9/16	27 5/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns	$4.86	$4.89	Mexican doubloons	$15.55	$15.65
Bank of England notes	4.87	4.90	Mexican 20 pesos	19.55	19.65
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.76	4.80	Mexican dollars	.45⅛	.48
Twenty-five pesetas	4.78	4.82	Peruvian soles	.42	.45
Spanish doubloons	15.55	15.65	Chilian pesos	.42	.45

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, 59⅝ @ 60⅝c. Fine silver (Government assay), 59⅛ @ 61⅛c. The official price was 59¾c.

NATIONAL BANK CIRCULATION.—Last month, for the first time in the history of the National banking system, the outstanding note circulation reached $500,000,000, the total on July 31 being $503,971,395. This is an increase of more than $8,000,000 for the month, and of nearly $54,000,000 in the last twelve months. There was an increase of nearly $9,000,000 in Government bonds deposited to secure circulation which approximated the reduction in Government bonds deposited to secure public deposits.

NATIONAL BANK CIRCULATION.

	Apr. 30, 1905.	*May 31, 1905.*	*June 30, 1905.*	*July 31, 1905.*
Total amount outstanding	$481,244,945	$488,327,516	$495,719,806	$503,971,395
Circulation based on U. S. bonds	449,147,766	456,239,096	462,669,414	471,615,771
Circulation secured by lawful money	32,097,179	32,088,420	33,050,392	32,355,624
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	9,844,040	10,754,050	12,907,550	14,197,100
Four per cents. of 1895	3,085,500	4,091,500	4,091,500	4,394,000
Three per cents. of 1898	2,734,440	2,941,940	3,374,440	4,257,440
Two per cents. of 1900	437,191,800	443,362,800	447,693,450	454,089,750
Total	$452,855,790	$461,150,290	$468,066,940	$476,938,290

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,660,900; 4 per cents. of 1895, $6,105,300; 3 per cents. of 1898, $6,105,300; 2 per cents. of 1930, $40,629,900; District of Columbia 3.65's, 1924, $1,321,000; Hawaiian Islands bonds, $875,000; Philippine loan, $4,041,000; railroad and other bonds, $2,918,500; a total of $69,797,300.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The first month of the new fiscal year shows a deficit of nearly $14,000,000. The month of July usually witnesses a deficit, and last year it was nearly $17,500,000. The revenues this year were nearly $2,500,000 larger than in 1904, while the expenditures were $1,000,000 smaller. Both customs and internal revenue receipts show a substantial increase. A new item appears in the expenditures, "public works." The payments under this head were formerly included under "war" disbursements. The latter now show a decrease of $2,700,000, while the disbursements for "public works" were $1,500,000. Civil and miscellaneous increased $700,000 and navy expenditures decreased $1,400,000, while payments on account of Indians increased $700,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	July, 1905.	Since July 1, 1905.
Customs	$21,590,149	$21,590,149
Internal revenue	21,088,635	21,088,635
Miscellaneous	6,594,349	6,594,349
Total	$49,273,133	$49,273,133
Excess receipts	*13,855,663	*13,855,663

EXPENDITURES.

Source.	July, 1905.	Since July 1, 1905.
Civil and mis.	$15,658,645	$15,658,645
War	12,685,555	12,685,555
Navy	10,755,124	10,755,124
Indians	1,648,206	1,648,206
Pensions	12,100,987	12,100,987
Public works	6,251,032	6,251,032
Interest	4,029,047	4,029,247
Total	$63,128,796	$63,128,796

* Excess expenditures.

UNITED STATES PUBLIC DEBT.—There was an increase of $12,000,000 in the net public debt last month, and it now stands at $1,002,000,000. The aggregate debt, including certificates and notes increased only about $1,000,000, while the total cash assets were reduced about the same amount. There was an increase in certain demand liabilities however, of $7,000,000 in outstanding checks and warrants and of $8,000,000 in disbursing officers' balances, causing a decrease of $12,000,000 in the cash balance, which is represented by the increase in net debt.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1905.	June 1, 1905.	July 1, 1905.	Aug. 1, 1905.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,650	156,595,400	156,595,600	156,596,400
Refunding certificates, 4 per cent	28,610	27,630	27,530	27,110
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt	$895,157,470	$895,158,240	$895,158,340	$895,158,720
Debt on which interest has ceased	1,447,260	1,377,165	1,370,245	1,264,735
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,868	346,734,298	346,734,298
National bank note redemption acct.	31,933,951	31,349,852	32,227,102	31,889,869
Fractional currency	6,868,465	6,867,384	6,867,109	6,867,109
Total non-interest bearing debt	$385,537,279	$384,952,100	$385,828,509	$385,491,276
Total interest and non-interest debt.	1,282,142,010	1,281,487,505	1,282,357,094	1,281,914,781
Certificates and notes offset by cash in the Treasury:				
Gold certificates	524,684,969	519,762,969	517,579,969	518,411,969
Silver "	477,102,000	466,150,000	465,265,000	466,150,000
Treasury notes of 1890	11,019,000	9,617,000	9,413,000	9,165,000
Total certificates and notes	$1,012,805,969	$995,529,969	$992,257,969	$993,726,969
Aggregate debt	2,294,947,979	2,277,017,474	2,274,615,063	2,275,641,700
Cash in the Treasury:				
Total cash assets	1,402,124,509	1,366,975,312	1,365,467,439	1,364,449,019
Demand liabilities	1,105,531,820	1,085,833,934	1,072,977,116	1,084,583,288
Balance	$296,592,689	$281,131,378	$292,490,322	$279,865,730
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	146,592,689	131,141,878	142,490,332	129,865,730
Total	$296,592,689	$281,141,378	$292,490,332	$279,865,730
Total debt, less cash in the Treasury	985,549,321	1,000,346,127	989,866,762	1,002,049,001

UNITED STATES FOREIGN TRADE.—The June trade returns complete the record for the fiscal year and show a new high record for both exports and imports of merchandise. The total value of exports in the past year was $1,518,462,833, an increase of nearly $58,000,000 over the total for the previous year and of more than $30,000,000 as compared with 1901, the year in which the previous high record was made. The exports in June were the largest ever reported for that month. The imports of merchandise were also larger in the past year than in any previous year. They amounted to $1,117,507,500, an increase of $126,000,000 over the previous year and of $92,000,000 over 1903 when the import movement reached its greatest volume until now. The large imports made the trade balance small as compared with some other years. The net exports were about $401,000,000 or $69,000,000 less than in 1904 and $264,000,000 less than in 1901. The balance is the smallest since 1897 with the exception of 1903. The exports of gold were $92,000,000 and imports $53,000,000, a net loss of $38,000,000. This is the only important export movement of gold since 1896.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF MAY.	MERCHANDISE.				*Gold Balance.*		*Silver Balance.*	
	Exports.	*Imports.*	*Balance.*					
1900	$108,651,957	$61,001,367	Exp.,	$47,650,590	Exp.,	$4,364,692	Exp.,	$288,345
1901	102,774,263	68,404,657	"	34,369,606	"	2,084,101	"	2,634,548
1902	89,240,488	73,115,054	"	16,125,429	Imp.,	3,694,982	"	1,447,218
1903	95,222,846	81,999,777	"	13,223,069	Exp.,	9,740,035	Imp.	494,395
1904	93,224,866	81,157,235	"	12,067,631	Imp.,	3,363,689	Exp.,	1,658,233
1905	121,095,274	90,435,674	"	30,659,600	Exp.,	1,892,930	"	2,443,029
TWELVE MONTHS.								
1900	1,394,433,082	849,941,184	Exp.,	544,541,898	Exp.	3,693,575	Exp.,	21,455,973
1901	1,487,764,991	823,172,165	"	664,592,826	Imp.,	12,866,010	"	27,898,659
1902	1,381,719,401	903,320,948	"	478,398,453	"	3,452,304	"	21,500,136
1903	1,420,141,679	1,025,719,237	"	394,422,442	Exp.,	2,108,568	"	20,086,768
1904	1,460,827,271	991,087,371	"	469,739,900	Imp.,	17,595,382	"	21,703,888
1905	1,518,462,833	1,117,507,500	"	400,955,333	Exp.,	38,956,162	"	21,418,429

MONEY IN CIRCULATION IN THE UNITED STATES.—The volume of money in circulation increased $8,000,000 in July and the circulation per capita, 10 cents. There was a reduction in gold coin of $5,000,000, but an increase of nearly $6,000,000 in gold certificates. Silver certificates increased $2,000,000 and National bank notes $6,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1905.	*June 1, 1905.*	*July 1, 1905.*	*Aug. 1, 1905.*
Gold coin	$649,548,528	$650,979,108	$655,976,787	$650,616,580
Silver dollars	80,039,395	73,617,644	73,680,659	73,586,898
Subsidiary silver	102,891,327	100,473,489	100,748,873	101,487,759
Gold certificates	466,739,689	482,910,999	487,661,449	493,487,879
Silver certificates	468,017,227	460,462,108	456,142,715	458,518,951
Treasury notes, Act July 14, 1890	10,940,054	9,583,291	9,842,341	9,123,575
United States notes	342,287,627	332,284,693	332,691,311	331,481,775
National bank notes	449,157,278	474,359,389	480,472,336	486,784,884
Total	$2,569,621,125	$2,584,670,716	$2,596,716,471	$2,604,902,301
Population of United States	82,562,000	83,143,000	83,259,000	83,259,000
Circulation per capita	$31.12	$31.09	$31.19	$31.29

SUPPLY OF MONEY IN THE UNITED STATES.—The total amount of money in the country on July 31 is estimated at $2,901,791,907, an increase since June 30 of more than $16,000,000 and since January 1 of $62,000,000. The supply of silver dollars and legal-tender notes is a fixed figure, all the gain being in gold and National bank notes except a slight increase in fractional silver. Gold increased $8,000,000 in July and National bank notes the same amount. Since January 1 gold has increased $22,000,000 and National bank circulation $39,000,000.

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 1905, by dates, and also, for comparison, the range of prices in 1904:

	Year 1904.		Highest and Lowest in 1905.		July, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89¼	64	93⅜ Mar. 9	77⅝—May 22	88	83⅝	87⅛
" preferred	104⅛	87⅝	104⅜—June 27	99 —Jan. 25	103	101½	103
Baltimore & Ohio	105¼	72⅞	115¼—July 13	100⅛—Jan. 25	115¼	112¾	114⅛
Baltimore & Ohio, pref.	96½	87⅝	99¾—July 31	95¼—Jan. 12	99¾	97½	99¾
Brooklyn Rapid Transit	70½	38	73⅛—July 13	56⅞—May 23	73⅛	67	69¾
Canadian Pacific	135¾	109⅛	156¼—July 31	130¾—Jan. 25	156¼	149	156¼
Canada Southern	72	64	72⅞—Jan. 31	67⅛—Jan. 11	68⅜	68⅜	68¾
Central of New Jersey	194¾	154⅛	215⅛—Feb. 3	190 —May 23	204⅛	199	203
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	55¾	51¾	54⅞
Chicago & Alton	47¼	33	44⅛—Mar. 15	31 —May 22	37¾	35	36
" preferred	85¼	75	83¾—Apr. 7	77¼—June 26	81	78⅛	81
Chicago, Great Western	26¼	12⅞	25⅛—Mar. 16	17⅛—May 22	21	19¼	20⅝
Chic., Milwaukee & St. Paul	177⅝	137⅛	187½—Apr. 17	168⅛—May 4	182⅛	176⅞	181
" preferred	185⅞	173	192½—Apr. 17	182⅛—Jan. 13	189	186	188
Chicago & Northwestern	214½	161⅛	249 —Jan. 31	190⅛—June 9	212	206	211¾
" preferred	237	207	265½—Feb. 1	234 —Jan. 13	240	240	240
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾ Jan. 5	19¼	18	18⅛
" preferred	27¾	11⅛	42⅛—July 5	17⅛—Jan. 4	42⅛	37⅛	41⅛
Clev., Cin., Chic. & St. Louis	93⅜	68½	111 —Mar. 21	90 —Jan. 14	99	95½	97
Col. Fuel & Iron Co.	58⅜	25⅛	59 —Mar. 24	38 —May 22	48⅝	43¼	46¾
Colorado Southern	24⅜	13½	30⅛ -Apr. 26	22¼—Jan. 20	29½	27	29½
" 1st preferred	63	48	64⅛—Feb. 10	52 —May 23	63	58	63
" 2d preferred	37½	17⅞	40⅝—July 31	32⅛—May 23	40⅝	37¼	40⅝
Consolidated Gas Co.	220	185	214 —Mar. 13	184½—May 15	192⅜	188½	192⅜
Delaware & Hud. Canal Co.	190⅛	149	196⅜—Apr. 11	178½—May 22	194¼	188¾	194¼
Delaware, Lack. & Western	359¾	250½	425½—July 31	335 —Jan. 25	425½	380	425½
Denver & Rio Grande	35⅞	18	36⅛—Mar. 14	27¼—June 8	32⅛	29¾	32⅛
" preferred	89	64⅛	91 —Mar. 15	83¼—May 1	87⅛	86	87
Detroit Southern tr. ctfs	14¾	1⅛	11⅛—July 1	8 —June 20	11⅛	9	9
" preferred tr. ctfs	33½	2¾	42 —June 16	39 —July 22	41	39	41
Duluth So. S. & Atl., pref.	28½	9¼	37 —Jan. 21	21 —May 22	31¾	28	31
Erie	41⅝	21½	48¾—Mar. 11	37⅛—May 22	48⅛	44⅜	46¾
" 1st pref.	77	55⅝	85 —July 27	74⅞—May 22	85	81⅞	84⅜
" 2d pref.	58½	33	76¼—July 27	55½—Jan. 3	75¼	70½	74⅝
Evansville & Terre Haute	83	54	72⅛—Jan. 16	63 —July 6	65	63	65
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	243	243	243
" American	219	180	246 —Feb. 27	209½—Jan. 4	225	220	220½
" United States	126	100	134 —Feb. 8	120 —Jan. 9	124¾	124¾	124¾
" Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	250	235	235
Hocking Valley	94	60	99 —Mar. 11	86⅝—Jan. 18	91	91	91
" preferred	95	77	96⅞—Mar. 13	90 —Jan. 18	93½	93	93¼
Illinois Central	159	125¾	175½—July 28	152¾—Jan. 25	175½	165½	175⅝
Iowa Central	33	14	32 —Feb. 3	24 —May 24	28	26½	28
" preferred	59¾	32	58⅜—Feb. 3	50 —May 10	54	51	54
Kansas City Southern	31⅞	16½	34 —Feb. 14	22⅛—May 22	27	25⅛	27
" preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	58¾	55½	58⅛
Kans. City Ft. S. & Mem. pref.	83½	64⅛	84½—Mar. 16	81⅝—June 19	83	81¾	83
Louisville & Nashville	148¾	101	156¼—Apr. 26	134½—Jan. 25	150⅝	143½	145¼
Manhattan consol	169½	139¾	175 —Feb. 9	161 —May 1	166⅛	164⅞	165½
Metropolitan securities	96⅛	72¼	91 —Mar. 17	78 —Jan. 9	85¼	81	82⅝
Metropolitan Street	130⅜	104¾	131 —July 5	114 —May 11	131	125	128¼
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	23	20⅝	23
Minneapolis & St. Louis	67¾	40	64¾ -Apr. 7	56½—Jan. 13	62	60	62
" preferred	96⅛	80	92 —July 31	86 —Jan. 19	92	92	92
Minn., S. P. & S.S. Marie	95	55	129 —July 31	89⅛ -Jan. 11	129	121¼	128
" preferred	150	116	169¼—Mar. 29	148 —Jan. 13	162½	158⅞	162¼
Missouri, Kan. & Tex.	36⅜	14⅝	33¼—Jan. 18	24 —May 22	29¾	27½	28¾
" preferred	65¼	32¼	69 —Mar. 13	56¼—May 23	65½	62½	63⅝
Missouri Pacific	111½	87	110⅞—Mar. 13	94½—May 22	101¼	97¼	101¼
Natl. of Mexico, pref.	45½	34¾	45 —Jan. 16	33½—May 8	38½	36⅝	38½
" 2d preferred	25½	15⅞	24½—Jan. 10	17¾—June 20	21½	20	21½
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	149⅝	143¼	146⅝
N. Y., Chicago & St. Louis	47	25	55¼—Apr. 8	42 —Jan. 20	53¼	47	52
" 2d preferred	78	60	85 —Apr. 7	74 —May 4	83¾	80	83¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1904.		Highest and Lowest in 1905.		July, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing*
N. Y., Ontario & Western.....	47¼	19⅝	64 —Mar. 30	40⅝—Jan. 5	53⅞	50¼	53⅛
Norfolk & Western............	80¾	58½	88⅛—Mar. 11	76 —May 10	87¼	84⅝	86
" preferred............	95	88	94⅛—Feb. 3	91⅛—Feb. 24	94	93½	94
North American Co...........	107	80	107 —Apr. 17	97½—May 22	101⅛	98	100⅛
Pacific Mail....................	55	24	49¼—Jan. 4	33 —May 22	44¾	42	42⅞
Pennsylvania R. R............	140	111⅛	147¾ Mar. 13	131½—May 22	148½	140	143
People's Gas & Coke of Chic.	112⅛	92¾	115⅛—Apr. 3	97¼—May 15	106¾	104	105⅛
Pullman Palace Car Co.......	244	209	254 —Feb. 28	230 —May 31	241¾	239	239½
Reading.........................	82⅝	38¾	108¾—July 7	79 —Jan. 13	108¾	99⅞	105⅛
" 1st prefered..........	92	76	95 —July 8	90 —May 23	95	91¾	93⅞
" 2d preferred..........	85	55¼	96 —July 6	84 —Jan. 5	96	91½	91½
Rock Island....................	37¾	19⅛	37⅞—Jan. 18	24¾—May 22	32¼	29⅝	31½
" preferred............	86⅝	57¾	85 —Jan. 4	71⅛—May 22	77⅛	74¾	76½
St. L. & San Fran. 2d pref....	72½	39¼	73½—Mar. 6	61 —May 26	69¾	66¼	69⅝
St. Louis & Southwestern....	29	9½	27½—Jan. 20	20 —May 22	24½	22½	24⅝
" preferred............	60¾	25⅞	66⅝—Apr. 18	55½—May 1	63	58	63
Southern Pacific Co............	68⅜	41½	72¾—Feb. 27	57¾—May 4	66⅛	63	65¼
Southern Railway............	37½	18¼	36¾—Mar. 13	28 —May 22	34⅝	32¼	33¾
" preferred............	97½	77½	100 —Mar. 22	95 —May 1	99	97⅝	98
Tennessee Coal & Iron Co....	77⅛	31⅝	106⅛—Apr. 4	68 —Jan. 25	92⅝	83	90⅛
Texas & Pacific................	38⅛	20	41 —Mar. 13	29¾—Apr. 29	34⅝	32⅞	34
Toledo, St. Louis & Western..	38	21⅛	43¾—Apr. 6	34⅛—May 22	39⅛	37½	38¼
" preferred............	57¼	32	65 —Apr. 12	51¾—Jan. 25	57⅞	55½	57¼
Union Pacific..................	117	71	137⅞—Feb. 25	113 —Jan. 6	131⅝	128½	131
" preferred............	98	86½	101⅝—Feb. 21	96 —May 11	99	97	98¼
Wabash R. R..................	25	15	23⅝—Feb. 8	17½—May 23	20	18½	19⅝
" preferred............	48⅛	32¾	48 —Feb. 23	37 —May 23	41⅛	38¼	40⅞
Western Union................	94½	85	95⅛—June 18	92 —Jan. 17	93⅞	92¾	93½
Wheeling & Lake Erie.........	22⅜	14⅛	19¾—Mar. 13	15 —May 1	16¾	15⅝	16
" second preferred....	32	21⅛	28⅛—Mar. 13	20 —May 4	25⅛	23	24¾
Wisconsin Central............	25	16	25¼—Feb. 16	20 —Apr. 29	24⅝	22¾	24
" preferred............	49⅝	37	54¼—Feb. 17	45 —Jan. 13	52¼	50¼	51¾
"Industrial"							
Amalgamated Copper........	82¾	43⅛	89¾—Apr. 14	70 - Jan. 25	84¾	81⅞	84⅛
American Car & Foundry....	35⅛	14¾	43⅝—Apr. 14	31 —May 21	37¾	34⅛	37⅜
" pref..................	94¾	67	104½—Apr. 6	91¼—Jan. 25	99⅞	98	99¾
American Co. Oil Co..........	37⅞	24¼	38 —Apr. 3	27¾—July 19	33⅛	27¾	30
American Ice	9¾	6	7¼—Feb. 1	4⅞—Apr. 29	...	....	....
American Locomotive........	36⅜	16⅛	61¼—Apr. 13	33 —Jan. 25	50⅛	46¼	49
" preferred............	105	75½	122¾—Apr. 15	103¾—Jan. 5	112¾	110⅝	111
Am. Smelting & Refining Co.	82½	46	124½—July 31	79¾—Jan. 9	124½	115	124⅜
" preferred............	115	88¾	127 —Apr. 6	111¼—Jan. 13	123⅜	119	123⅜
Am. Steel & Foundries........	15¼	3½	18⅝—Mar. 20	6⅞—July 27	10⅝	6⅞	9¼
" pref..................	57¼	26	67½—Apr. 4	35⅛—June 14	39¼	36	39
American Sugar Ref. Co......	153	122¼	149¾—Mar. 2	130 —May 22	143⅛	137	143⅛
Anaconda Copper Mining....	120⅞	61	130 —Apr. 13	100⅛—May 22	114	106	113¾
Continental Tobacco Co. pref.	131	101½	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products.................	26¼	9¾	22¾—Feb. 7	8¾—June 8	11⅛	10	10
" preferred............	82¼	65	79 —Jan. 10	43 —June 8	50	47	47
Distillers securities...........	40½	19⅛	47⅛—Apr. 6	34⅞—Jan. 25	44⅛	40½	43
General Electric Co...........	194½	151	192 —Mar. 16	169 —May 20	180¾	172	180¾
International Paper Co......	25⅝	10¼	25⅛—Mar. 11	18⅛—June 16	20¼	18¾	19
" preferred............	79⅞	64⅛	82¼—Apr. 6	76 Feb. 6	79⅝	78	78¾
National Biscuit..............	59½	36	66⅝—Apr. 3	54¼—July 25	62½	54¼	60
National Lead Co..............	26¼	14⅛	51¾—Apr. 7	24½—Jan. 5	47⅞	43¾	47¾
Pressed Steel Car Co..........	44⅛	24¼	46¾—Apr. 14	34 —May 23	43	38	42½
" preferred............	92	67	99⅛—Apr. 14	87 —Feb. 16	95¾	93¾	95¾
Republic Iron & Steel Co.....	18¼	6	24⅞—Apr. 8	15 —Jan. 23	21¼	19¼	21¼
" preferred............	78½	37	87½—Feb. 23	67 —Jan. 23	84	78½	83¾
Rubber Goods Mfg. Co........	29⅞	14¾	38 —May 16	24¼—Mar. 7	35½	33⅛	35½
" preferred............	98	74¾	109⅛—Apr. 1	94 —Jan. 25	104½	104	104½
U. S. Leather Co..............	20¾	6½	14⅝—Jan. 16	10⅞—May 23	14	12½	13¼
" preferred............	106½	75⅝	111⅞ June 22	100¾—Jan. 31	110¼	108⅞	110¼
U. S. Rubber Co...............	34½	10½	52½—July 29	33¾—Jan. 3	52½	40	52⅛
" preferred............	100	41	118½—Apr. 7	98⅜—Jan. 6	113½	106½	109⅝
U. S. Steel.....................	33⅛	8⅜	38¼—Apr. 7	24⅞—May 22	35⅝	31¼	35⅜
" pref.......................	95⅝	51¼	104⅞—Apr. 18	90¾—May 22	104	98⅝	103¾

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.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	99⅛	July 28,'05	99⅜	99¼	26,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	148,155,000	A & O	104	July 31,'05	104¾	103¾	764,000
" registered		....	A & O	103	July 27,'05	103	102¼	12,000
" adjustment, g. 4's	1995	25,616,000	NOV	97	July 26,'05	97	96½	126,500
" registered		....	NOV	94½	Feb. 9,'05	....	....	....
" stamped	1995	26,112,000	M & N	95	July 29,'05	95	94⅝	573,000
" serial debenture 4's—								
" series D	1906	2,500,000	F & A	99	Aug.15,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series E	1907	2,500,000	F & A	99⅝	May 2,'05	....	....	....
" registered		....	F & A	....		....	....	....
" series F	1908	2,500,000	F & A	99½	Nov. 3,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series G	1909	2,500,000	F & A	99⅝	June17,'05	....	....	....
" registered		....	F & A	....		....	....	....
" series H	1910	2,500,000	F & A	99½	Jan. 10,'05	....	....	....
" registered		....	F & A	....		....	....	....
" series I	1911	2,500,000	F & A	98½	Nov. 23,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series J	1912	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series K	1913	2,500,000	F & A	97	Oct. 26,'04	....	....	....
" registered		....	F & A	....		...	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....		...	....	....
" East.Okla.div.1st g.4's	1928	6,128,000	M & S	101⅛	July 8,'05	101⅛	101⅛	2,000
" " registered		....	M & S	....		....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....		....	....	....
Atlan.Coast Line R.R.Co.1st g.4's	1952	42,638,000	M & S	102¾	July 31,'05	102¾	102¼	254,000
" registered			M & S	92	Feb. 15,'04	....	....	....
Charleston & Savannah 1st g.7's	1936	1,500,000	J & J	108¾	Dec. 18,'99	....	....	....
Savanh Florida & W'n 1st g.6's	1934	4,056,000	A & O	125¼	Nov. 30,'03	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	114¼	Oct. 18,'04	....	....	....
Brunswick & W'n 1st gtd.g.4's	1938	3,000,000	J & J	93	July 14,'04	....	....	....
Sil.SpsOc.& G.RR.&ldg.gtdg.4s	1918	1,067,000	J & J	97¾	Oct. 5,'04	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	72,798,000	J & J	95⅝	July 29,'05	96¼	95⅛	151,000
" registered			J & J	96	Nov. 7,'04	....		....
" g. 4s	1948	70,963,000	A & O	105¾	July 31,'05	106⅝	105⅛	320,000
" g. 4s. registered			A & O	104	July 14,'05	104	104	20,000
" ten year c. deb. g. 4's	1911	572,000	M & S	114	July 7,'05	114	113¼	81,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	92	July 31,'05	92	91½	12,000
" registered			QFeb	....		....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	29,347,000	M & N	99⅞	July 31,'05	100	99¼	112,000
" Southw'n div. 1st g.3½s	1925	43,590,000	J & J	92⅛	July 31,'05	92⅛	91	241,000
" registered			Q J	92⅛	June23,'05	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	108½	July 13,'05	108½	108½	1,000
Cen. Ohio. Reorg. 1st c. g. 4½'s,	1930	1,009,000	M & S	109	Apr. 25,'05	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's	1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g.4's	1917	633,000	J & J	100	June23,'05	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	123	July 18,'05	123¼	123	9,000
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....		....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124½	Apr. 28,'05	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	126	Mar. 25,'05	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	4,305,000	J & J	99¼	July 26,'05	99¼	98½	43,000
registered			J & J	....		....	....	....

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.*
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	102⅛	July 31,'05	102⅜	102	52,000
" 2d mortg. 5's,	1913	6,000,000	M & S	107½	July 13,'05	107½	107¼	24,000
" registered			M & S	106	Apr. 19,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	94	Jan. 4,'05	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	119½	June 8,'05	....	....	....
" registered $1,000 & $5,000			F & A	....	....	....	....	....
" con. g. 5's	1945	16,700,600	M & N	115	July 29,'05	115	113¾	67,000
" con. g. 5's, reg. $1,000 & $5,000			M & N	107	June 14,'04	....	....	....
" 1st. pref. inc. g. 5's,	1945	4,000,000	OCT 1	96⅛	July 29,'05	96⅛	96	107,000
" 2d pref. inc. g. 5's	1945	7,000,000	OCT 1	86	July 31,'05	86	83½	566,000
" 3d pref. inc. g. 5's	1945	4,000,000	OCT 1	78¼	July 31,'05	78¼	73	440,000
" Chat. div. pur. my. g. 4's.	1951	2,057,000	J & D	93¾	July 12,'05	93¾	93	20,000
" Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04	....	....	....
" Mid. Ga. & Atl. div. g 5s.	1947	418,000	J & J	102	June 29,'99	....	....	....
" Mobile div. 1st g. 5's	1946	1,000,000	J & J	107¼	Aug. 2,'04	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1937	4,880,000	M & N	112	Apr. 8,'05	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	134	July 28,'05	134	133¾	6,000
" registered			Q J	135¼	June 16,'05	....	....	....
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	112	July 3,'05	112	112	3,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	104⅛	Mar. 17,'05	....	....	....
" con. extended gtd. 4½'s.	1910	12,175,000	Q M	101¾	July 21,'05	101¾	101¾	18,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	106	May 16,'05	....	....	....
" Mortgage gold 6's	1911	2,000,000	A & O	109⅛	July 31,'05	110	109⅛	3,000
" 1st con. g. 5's	1939	25,858,000	M & N	119⅜	July 27,'05	119¾	118	58,000
" registered			M & N	116¼	May 18,'05	....	....	....
" Gen. m. g. 4½'s	1992	39,573,000	M & S	109¼	July 31,'05	109¼	107¾	126,000
" registered			M & S	107½	June 27,'05	....	....	....
" Craig Val. 1st g. 5's	1940	650,000	J & J	113	Mar. 8,'05	....	....	....
" (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	102	July 26,'05	102	101⅛	13,000
" 2d con. g. 4's	1989	1,000,000	J & J	98	July 26,'05	98	98	3,000
" Warm S. Val. 1st g. 5's,	1941	400,000	M & S	113¼	Feb. 17,'05	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	95½	Sept. 30,'04	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	85	July 22,'05	86	84¾	57,000
" " registered			A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	79⅞	July 28,'05	80⅝	79¾	29,000
" registered			J & J	80¼	Mar 4,'05	....	....	....
Chicago, Burl. & Quincy:								
" Denver div. 4's	1922	4,783,000	F & A	103	July 5,'05	103	103	6,000
" Illinois div. 3½s	1949	50,835,000	J & J	96⅛	July 31,'05	96⅛	95¾	50,000
" registered			J & J	96⅛	Feb. 24,'05	....	....	....
" Illinois div. 4s	1949	10,306,000	J & J	105¾	Aug. 8,'04	....	....	....
" registered		....	J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's,	1919	2,388,000	A & O	110¼	Jan. 5,'05	....	....	....
" 4's	1919	7,882,000	A & O	101¾	June 22,'05	....	....	....
" Nebraska extensi'n 4's,	1927	25,071,000	M & N	107	July 25,'05	107	107	1,000
" registered			M & N	106¼	June 16,'05	....	....	....
" Southwestern div. 4's.	1921	2,500,000	M & S	100	Apr. 10,'05	....	....	....
" 4's joint bonds	1921	215,223,000	J & J	101⅜	July 31,'05	101⅞	101	1,602,000
" " registered			Q JAN	101⅛	July 28,'05	101⅝	101	155,000
" 5's, debentures	1913	9,000,000	M & N	106⅛	July 17,'05	106⅛	106⅛	1,000
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	112¾	June 1,'05	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	104⅞	July 27,'05	104⅞	104⅝	6,500
" small bonds			J & D	103½	July 8,'04	....	....	....
" 1st con. 6's, gold	1934	2,653,000	A & O	138⅛	July 21,'05	138⅛	138½	1,000
" gen. con. 1st 5's	1937	16,529,000	M & N	120¼	July 12,'05	120¼	120	4,000
" registered			M & N	119½	Mar. 2,'05	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	121¼	Apr. 20,'05	....	....	....
Chicago, Indianapolis & Louisville.								
" refunding g. 6's	1947	4,700,000	J & J	134	July 7,'05	134	134	3,000
" ref. g. 5's	1947	4,742,000	J & J	112	July 18,'05	112	112	4,000
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	111¾	June 29,'05	....	....	....
Chicago, Milwaukee & St. Paul.								
Chic. Mil. & St. Paul term. g. 5's.	1914	4,748,000	J & J	111½	June 29,'05	....	....	....
" gen. g. 4's, series A	1989	23,676,000	J & J	110½	July 25,'05	111	110½	7,000
" registered		....	Q J	109½	June 18,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
″ gen. g. 3½'s, series B.1989	2,500,000	J & J	99	July 11,'05	99	99	5,000
″ registered....................		J & J	....	....	....	....	....
″ Chic. & Lake Sup. 5's, 1921	1,360,000	J & J	116¾	Apr. 6,'05	....	....	....
″ Chic. & M. R. div. 5's, 1926	3,083,000	J & J	119⅝	May 20,'05	....	....	....
″ Chic. & Pac. div. 6's, 1910	3,000,000	J & J	111½	June15,'05	....	....	....
″ 1st Chic. & P. W. g. 5's.1921	25,340,000	J & J	115	July 21,'05	116¼	114¾	27,000
″ Dakota & Gt. S. g. 5's.1916	2,856,000	J & J	112	Mar. 7,'05	....	....	....
″ Far. & So. g. 6's assu...1924	1,250,000	J & J	137½	July 18,'98	....	....	....
″ 1st H'st & Dk. div. 7's, 1910	5,680,000	J & J	115⅜	May 17',05	....	....	....
″ 1st 5's 1910	990,000	J & J	106	Aug. 3,'04	....	....	....
″ 1st 7's, Iowa & D, ex. 1908	831,000	J & J	185	Apr. 26,'05	....	....	....
″ 1st 5's, La. C. & Dav...1919	2,500,000	J & J	115⅜	May 8,'05	....	....	....
″ Mineral Point div. 5's, 1910	2,840,000	J & J	106⅝	Apr. 3,'05	....	....	....
″ 1st So. Min. div. 6's....1910	7,432,000	J & J	109	July 25,'05	109	108½	23,000
″ 1st 6's, Southw'n div., 1909	4,000,000	J & J	108⅛	July 11,'05	108⅛	108⅛	1,000
″ Wis. & Min. div. g. 5's.1921	4,755,000	J & J	116½	June 9,'05	....	....	....
″ Mil. & N. 1st M. L. 6's.1910	2,155,000	J & D	112⅛	Apr. 17,'05	....	....	....
″ 1st con. 6's.............1913	5,092,000	J & D	116⅛	Jan. 5,'05	....	....	....
Chic. & Northwestern con. 7's...1915	12,832,000	Q F	127¼	May 29,'05	....	....	....
″ extension 4's.....1886–1926	18,632,000	F A 15	105¾	July 18,'05	105¾	105¾	10,000
″ registered..................		F A 15	102⅝	May 11,'04	....	....	....
″ gen. g. 3½'s...........1987	20,538,000	M & N	101	July 19,'05	101½	101	30,000
″ registered		Q F	103	Nov. 19,'98	....	....	....
″ sinking fund 6's..1879–1929	5,686,000	A & O	118	June13,'05	....	....	....
″ registered..................		A & O	117	Feb. 15,'05	....	....	....
″ sinking fund 5s'..1879–1929	6,769,000	A & O	110½	Apr. 3,'05	....	....	....
″ registered..................		A & O	111	July 25,'05	111	111	7,000
″ deben. 5's..............1909	5,900,000	M & N	104⅞	July 18,'05	105¾	104⅞	12,000
″ registered..................		M & N	104	Mar. 3,'04	....	....	....
″ deben. 5's..............1921	10,000,000	A & O	113¼	July 20,'05	113¼	113¼	11,000
″ registered..................		A & O	108¾	Jan. 12,'04	....	....	....
″ sinking f'd deben. 5's.1933	9,800,000	M & N	117	May 16,'05	....	....	....
″ registered..................		M & N	115½	Apr. 28,'05	....	....	....
Des Moines & Minn. 1st 7's.....1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...1905	1,600,000	M & S	104⅛	Mar. 16,'02	....	....	....
Northern Illinois 1st 5's........1910	1,500,000	M & S	105½	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..1909	1,600,000	M & S	105	May 29,'05	....	....	....
Winona & St. Peters 2d 7's.....1907	1,592,000	M & N	110¼	Mar. 28,'05	....	....	....
Mil., L. Shore & We'n 1st g. 6's.1921	5,000,000	M & N	127⅞	June14,'05	....	....	....
″ ext. & impt. s.f'd g. 5's1929	4,148,000	F & A	119¼	Nov. 15,'04	....	....	....
″ Ashland div. 1st g. 6's 1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
″ Michigan div. 1st g. 6's.1924	1,281,000	J & J	131½	Jan. 5,'05	....	....	....
″ con. deb. 5's...........1907	436,000	F & A	103	Apr. 8,'04	....	....	....
″ incomes...............1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...1917	12,500,000	J & J	121⅛	July 31,'05	121⅛	120¾	2,000
″ registered.............1917		J & J	123	May 22,'05	....	....	....
″ gen. g. 4's.............1988	61,581,000	J & J	105⅜	July 31,'05	106	105⅛	55,000
″ registered		J & J	107	Jan. 16,'03	....	....	....
″ refunding 4s..........1934	32,558,000	A & O	97¼	July 31,'05	97¼	96⅞	693,000
″ registered..................		A & O	....	....	....	....	....
″ coll. tr. ser. 4's.							
″ E.......................1907	1,494,000	M & N	....	....	....	....	....
″ F.......................1908	1,494,000	M & N	....	....	....	....	....
″ G.......................1909	1,494,000	M & N	....	....	....	....	....
″ H.......................1910	1,494,000	M & N	97	July14,'04	....	....	....
″ I.......................1911	1,494,000	M & N	97½	May 26,'05	....	....	....
″ J.......................1912	1,494,000	M & N	....	....	....	....	....
″ K.......................1913	1,494,000	M & N	....	....	....	....	....
″ L.......................1914	1,494,000	M & N	96¼	May 26,'05	....	....	....
″ M.......................1915	1,494,000	M & N	95	July 25,'05	95	95	10,000
″ N.......................1916	1,494,000	M & N	93	May 24.'04	....	....	....
″ O.......................1917	1,494,000	M & N	94	Dec. 5,'04	....	....	....
″ P.......................1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..2002	69,929,000	M & N	83	July 31,'05	83	82⅛	2,171,000
″ registered..................		M & N	76½	Sept. 14,'04	....	....	....
″ coll. trust g. 5's.......1913	17,328,000	M & S	94½	July 29,'05	94¾	94	782,000
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	101½	July 28,'05	101½	101	6,000
″ con. 1st & col. tst 5's.1934	11,000,000	A & O	121	July 17,'05	121	121	1,000
″ registered..................		A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.1921	1,905,000	A & O	112½	Sept. 26,'04	....	....	....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	40	Aug. 24,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....1919	5,500,000	J & J	110⅛	Apr. 17,'05	....	....	....
″ con. g. 5's.............1952	5,411,000	J & J	115	Apr. 20,'05	....	....	....
Keokuk & Des M. 1st mor. 5's..1923	2,750,000	A & O	110	July 12,'05	110	110	3,000
″ small bond 1923	....	A & O	102½	Apr. 26,'04	....	....	....

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.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Chic., St. P., Minn. & Oma. con. 6's	1930	14,743,000	J & D	137⅛	July 21,'05	137⅛	137⅛	1,000
• con. 6's reduced to 3½'s	1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,816,000	M & N	135⅝	Apr. 24,'05	....	....	....
North Wisconsin 1st mort. 6's	1930	854,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	125	June 21,'05	....	....	....
Chic., Term. Trans. R. R. g. 4's	1947	15,135,000	J & J	96¼	July 26,'05	97	96¼	8,000
• coupons off				94¼	July 28,'05	98	94	117,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,250,000	Q M	115	July 31,'05	115¾	115	27,000
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	104½	Dec. 5,'03	....	....	....
• 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	116	May 9,'05	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's	1923	1,150,000	M & N	....	....	....	....	....
Cin. Ind. & Wn. 1st & ref. gtd g. 4's	1953	4,672,000	J & J	96¾	July 13,'05	96¾	96¾	10,000
Clev., Cin., Chic. & St. L. gen. g. 4's	1993	19,749,000	J & D	103⅛	July 31,'05	103⅛	102	103,000
• do Cairo div. 1st g. 4's	1939	5,000,000	J & J	100¼	July 17,'05	100⅜	100	7,000
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	100⅜	Mar. 21,'05	....	....	....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	102¼	July 6,'05	102¼	102¼	3,000
• registered				100	Oct. 3,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	99¾	Feb. 8,'05	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94½	Aug. 31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,599,000	Q F	103	July 7,'05	103	103	3,000
• registered				102½	July 8,'05	102½	102½	5,000
• con. 6's	1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	112⅝	July 5,'05	112⅝	112⅝	5,000
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	121¾	June 24,'05	....	....	....
• sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
• gen. consol 6's	1934	3,205,000	J & J	131¾	July 3,'05	131¾	131¾	2,000
• registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	101	July 28,'05	101	100⅜	50,000
• income 4's	1990	4,000,000	A	74¾	July 31,'05	74¾	73	151,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	116½	Jan. 23,'05	....	....	....
• registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	75	July 31,'05	75¾	73	351,000
Colorado & Southern 1st g. 4's	1929	19,103,000	F & A	96½	July 31,'05	96½	94¾	1,200,000
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	108	Mar. 15,'05	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	126¼	June 29,'05	....	....	....
• 1st c. gtd 7's	1915	11,677,000	J & D	128½	July 6,'05	128½	128½	5,000
• registered			J & D	127	June 23,'05	....	....	....
• 1st refund. gtd. g. 3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	130½	June 23,'05	....	....	....
• const. 5's	1923	5,000,000	F & A	112⅛	May 9,'05	....	....	....
• terml. imp. 4's	1923	5,000,000	M & N	104	May 10,'05	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	105⅞	July 22,'05	108	105⅞	3,000
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's	1917	5,000,000	M & S	134	May 2,'04	....	....	....
• reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	103¼	June 8,'05	....	....	....
• 6's	1906	7,000,000	A & O	102	June 12,'05	....	....	....
Rens. & Saratoga 1st 7's	1921	2,000,000	M & N	142½	Mar. 10,'05	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	101	July 29,'05	101	100½	86,500
• con. g. 4½'s	1936	6,382,000	J & J	108	Apr. 25,'05	....	....	....
• impt. m. g. 5's	1928	8,318,500	J & D	108	July 27,'05	108	107½	3,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	99½	July 29,'05	99½	98	69,000
• mge. & col. tr. g. 4's ser. A	1949	13,336,000	A & O	91¾	July 18,'05	91¾	91¾	2,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	110	Sept. 30,'04	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	100	Sept. 13,'04	....	....	....
• g. 4s	1995	1,250,000	J & D	95⅛	July 11,'05	95⅛	95⅛	1,000
Detroit Southern 1st g. 4's	1951	3,866,000	J & D	81¾	Mar. 1,'05	....	....	....
• Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	92½	July 31,'05	94	92½	48,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	115	July 12,'05	115	115	7,000
• registered			A & O	101½	July 23,'89	....	....	....
• 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	3,816,000	J & J	116	June 29,'05	....	....	....
Duluth Short Line 1st gtd. 5's	1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	120¾	July 29,'05	120¾	120	21,000

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.	July Sales High.	July Sales Low.	July Sales Total.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	108¾	July 14,'05	108¾	108¾	1,000
" 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
" 3d extended g. 4½'s	1923	4,617,000	M & S	110½	June 26,'05	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	114½	July 5,'05	114½	114½	2,000
" 5th extended g. 4's	1928	709,500	J & D	103	Feb. 17,'05	....	....	....
" 1st cons. gold 7's	1920	16,890,000	M & S	134½	May 22,'05	....	....	....
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g. 4s prior bds.	1996	35,000,000	J&J	101¾	July 31,'05	101¾	100½	172,000
" registered			J&J	98½	Jan. 21,'04	....	....	....
" 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	93¾	July 31,'05	93⅞	92	283,000
" registered			J&J	88	Nov. 15,'04	....	....	....
" Penn. col. trust g. 4's.	1951	33,000,000	F & A	98⅝	July 31,'05	98⅝	96¼	144,000
" 50 yrs. con. g. 4's ser A.	1953	10,000,000	A & O	106	July 31,'05	108⅞	105½	604,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	126½	Mar. 13,'05	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	110	Mar. 3,'05	....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	123	July 24,'05	123	122½	26,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	104	July 31,'05	104	103	4,000
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June 12,'05	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July 25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	116	June 9,'05	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	117	July 20,'05	117	117	2,000
" small				117	July 20,'05	117	117	1,000
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¼	June 15,'05	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	116	Apr. 1,'05	....	....	....
" 2d g. 4½'s	1937	447,000	F & A	104	June 26,'05	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	110½	May 13,'05	....	....	....
" term. 1st g. 5's	1943	2,000,000	M & N	117½	Jan. 19,'05	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109⅝	Jan. 5,'05	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Apr. 19,'05	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	124	June 19,'05	....	....	....
" 1st General g 5's	1942	2,672,000	A & O	110¾	July 18,'05	111	110¾	10,000
" Mount Vernon 1st 6's	1923	375,000	A & O	114	Apr. 19,'05	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
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	......	114¾	July 31,'05	114¾	109¾	267,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	90	July 25,'05	90	90	4,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102½	May 19,'05	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,937,000	J & J	102½	July 27,'05	102⅞	102	32,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	110½	July 28,'05	110½	109¾	25,000
" registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100½	July 13,'05	100½	100½	500
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	110¼	June 13,'05	....	....	....
" registered			J&J	113½	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102½	July 31,'05	102½	102½	1,000
" registered			J&J	94	Mar. 28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	101½	May 22,'05	....	....	....
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	108	July 21,'05	108	108	2,000
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	106	July 29,'05	106	105½	5,000
" registered			M & N	106½	July 11,'05	106½	106½	1,000
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....		....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	95¾	May 10,'05	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" Omaha div. 1st g. 3's	1951	5,000,000	F & A	86	Jan. 12,'05	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	84	July 28,'05	84	84	10,000
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	96	Mar. 15,'05	....	....	....
" registered			J & J	101½	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	109½	May 26,'05	....	....	....
" registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt. 1st 6's	1923	470,000	J & D	122	July 7,'04	122	122	1,000
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	124	June 22,'05	....	....	....
" gold 5's, registered			J D 15	119¾	Mar. 12,'04	....	....	....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	JULY SALES. High.	Low.	Total.
" g. 3½'s.......1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered........		J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's, 1951	3,500,000	J & D	110¼	Jan. 4,'05	....	....	....
" registered........		J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's, 1931	538,000	M & S	101⅛	Mar. 16,'05	....	....	....
Ind., Dec. & West. 1st g. 5's......1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
" 1st gtd. g. 5's..........1935	938,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..1950	4,850,000	J & J	99¾	July 27,'05	99¾	99¾	1,000
Internat. & Gt. N'n 1st. 6's, gold.1919	11,291,000	M & N	121⅛	July 27,'05	121⅛	119	18,000
" 2d g. 5's..........1909	10,391,000	M & S	102¾	July 31,'05	102¾	102	43,000
" 3d g. 4's..........1921	2,960,500	M & S	80	June16,'05	....	....	....
Iowa Central 1st gold 5's.........1938	7,650,000	J & D	113	July 11,'05	113	113	8,000
" refunding g. 4's...1951	2,000,000	M & S	85	Apr. 11,'05	....	....	....
Kansas City Southern 1st g. 3's..1950	30,000,000	A & O	72⅝	July 31,'05	72⅝	71⅛	1,155,000
" registered........		A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	118	July 12,'05	118	118	6,000
" 2d mtge. g. 5's..........1941	3,625,000	J & J	114¾	July 31,'05	114¾	114½	3,000
Northern Ohio 1st gtd g 5's... 1945	2,500,000	A & O	120	Feb. 20,'05	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J&J	112⅛	June23,'05	....	....	....
" registered........	....	J&J	105	Jan. 6,'04	....	....	....
Lehigh Val. (Penn.) g. c. g. 4's..2003	20,100,000	M & N	....	....	....	....	....
" registered........		M & N			....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	119¼	May 18,'05	....	....	....
" registered........		A & O	109⅛	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	10,114,000	J & J	115	June 9,'05	....	....	....
" registered..........1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	99	Jan. 3,'05	....	....	....
" registered........		M&S			....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	106¼	Nov. 3,'04	....	....	....
" " g. gtd 5's.......1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's..........1931	3,610,000	Q J	117¼	Apr. 10,'05	....	....	....
" 1st con. g. 4's..........1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's..........1938	3,000,000	J & D	101⅛	July 29,'05	101⅛	100⅞	11,000
" Ferry 1st g. 4½'s......1922	1,494,000	M & S	105	Jan. 18,'05	....	....	....
" g. 4's..........1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
" unified g. 4's..........1949	6,860,000	M & S	100⅛	July 18,'05	102⅝	100⅛	32,000
" deb. g. 5's........1934	1,135,000	J & D	110	June22,'04	....	....	....
" gtd. refunding g. 4's..1949	17,891,000	M & S	102¾	July 31,'05	102¾	102	79,000
" " registered........		M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....	....	....	....	....
" 1st 5's..........1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's...1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's, 1927	883,000	M & S	111⅝	May 26,'05	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,425,000	Q JAN	112⅛	July 7,'05	112⅛	112⅛	6,000
Louisiana & Arkan. Ry. 1st g. 5's.1927	2,724,000	M & S	105¾	July 28,'05	105¾	105⅝	27,000
Louis. & Nash. gen. g. 6's.......1930	7,875,000	J & D	120	July 13,'05	120	120	1,000
" gold 5's..........1937	1,764,000	M & N	118¾	May 23,'05	....	....	....
" Unified gold 4's........1940	34,562,000	J & J	104½	July 31,'05	104¾	103	192,000
" registered..........1940		J & J	101⅞	June18,'94	....	....	....
" collateral trust g. 5's, 1931	5,129,000	M & N	114	Apr. 1,'05	....	....	....
" 5-20yr. col. tr. deed g. 4's.1923	23,000,000	A A O	99⅝	July 28,'05	99⅝	99	243,000
" E., Hend. & N. 1st 6's..1919	1,675,000	J & D	114¼	June 6,'05	....	....	....
" L. Cin. & Lex. g. 4½'s...1931	3,258,000	M & N	109	Mar. 6,'05	....	....	....
" N. O. & Mobile 1st g. 6's..1930	5,000,000	J & J	132	June23,'05	....	....	....
" 2d g. 6's..........1930	1,000,000	J & J	126⅛	Feb. 17,'05	....	....	....
" Pensacola div. g. 6's...1920	580,000	M & S	114	Apr. 26,'02	....	....	....
" St. Louis div. 1st g. 6's.1921	3,500,000	M & S	121⅛	May 2,'05	....	....	....
" 2d g. 3's..........1980	3,000,000	M & S	115¼	Mar. 7,'05	....	....	....
" At. Kx. & N. R. 1st g. 5's.1946	1,000,000	J & D	112⅛	Nov.16,'04	....	....	....
" H. B'ge 1st sk'fd. g6's.1931	1,453,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......1987	6,742,000	J & J	100¾	May 26,'05	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s..........1945	4,000,000	M & S	110	Feb. 3,'05	....	....	....
" South. Mon. joint 4's.1952	11,827,000	J & J	96	July 28,'05	97	96	42,000
" registered........		Q Jan	95	Feb. 6,'05	....	....	....
" N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	115	Mar. 3,'05	....	....	....
" Pen. & At. 1st g. g. 6's, 1921	2,394,000	F & A	112⅛	Mar. 23,'05	....	....	....
" S. & N. A. con. gtd. g. 5's.1936	3,673,000	F & A	116¼	Jan. 18,'05	....	....	....
" So. & N. Ala. si'fd. g. 6s.1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.1945	3,000,000	M & S	98⅝	Oct. 26,'04	....	....	....
Manhattan Railway Con. 4's.....1990	28,065,000	A & O	104¾	July 28,'05	104¾	104¼	32,000
" registered........		A & O	104	Apr. 5,'05	....	....	....
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	109	June28,'05	....	....	....
Manitoba Swn. Coloniza n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central, con. mtge. 4's.1911	65,690,000	J & J	77¼	July 31,'05	79	77	188,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	23⅝	July 31,'05	23⅝	21⅛	307,000

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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.*
• 2d 3's	1939	11,724,000	JULY	14⅛	July 31,'05	14⅛	12⅛	175,000
• equip. & collat. g. 5's	1917	550,000	A & O	....	....	....	....	....
• 2d series g. 5's	1919	665,000	A & O	....	....	....	....	....
• col.trust g.4½'s1st se of	1907	10,000,000	F & A	99½	July 26,'05	99½	97½	56,000
Mexican Internat'l 1st con g. 4's,	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
• stamped gtd		3,621,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	963,000	J & D	....	....	....	....	....
• registered			J & D	105	May 2,19'	....	....	....
Midland Term'l Ry. 1st g.s.f.5's	1925	472,000	J & D	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	137	June29,'05	....	....	....
• Iowa ext. 1st g. 7's	1909	1,015,000	J & D	108¾	June13,'05	....	....	....
• Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120¼	Apr. 19,'05	....	....	....
• Southw. ext. 1st g. 7's	1910	636,000	J & D	113¼	Mar. 10,'05	....	....	....
• 1st con. g. 5's	1934	5,000,000	M & N	114¾	June13,'05	....	....	....
• 1st & refunding g. 4's	1949	9,350,000	M & S	97⅛	July 25,'05	97⅛	96¾	14,000
DesMoines&Ft.Dge1stgtd g.4's	1935	3,072,000	J & J	96	July 31,'05	96¼	96	99,000
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	32,055,000	J & J	101⅛	July 31,'05	101¼	101⅛	25,000
• stamped pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
• stamped pay. of int. gtd.				89⅝	June18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	102	July 31,'05	102	101¼	104,000
• 2d mtge. g. 4's	1990	20,000,000	F & A	88¾	July 31,'05	88¾	86½	380,000
• 1st ext gold 5's	1944	3,254,000	M & N	106¼	July 31,'05	106⅜	105⅛	109,000
St. Louis div. 1st refundg 4s	2001	1,915,000	A & O	91⅛	July 28,'05	92¼	91⅛	7,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	105¼	Dec. 22,'04	....	....	....
Kan. City & Pac. 1st g. 4s	1990	2,500,000	F & A	96¼	July 24,'05	96⅜	95	13,000
Mo., Kan. & East. 1st gtd. g. 5s.	1942	4,000,000	A & O	114	June13,'05	....	....	....
Mo.,Kan.& Ok. 40 yr. 1st gtd.5s.	1942	5,468,000	M & N	107⅛	July 29,'05	107⅛	106½	161,000
Mo.,K.& Tex.of Tex.1stgtd.g.5s	1942	4,505,000	M & S	108½	July 28,'05	108⅛	107	101,000
Sher., Shreve.& So. 1st gtd.g.5s.	1943	1,689,000	J & D	106⅝	July 28,'05	106⅝	106⅝	1,000
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	106	June 5,'05	....	....	....
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	121⅝	July 21,'05	121⅞	121⅛	7,000
• 3d mortgage 7's	1906	3,828,000	M & N	104¾	July 7,'05	104¾	104¾	6,000
• trusts gold 5's stamp'd	1917	14,376,000	M & S	108½	July 25,'05	108½	107	38,000
• registered			M & S	....	....	....	....	....
• 1st collateral gold 5's.	1920	9,636,000	F & A	109½	July 26,'05	109½	108½	9,000
• registered			F & A	....	....	....	....	....
• forty yrs. 4's g. loan.	1945	25,000,000	......	95⅛	July 31,'05	96	94¾	104,000
Cent. Branch Ry. 1st gtg. g. 4's.	1919	3,459,000	F & A	98½	July 20,'05	98⅛	97¼	3,000
Leroy & Caney Val. A. L. 1st 5's.	1926	520,000	J & J	110	Mar. 13,'05	....	....	....
Pacific R. of Mo. 1st m. ex. 4's.	1938	7,000,000	M & S	105	July 18,'05	105	105	1,000
• 2d extended g. 5's	1938	2,573,000	F & A	118¾	June13,'05	....	....	....
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,709,000	A & O	116⅛	July 28,'05	116⅞	115⅞	52,000
• stamped gtd gold 5's	1931	6,532,000	A & O	109¾	Oct. 21,'03	....	....	....
• unify'g & rfd'g g. 4's.	1929	30,347,000	J & J	94	July 29,'05	95¼	93¾	305,000
• registered			J & J	87¼	Apr. 23,'04	....	....	....
• Riv&Gulf divs 1stg 4s.	1933	21,177,000	M & N	95⅞	July 28,'05	96	95⅛	84,000
Verdigris V'y Ind. & W. 1st 5's.	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111⅛	Mar. 8,04'	....	....	....
• small		226,000	J & J	90	Feb. 4,'03	....	....	....
• mtg. g. 4's	1945	700,000	J & J	93¼	Apr. 6,'05	....	....	....
• small		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson&Kan.City 1stg.5's.	1946	1,882,000	J & D	99	July 24,'05	99⅛	97	13,000
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	125¾	June 7,'05	....	....	....
• 1st extension 6's	1927	974,000	J & D	126	June19,'05	....	....	....
• gen. g. 4's	1938	9,472,000	Q J	96⅛	May 12,'05	....	....	....
• Montg'rydiv.1st g.5's.	1947	4,000,000	F & A	114¾	Apr. 20,'05	....	....	....
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	....	....	....
• collateral g. 4's	1930	2,494,000	Q F	95	Feb. 20,'05	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	121⅛	July 31,'05	121⅛	120¼	7,000
• 1st cons. g. 5's	1928	7,566,000	A & O	115	June14,'04	....	....	....
• 1st g.6's Jasper Branch.	1923	371,000	J & J	120⅛	July 11,'05	120⅛	120⅛	1,000
• 1st 6's McM. M.W. & Al.	1917	750,000	J & J	117¼	Mar. 6,'05	....	....	....
• 1st 6's T. & Pb	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat.R.R.of Mex.priorlieng.4½'s.	1926	20,000,000	J & J	105⅛	May 11,'05	....	....	....
• 1st con. g. 4's	1951	22,000,000	A & O	82	July 31,'05	82⅜	81⅝	161,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108⅛	Aug.13,'04	....	....	....
N.Y. Cent. & Hud. R. g. mtg.3½s.	1997	83,946,000	J & J	99½	July 31,'05	99½	98¾	199,000
• • registered			J & J	99⅝	July 31,'05	99⅝	99⅝	5,000
• deb. g 4s	1934	30,000,000	M & N	101⅜	July 31,'05	101⅜	101	363,000
• • registered			M & N	102	July 8,'05	102	102	5,000
Lake Shore col. g. 3½s	1998	90,578,000	F & A	92⅛	July 28,'05	92⅛	91½	131,000
• registered			F & A	89	July 31,'05	90⅞	89	19,000
Michigan Central col. g. 3½s.	1998	19,836,000	F & A	91⅛	July 31,'05	91⅛	91⅛	42,000
• registered			F & A	90	July 19,'05	90	90	35,000
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	105⅝	July 8,'05	105⅝	105⅝	2,000
• registered			J & J	102	Mar. 31,'03	....	....	....

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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.
〃 2d gtd. g. 5's	1936	500,000	J & J					
〃 registered			J & J					
〃 ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O					
〃 registered			A & O					
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D					
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23,'04			
〃 small bonds series B		33,000	J & J					
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D					
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'			
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02			
〃 reg. certificates			F & A					
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	106	Mar. 2,'05			
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O					
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	108⅞	July 28,'05	109½	107½	37,000
〃 registered			J & J	107½	July 29,'05	108⅜	107½	48,000
Lake Shore g 3½s	1997	50,000,000		100½	July 11,'05	100½	100⅛	7,000
〃 registered			J & D	99½	June 2,'05			
〃 deb. g. 4's	1928	40,000,000	M & S	102¼	July 31,'05	102¼	101⅛	419,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	102	May 22,'05			
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J					
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	May 22,'05			
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03			
〃 2d gtd 6's	1934	900,000	J & J					
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J					
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04			
〃 5's	1931	3,576,000	M & S	124	Feb. 3,'05			
〃 5's reg	1931		Q M	119	June 6,'05			
〃 4's	1940	2,600,000	J & J	106	July 1,'05	106	106	1,000
〃 4's reg			J & J	106½	Nov. 26,19'			
〃 g. 3½'s sec. by 1st mge. on J. L. & S.		1,900,000	M & S					
〃 1st g. 3½'s	1952	13,000,000	M & N	96¼	May 26,'04			
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D					
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	105⅛	Mar. 2,'05			
〃 7's registered	1900		M & N	102¾	Apr. 6,19'			
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Mar. 31,'05			
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	118⅛	July 20,'05	118⅛	118⅛	8,000
coup. g. bond currency			A & O					
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02			
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N					
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107½	Feb. 4,'05			
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105	July 26,'05	105½	105	9,000
〃 registered			A & O	101	Mar. 28,'03			
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03			
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94			
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	20,000,000	M & S	104	July 27,'05	104½	103⅞	76,000
〃 registered.......$5,000 only.			M & S	103½	Jan. 17,'05			
Norfolk & Southern 1st g. 5's	1941	1,500,000	M & N	111¼	Feb. 6,'05			
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Jan. 23,'05			
〃 imp'ment and ext. 6's	1934	5,000,000	F & A	132½	May 16,'05			
〃 New River 1st 6's	1932	2,000,000	A & O	132½	Dec. 28,'04			
Norfolk & West. Ry. 1st con. g. 4s	1996	40,400,500	A & O	103½	July 28,'05	103½	102½	230,000
〃 registered			A & O	99¾	June 18,'03			
〃 small bonds			A & O					
〃 div. 1st lien & gen g. 4s	1944	8,000,000	J & J	99½	July 27,'05	99½	98⅞	35,000
〃 〃 registered			J & J					
〃 Pocahon C. & C. Co. jt. 4's	1941	20,000,000	J & D	97½	July 31,'05	97¾	95½	287,000
〃 C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	109½	Feb. 20,'05			
〃 Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	103	July 28,'05	103	102	9,000
N.P. Ry prior ln ry. & ld. gt. g. 4's	1997	101,392,500	Q J	105⅞	July 31,'05	106⅝	105¼	454,000
〃 registered			Q J	104¾	June 19,'05			
〃 gen. lien g. 3's	2047	56,000,000	Q F	78⅛	July 31,'05	78⅛	76¾	211,000
〃 registered			Q F	76	July 11,'05	76	76	3,000
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	100	Mar. 24,'05			
〃 registered			J & D					
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125½	Apr. 24,'05			
〃 registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03			
〃 2d 5's	1917	2,000,000	A & O	109	June 27,'05			
〃 1st con. g. 4's	1968	1,000,000	J & D	99½	July 10,'05	99½	99½	4,000
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	92½	Apr. 14,'05			
Nor. Pacific Term. Co. 1st g. 6's	1933	3,587,000	J & J	116⅜	June 14,'05			
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	118¼	Feb. 2,'05			
〃 gen. mortg. g 6's	1937	2,428,000	A & O	111½	June 13,'05			
Ozark & Cher. Cent. Ry. 1st gtd g 5s	1913	2,880,009	A & O	101¼	July 25,'05	101¼	100¼	26,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	114¾	July 26,'05	114¾	112¼	10,000

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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.*
Panama 1st sink fund g. 4½'s	1917	2,371,000	A & O	103	Apr. 11,'05	....	....	....
″ s. f. subsidy g 6's	1910	715,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108½	July 26,'05	109	108¼	24,000
″ reg	1921		J & J	106	Jan. 13,'05	....	....	....
″ gtd.3½ coi.tr.reg. cts.	1937	4,843,000	M & S	98	July 16,'04	....	....	....
″ gtd.3½ col.tr.cts.serB	1941	9,687,000	F & A	94	July 5,'05	94	94	2,000
″ Trust Co.ctfs.g.3½'s.	1916	15,998,000	M & N	98	July 10,'05	98	98	3,000
″ gtd. g. 3½'s tr. cts. s.C.	1942	5,000,000	J & D	....	....	....	....	....
″ gtd. g. 3½'s tr. cts.s.D.	1944	10,000,000	J & D	....	....	....	....	....
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	120	June19,'05	....	....	....
″ registered		....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug.21,'03	....	....	....
″ Series B	1942	1,561,000	A & O	....	....	....	....	....
″ ″ int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
″ Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
″ Series D 3½s	1950	1,990,000	F & A	96	Jan. 8,'04	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,240,000	J & J	102	Nov. 7,19'	....	....	....
″ ″ ″ C.	1940	2,218,000	J & J	98¾	Apr. 4,'04	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
″ Series A	1940	10,000,000	A & O	113	June 7,'05	....	....	....
″ Series B gtd	1942	8,786,000	A & O	113½	July 21,'05	113½	113½	1,000
″ Series C gtd	1942	1,379,000	M & N	112½	June12,'05	....	....	....
″ Series D gtd. 4's	1945	4,983,000	M & N	103	June14,'05	....	....	....
″ Series E gtd. g. 3½s	1949	10,257,000	F & A	93	May 25,'05	....	....	....
″ Series F c. gtd. g. 4's.	1953	9,000,000	J & D	....	....	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,219,000	J & J	127⅝	Oct. 21,'02	....	....	....
″ 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03	....	....	....
″ 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04	....	....	....
Tol Walhonding Vy.&O.1st gtd.bds								
4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
″ 4½'s series B	1933	978,000	J & J	....	....	....	....	....
″ 4's series C	1942	1,453,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	107	Feb. 28,'05	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept.21,'04	....	....	....
″ registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	2,769,000	M & N	106	Aug.28,'03	....	....	....
″ ten year conv. 3½'s.	1912	20,523,000	M & N	104¼	July 31,'05	104¾	103¾	316,000
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	110	Aug.28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J	....	....	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	110	Jan. 19,'05	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's,	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111¼	June 5,'05	....	....	....
Phila. Balto. & Wash. 1st g. 4's.	1943	10,570,000	M & N	109⅜	July 18,'05	109⅜	109	29,000
″ registered			M & N	....	....	....	....	....
Pitts.Va.&Charl.Ry1stgtdg.4's.	1943	6,000,000	M & N	....	....	....	....	....
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept.28,04'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	123⅛	Jan. 18,'05	....	....	....
″ 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04	....	....	....
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr.28,'02	....	....	....
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	121¾	July 31,'05	121¾	121¾	3,000
″ 1st con. gold 5's	1939	2,850,000	M & N	113	July 21,'05	113	113	1,000
″ Port Huron d 1st g 5's.	1939	3,325,000	A & O	114	June15,'05	....	....	....
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'98	....	....	....
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	121	July 24,'05	121	119	20,000
″ 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	116	May 24,'05	....	....	....
Reading Co. gen. g. 4's	1997	66,232,000	J & J	102⅛	July 31,'05	102¼	101½	364,000
″ registered			J & J	100	Jan. 27,'05	....	....	....
″ Jersey Cent. col. g. 4's.	1957	23,000,000	......	100¾	July 28,'05	102	100½	79,000
″ ″ registered		....	......	....	....	....	....	....
Atlantic City 1st con. gtd. g.4's.	1951	1,063,000	M & N	....	....	....	....	....
Philadelphia & Reading con.6's.	1911	7,304,000	J & D	113¼	Feb. 25,'05	....	....	....
″ registered		663,000	J & D	....	....	....	....	....
″ 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
″ ″ registered		3,339,000	J & D	118	Jan. 7,'05	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	2,000,000	J & D	109	Mar. 11,'05	....	....	....
Rio Grande Southern 1st g. 4's.	1940	2,233,000	J & J	76	June28,'05	....	....	....
″ guaranteed		2,277,000	......	89	Jan. 4,'05	....	....	....

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Rutland RR 1st con. g. 4½ s 1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	99	June23,'05	....	....	....
Rutland Canadian 1stgtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4-2.......1947	3,500,000	J & J	95⅞	June30,'05	....	....	....
St. L. & Adirondack Ry. 1st g.5's.1996	800,000	J & J	....	....	....	....	....
" 2d g. 6's...............1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	103	June14,'05	....	....	....
" 2d g. 6's, Class C 1906	829,000	M & N	104⅛	Feb. 21,'05	....	....	....
" gen. g. 6's............1931	3,681,000	J & J	131	May 26,'05	....	....	....
" gen. g. 5's 1931	5,803,000	J & J	114	July 18,'05	114	114	1,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	82	July 29,'05	82	81½	635,000
" S. W. div. g. 5's........1947	829,000	A & O	102	July 28,'05	102	102	1,000
" refunding g. 4's.......1951	58,997,000	J & J	88⅝	July 31,'05	89½	88½	433,000
" " registered...		J & J	....	....	....	....	....
" 5 year 4½'s gold notes.1908	5,728,000	J & D	96	Dec. 8,'04	....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	125	July 26,'05	125	125	2,000
Kan.Cy Ft.S&MRyrefggtd g4s.1936	16,853,000	A & O	89¾	July 31,'05	89⅞	88⅞	172,000
" registered...............		A & O	78½	Jan. 14,'04	....	....	....
Kan.Cy&M.R.&B.Co.1stgtdg5s.1929	3,000,000	A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	99	July 31,'05	99	98½	126,000
" 2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	84¼	July 6,'05	84¼	84¼	13,000
" con. g. 4's.... 1932	16,678,000	J & D	82	July 31,'05	82	82	10,000
Gray'sPoint,Term.1stgtd.g.5's.1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	6,790,000	A & O	113	July 19,'05	113	113	25,000
" 1st con. 6's............1933	13,344,000	J & J	138¼	July 28,'05	138¼	138¼	8,000
" 1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g. 4½'s...	19,322,000	J & J	111½	July 5,'05	111½	111½	1,000
" 1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
" Dakota ext'n g. 6's...1910	5,073,000	M & N	110½	May 19,'05	....	....	....
" Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	104	July 8,'05	104	104	1,000
" registered.................		J & D	106	May 6,'01	....	....	....
" Pac.Ext.sterl.gtd.4s..1940 $5=£1.	£4,000,000	J & J	....	....	....	....	....
EasternR'yMinn,1std.1stg.5's..1908	4,700,000	A & O	104¾	Mar. 8,'05	....	....	....
" registered..............		A & O	....	....	....	....	....
" Minn. N. div. 1stg.4's..1940	5,000,000	A & O	....	....	....	....	....
" registered................		A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	124	May 4,'05	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Jan. 25,'05	....	....	....
" 1st 6's, registered.........		J & J	134¾	Dec. 20,'04	....	....	....
" 1st g. g. 5's............ 1937	4,000,000	J & J	118⅛	Feb. 20,'05	....	....	....
" registered...............		J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
" registered...............		J & D	....	....	....	....	....
Salt Lake City 1st g. s. f. 6's......1913	297,000	J & J	....	....	....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's, 1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	108	May 10,'05	....	....	....
Seaboard Air Line Ry g. 4's......1950							
" registered..................	12,775,000	A & O	90	July 31,'05	90	89¼	100,000
" col. trust refdg g. 5's..1911		A & O	....	....	....	....	....
Carolina Central 1st con. g. 4's.1949	10,000,000	M & N	104½	July 27,'05	104½	103½	30,000
Fla Cent & Peninsular 1st g.5's.1918	2,847,000	J & J	99	Mar. 20,'05	....	....	....
" 1st land grant ext g.5's.1930	3,000,000	J & J	109	Feb. 2,'05	....	....	....
" cons. g. 5's.............1943	410,000	J & J	....	....	....	....	....
Georgia & Alabama 1st con.5's.1945	4,370,000	J & J	109¼	Mar. 3,'05	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's.1929	2,922,000	J & J	112½	June26,'05	....	....	....
Seaboard & Roanoke 1st 5's....1926	5,360,000	J & J	110	Jan. 16,'05	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	2,500,000	J & J	....	....	....	....	....
Southern Pacific Co.	500,000	J & J	102	Jan. 20,'03	....	....	....
" g. 4's Central Pac. coll..1949	28,818,500	J & D	94⅜	July 31,'05	94⅝	93	174,500
" " registered......		J & D	94	May 4,'05	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	109½	Feb. 3,'05	....	....	....
Cent. Pac. 1st refud. gtd.g.4's..1949	76,351,000	F & A	102½	July 31,'05	102¾	101¾	475,000
" registered...............		F & A	98	Apr. 7,'05	....	....	....
" mtge. gtd. g. 3½'s...1929	17,493,000	J & D	88¼	July 21,'05	89	88	73,000
" " registered		J & D	....	....	....	....	....
" throughSL1stgtdg.4's.1954	8,300,000	A & O	....	....	....	....	....
" registered...............		A & O	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	108⅛	Mar. 1,'05	....	....	....
" Mex. & P. div 1st g 5's.1931	13,418,000	M & N	115	Feb. 24,'05	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.1924	1,514,000	M & N	107⅛	June 3,'05	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	105½	Jan. 27,'05	....	....	....
" 1st gtd. g. 5's...........1933	2,199,000	M & N	107¼	Feb. 20,'05	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	4,842,000	J & J	112¾	June 7,'05	....	....	....

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• con. g 6's int. gtd.	1912	2,430,000	A & O	113	Dec. 15,'04	....	....	....
• gen. g 4's int. gtd.	1921	4,275,000	A & O	100	July 11,'05	100	100	2,000
• W&Nwn. div. 1st. g. 6's.	1930	1,105,000	M & N	127½	Feb. 27,'02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....		....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Dec. 6,'04	....	....	....
• 1st 7's	1918	5,000,000	A & O	129½	Nov. 5,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept. 14,'04	....	....	....
• gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,235,000	J & J	104½	June 13,'05	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	88½	July 31,'05	89	88	111,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	108¼	Apr. 14,'05	....	....	....
• • •	1910	4,000,000	J & J	109⅜	Jan. 6,'05	....	....	....
• of Cal. 1st g 6's ser. B	1905	16,738,500	A & O	103	June 19,'05	....	....	....
• • • C. & D.	1906		A & O	104½	Dec. 22,'04	....	....	....
• • • E. & F.	1902		A & O	115	Mar. 17,'05	....	....	....
• • •	1912		A & O	116	June 29,'04	....	....	....
• 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
• stamped	1905-1937	21,470,000	......	108⅝	July 11,'05	108⅝	108⅝	1,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....		....	....	....
• of N. Mex. c. 1st 6's	1911	4,180,000	J & J	109½	Feb. 23,'05	....	....	....
Tex. & New Orleans 1st 7's	1905	862,000	F & A	102½	July 13,'05	102½	102½	1,000
• Sabine div. 1st g 6's	1912	2,575,000	M & S	112½	Feb. 24,'05	....	....	....
• con. g 5's	1943	1,620,000	J & J	108½	Mar. 4,'05	....	....	....
Southern Railway 1st con. g 5's	1994	42,211,000	J & J	119	July 31,'05	119	118	176,000
• registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	8,029,000	M & S	100½	July 21,'05	101	99	18,000
• registered			M & S	....		....	....	....
• Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	118¾	June 8,'05	....	....	....
• registered			J & J	....		....	....	....
• St. Louis div. 1st g. 4's	1951	11,750,000	J & J	98½	July 18,'05	98½	97½	17,000
• • registered			J & J	....		....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118	June 20,'05	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98½	Mar. 8,'05	....	....	....
• 2d mtg	1948	775,000	J & J	90½	Dec. 6,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116½	May 8,'05	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	116	May 11,'05	....	....	....
• con. 1st g 5's	1956	12,770,000	M & N	120½	July 17,'05	120½	120½	2,000
• reorg. lien g 4's	1938	4,500,000	M & S	114	Mar. 10,'05	....	....	....
• registered			M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	121⅞	July 5,'05	121⅞	121⅞	3,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	June 6,'05	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	114¾	July 24,'05	114¾	114¾	1,000
• deb. 5's stamped	1927	3,368,000	A & O	112⅝	Jan. 24,'05	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	98	Feb. 18,'05	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	110	July 27,'05	110	110	3,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
• small			M & S	....		....	....	....
• ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
• small			M & S	....		....	....	....
• ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
• small			M & S	....		....	....	....
• ser. D 4-5's	1921	950,000	M & S	110	Dec. 22,'04	....	....	....
• small			M & S	....		....	....	....
• ser. E 5's	1926	1,775,000	M & S	114⅛	July 27,'05	114⅛	114⅛	1,000
• small			M & S	....		....	....	....
• ser. F 5's	1931	1,310,000	M & S	113	May 31,'05	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	114½	June 5,'05	....	....	....
• gen. 5's. gtd. stamped	1926	2,466,000	M & N	114½	June 20,'05	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	97¾	May 15,'05	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115	July 14,'05	115	115	2,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	100	Nov. 22,'04	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111⅛	Apr. 20,'05	....	....	....
• 1st con. g. 5's	1894-1944	5,000,000	F & A	122¾	July 25,'05	122¾	122¾	1,000
• gn. refdg. sg. fd. g. 4's.	1953	18,000,000	J & J	99½	July 5,'05	99½	99½	3,000
• " " registered.			J & J	....		....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112½	July 29,'04	....	....	....
Tex. & Pacific, 1st gold 5's	2000	25,000,000	J & D	123	July 31,'05	123	121⅞	25,000
• 2d gold income, 5's	2000	963,000	MAR.	96½	June 26,'05	....	....	....
• La. Div. B. L. 1st g. 5's	1931	4,241,000	J & J	106½	July 24,'05	106½	106½	5,000
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106½	Nov. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	116¾	June 28,'04	....	....	....
• 1st M. g 5's West. div.	1935	2,500,000	A & O	111	May 31,'04	....	....	....
• gen. g. 5's	1935	2,000,000	J & D	110	July 24,'05	110	110	2,000
• Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	97⅛	July 31,'05	97⅛	97⅛	5,000

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.*	July Sales. *High.*	July Sales. *Low.*	July Sales. *Total.*
Toledo, Peoria & W. 1st g 4's	1917	4,800,000	J & D	93	July 26,'05	93	92¼	27,000
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	91⅜	July 29,'05	91⅜	91	52,000
" registered			J & J	....		....	....	....
" fifty years g. 4's	1925	6,500,000	A & O	85⅞	July 31,'05	86	85	128,000
" registered			A & O	....		....	....	....
Toronto,Hamilton&Buff 1st g 4s	1946	3,230,000	J & D	98	July 10,'05	98	98	1,000
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	110⅝	June16,'05	....	....	....
" 1st ref. g. 4's	1952	700,000	A & O	95¼	Jan. 13,'05	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	105⅝	July 31,'05	105⅞	105	413,000
" registered			J & J	105¾	July 10,'05	105¾	105¾	1,000
" 1st lien con. g. 4's	1911	23,027,000	M & N	131	July 31,'05	131¼	127	2,791,000
" registered			M & N	137¾	Apr. 15,'05	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	103⅜	July 28,'05	103⅜	102½	31,000
Oreg. Short Line Ry. 1st g. 6's	1922	14,931,000	F & A	126⅝	July 27,'05	127	126	55,000
" 1st con. g. 5's	1946	12,328,000	J & J	117½	July 24,'05	117½	117½	6,500
" gtd. refunding g. 4's	1929	45,000,000	J & D	96⅝	July 31,'05	96¾	96	633,000
" " registered			J & D	....		....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
" g. 5's	1926	1,812,000	J & J	114½	Apr. 19,'02	....	....	....
Vandalia R. R. con. g. 4's	1955	7,000,000	F & A	104½	June28,'05	....	....	....
" registered			F & A	....		....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	112½	July 24,'05	112½	112½	3,000
Wabash R.R. Co., 1st gold 5's	1939	33,011,000	M & N	118	July 25,'05	118¼	117⅝	22,000
" 2d mortgage gold 5's	1939	14,000,000	F & A	109⅞	July 31,'05	110	109¼	81,000
" deben. mtg series A	1939	3,500,000	J & J	90	Feb. 4,'05	....	....	....
" series B	1939	26,500,000	J & J	70½	July 31,'05	73¼	68½	341,000
" first lien eqpt. fd.g. 5's	1921	2,600,000	M & S	103	June 7,'05	....	....	....
" 1st lien 50 yr.g.term 4's	1954	1,715,000	J & J	92	Apr. 17,'05	....	....	....
" 1st g.5's Det.& Chi.ex	1940	3,349,000	J & J	112	July 22,'05	112	111	7,000
" Des Moines div.1st g.4s	1939	1,600,000	J & J	97	Nov.16,'04	....	....	....
" Omaha div. 1st g. 3½s	1941	3,173,000	A & O	88	Apr. 6,'05	....	....	....
" Tol. &Chic.div.1st g.4's	1941	3,000,000	M & S	97	May 27,'05	....	....	....
St.L.,K.C.& N.St.Chas.B.1st 6's	1908	463,000	A & O	109½	Mar. 13,'03	....	....	....
Wabash Pitts Term'l Ry 1st g.4's	1954	27,000,000	J & D	87¾	July 29,'05	90¾	86½	204,000
" 2d g.4's	1954	20,000,000	J & D	39	July 31,'05	40¼	37½	552,000
Western Maryland 1st 4's	1952	30,522,000	A & O	88⅛	July 31,'05	89¼	88	152,000
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	119½	June 9,'05	....	....	....
" gen g. 3-4's	1943	9,789,000	A & O	98½	June28,'05	....	....	....
" inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	112	May 18,'05	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	114¾	Mar. 28,'05	....	....	....
" Wheeling div. 1st g. 5's	1928	894,000	J & J	114½	May 27,'05	....	....	....
" exten. and imp. g. 5's	1930	343,000	F & A	114	June23,'05	....	....	....
" 20 year eqptmt s.f.g.5's	1922	2,152,000	J & J	102	Jan. 3,'05	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	92½	July 28,'05	94½	92½	91,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	94	July 31,'05	94½	94	164,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....		....	....	....
Street Railway Bonds.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	109½	July 21,'05	110	109½	3,000
" 1st ref. conv. g. 4's	2002	17,000,000	J & J	89	July 31,'05	90¼	88⅞	1,153,000
" " registered			J & J	....		....	....	....
" City R. R. 1st c. 5's 1916	1941	4,378,000	J & J	108⅝	May 17,'05	....	....	....
" Qu. Co. & S. c. gd.g. 5's	1941	2,255,000	M & N	106	Feb. 9,'05	....	....	....
" Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	111½	July 31,'05	111½	110½	218,000
" stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	93	June22,'05	....	....	....
" stamped guaranteed			......	95	July 31,'05	95	93⅞	247,000
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	87¼	July 31,'05	87⅝	87	102,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Light g 1st&rfg.g4½'s	1951	10,913,000	J & J	101½	July 26,'05	101½	101½	11,000
" stamped guaranteed			......	101½	July 21,'05	101½	101½	9,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,19'	....	....	....
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	....		....	....	....
Detroit United Ry 1st c. g. 4½'s	1932	3,450,000	J & J	94¾	July 27,'05	96	94⅛	32,000
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....		....	....	....
Havana Elec. Ry. con. g. 5s	1952	6,957,000	F & A	95	July 25,'05	95	92½	157,000
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....		....	....	....
Metro. St. Ry N.Y.g. col. tr.g.5's	1997	12,500,000	F & A	117	July 31,'05	117	116	18,000
" refunding 4's	2002	15,134,000	A & O	91⅛	July 31,'05	91⅛	90¾	135,000
B'way & 7th ave. 1st con. g. 5's	1943	7,660,000	J & D	116¾	July 21,'05	116¾	116½	4,000
" registered			J & D	119½	Dec. 3,19'	....	....	....

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.
Columb.& 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	120	July 14,'05	120	120	1,000
" registered		M & S					
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	120	June17,'05			
" registered		M & S					
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	95¾	July 31,'05	96½	95	96,000
" registered		J & J					
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118¼	Apr. 24,'05			
Met. West Side Elev.Chic.1st g.4's.1938	9,808,000	F & A	104¾	Mar. 24,'05			
" registered		F & A					
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99			
Minn. St. R'y (M. L. & M.) 1st con. g. 5's.....1919	4,050,000	J & J	106	Nov. 22,'01			
St.Jos.Ry.Lig't,Heat&P.1st g.5's.1937	3,763,000	M & N					
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04			
" gtd. gold 5's.....1937	1,138,000	J & J	112	Nov. 28,'99			
Undergr'd Elec.Rys.of London Ltd.	16,550,000	J & D	98¼	July 26,'05	98⅝	98¼	126,000
5% profit sharing notes 1908 series A		J & D					
" series B		J & D					
" series C		J & D					
" series D		J & D					
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	106¼	July 13,'05	106¾	106¾	10,000
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	87⅛	July 31,'05	89⅛	87¼	17,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	90⅞	July 31,'05	91	89⅛	234,000
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			

MISCELLANEOUS BONDS.

Name. Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	July Sales. High.	July Sales. Low.	July Sales. Total.
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	104½	July 31,'05	104½	104	12,500
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02			
Bklyn.Ferry Co.of N.Y.1st c.g.5's.1948	6,500,000	F & A	52	July 31,'05	52	52	2,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	108	July 3,'05	108	108	1,000
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,655,000	A & O	75	July 14,'05	75¼	75	10,000
Hackensack Water Co.1st 4's....1952	3,000,000	J & J					
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94			
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97			
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02			
Newport News Shipbuildng & Dry Dock 5's.....1890-1990	2,000,000	J & J	94	May 21,'94			
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	98	July 31,'05	98	97½	6,000
" registered		F & A					
Provident L. Soc. of N.Y. g. 4's..1921	2,000,000	M & S	100	Mar. 20,'05			
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J					
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	112	July 27,'04			
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'			
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's.....1907-1917	1,000,000	J & D					
" F 4's.....1908-1918	1,000,000	M & S	100	Mar. 15,19'			
" G 4's.....1903-1918	1,000,000	F & A					
" H 4's.....1903-1918	1,000,000	M & N					
" I 4's.....1904-1919	1,000,000	F & A					
" J 4's.....1904-1919	1,000,000	M & N					
" K 4's.....1905-1920	1,000,000	J & J					
Small bonds							
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	3,000,000		99	July 26,'05	99	99	11,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	97⅝	July 29,'05	98	97	55,000
Am. Ice Securities Co. deb. g. 6's.1925	2,655,000	A & O	79	July 31,'05	79½	77½	195,000
" small bonds		A & O					
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	98	July 17,'05	98	96	9,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	89½	July 24,'05	89½	89½	1,000
Am. Tobacco Co. 40 yrs g. 6's....1944	50,769,750	A & O	116	July 31,'05	116	114¾	501,000
" registered		A & O	111½	May 8,'05			
" g. 4's.....1951	72,757,000	F & A	76¼	July 31,'05	76⅞	75	2,304,000
" " registered		F & A	74⅞	June30,'05			
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,'04			
Central Leather Co. 20 yr. g. 5's.1925	28,080,000	A & O	100⅛	July 31,'05	100⅛	99½	933,000
Consol. Tobacco Co. 50 year g. 4's.1951	157,378,200	F & A	81½	July 28,'05	82½	80½	173,000
" registered		F & A	85¼	Dec. 3,'04			
Dis. Secur. Cor. con. 1st g. 5's....1927	13,609,000	A & O	80	July 31,'05	80⅛	79	290,000
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99			
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04			

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. *Price.*	LAST SALE. *Date.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
Internat'l PaperCo. 1st con.g 6's.1918	9,724,000	F & A	110	July 26,'05	110	109½	20,000
" con.conv.sinkgfundg5s1935	5,000,000	J & J	92½	July 31,'05	92½	91½	77,000
Int. Steam Pump 10 year deb. 6's.1913	3,500,000	J & J	104	July 21,'05	104	103½	36,000
Knick'r'ker IceCo.(Chic) 1st g 5's.1925	1,937,000	A & O	98	Feb. 3,'05	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	106¾	July 27,'05	106¾	105¼	78,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,846,000	J & J	85	July 18,'05	85	85	1,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	68	July 12,'05	68	68	3,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	53	July 26,'05	54	53	14,000
Standard Rope&Twine inc.g.5s..1946	6,806,000	......	5½	July 28,'05	5½	4	34,000
United Fruit Co., con. 5's........1911	2,246,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	110	July 24,'05	110	109	14,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	100⅛	July 31,'05	102	99¾	298,000
U.S. Realty & Imp.con.deb.g.5's.1924	13,284,000	......	100	July 28,'05	100⅛	99	154,000
U.S.SteelCorp.10-60yr.g.sk.fd5's 1963	....	M & N	95	July 31,'05	95⅛	94⅜	5,437,000
" " " reg. 1963	170,000,000	M & N	94¾	July 31,'05	95¼	94½	16,000
Va.Carol Chem. col.tr.s.fd.g.5's..1912	6,500,000	A & O	100½	July 27,'05	101	100½	37,000
BONDS OF COAL AND IRON COS.							
Col. Fuel & Iron Co. g.s.fd.g 5's..1943	5,855,000	F & A	103¼	July 6,'05	103¼	103¼	1,000
" conv. deb. g. 5's.........1911	1,710,000	F & A	90	July 10,'05	90	90	10,000
" " registered............		F & A	....	....	....	....	....
Col. C'l & I'n Dev.Co. gtd g.5's..1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's.......1919	600,000	M & N	107½	Oct. 7,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's.1919	949,000	A & O	102½	July 26,'02	....	....	....
Col.Inds. 1st cv g&col tr gt5sser A1934	12,378,000	F & A	75⅝	July 29,'05	76	72½	676,000
" registered..................	....	F & A	....	....	....	....	....
" 1st g & col tr gt 5s ser B.1934	12,537,000	F & A	74⅛	July 31,'05	74⅞	71	2,207,000
" " registered............	....	F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	107⅝	Dec. 12,'04	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's1926	1,588,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's..................1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	3,000,000	J & J	104½	July 10,'05	104½	104½	6,000
Pleasant Valley Coal 1st g. s.f.5s.1928	1,131,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	835,000	J & D	....	....	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..1951	3,474,000	J & J	98½	July 31,'05	98⅛	97½	39,000
" Tenn. div. 1st g. 6's......1917	1,160,000	A & O	110	June 15,'05	....	....	....
" Birmingh. div. 1st con.6's1917	3,603,000	J & J	112⅝	June 24,'05	....	....	....
Cahaba Coal M. Co., 1st gtd.g.6's1922	854,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&ICo.gtd.g.6's1910	2,716,500	F & A	104⅜	May 29,'05	....	....	....
Utah Fuel Co. 1st s. f. g. 5's......1931	839,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,157,000	M & S	89¾	July 31,'05	90¼	89	85,000
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo. 1st cong. 5's.1945	14,498,000	M & N	118	July 13,'05	114	113	22,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	69	June 15,'05	....	....	....
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
ConsolidatedGasCo.,con.deb.6's..1909	19,857,500	J & J	172	July 31,'05	172	171	60,500
Detroit City Gas Co. g. 5's.......1923	5,608,000	J & J	100⅞	July 28,'05	101	99½	81,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	105	June 2,'03	....	....	....
Eq. G. L. Co. of N.Y. 1st con.g.5's.1932	3,500,000	M & S	102½	Nov. 5,'04	....	....	....
Gas. & Elec. of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	91	June 22,'05	....	....	....
Grand Rapids G. L. Co. 1st g.5's.1915	1,225,000	F & A	107¾	Dec. 17,'04	....	....	....
Hudson Co. Gas Co. 1st g. 5's....1949	10,290,000	M & N	109½	Feb. 10,'05	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	100	May 5,'05	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,010,000	J & J	123	June 2,'05	....	....	....
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	94½	Apr. 28,'05	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	109⅝	July 31,'05	110	109½	7,000
" small bonds................							
" refdg. & enten 1st g.5s.1934	5,000,000	A & O	105½	May 20,'05	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	7,000,000	M & N	92½	July 13,'05	92½	92½	5,000
Newark Cons. Gas, con. g. 5's....1948	5,274,000						
		J & D	90¼	July 30,'04	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	15,000,000	J & D	110	July 31,'05	110½	109	153,000
" registered..................		J & D	110¼	Dec. 30,'04	....	....	....
" purchase mny col tr g 4's.1949	20,927,000	F & A	93¼	July 31,'05	94	93	265,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105	July 20,'05	105	105	2,000
" 1st con. g. 5's............1995	2,156,000	J & J	119½	Apr. 19,'05	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	106	May 31,'05	....	....	....
N.Y.& RichmondGasCo.1st g. 5's.1921	1,000,000	M & N	103	May 22,'05	....	....	....

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.*	JULY SALES. *High*	JULY SALES. *Low.*	JULY SALES. *Total.*
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	105¼	May 10,'05	....	....	....
Peo. Gas & C.C.1st con. g 6's...1943	4,900,000	A & O	124	July 12,'05	124	124	20,000
" refunding g. 5's.........1947	2,500,000	M & S	108¼	July 28,'05	108⅛	107¾	24,000
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	108	July 6,'05	108⅛	108	4,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	109	May 25,'05	....	....	....
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	104⅛	June30,'05	....	....	....
" registered....................	....	.....	...	....	....	....	....
Syracuse Lighting Co. 1st g.5's..1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g.5's.1949	1,500,000	M & S	110	May 13,'05	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	1,000,000	J & J	....	....	...	....	....
Westchester Lighting Co. g. 5's.1950	5,360,000	J & D	113	Jan. 31,'05	....	....	....
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	48,000,000	J & J	96⅝	July 10,'05	96⅝	96½	32,000
Commercial Cable Co. 1st g. 4's.2397.	9,991,100	Q & J	92	Dec. 17,'04	....	....	....
" registered....................		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Metrop. Tel & Tel. 1st s'k f'd g.5's.1918	1,823,000	M & N	109½	May 18,'05	....	....	....
" registered....................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110¾	July 26,'05	111⅛	108⅝	17,000
" fundg & real estate g.4½'s.1950	20,000,000	M & N	105⅞	July 28,'05	106	105	77,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	110¼	Mar. 25,'04	....	....	....
Northern Tel. Co. gtd fd.4½'s..1934	1,500,000	J & J	103	July 26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1905. *High.*	YEAR 1905. *Low.*	JULY SALES. *High.*	JULY SALES. *Low.*	JULY SALES. *Total.*
United States con. 2's registered...1930	542,909,950	Q J	104⅞	103⅞	103⅞	103⅞	14,000
" con. 2's coupon...........1930		Q J	105⅝	104½	....	....	......
" con. 2's reg. small bonds..1930		Q J	104⅝	104⅝	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered..........1908-18	77,135,300	Q F	104¾	103½	104⅛	103½	6,500
" 3's coupon..............1908-18		Q F	106	103¾	104¾	104	27,000
" 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	103⅞	103⅞	103⅞	103⅞	500
" 4's registered..............1907	156,591,500	J A J&O	106	104	104¼	104	10,500
" 4's coupon..................1907		J A J&O	105⅞	104	....	....	......
" 4's registered..............1925	118,489,900	Q F	132⅞	132½	....	....	......
" 4's coupon..................1925		Q F	133	132¼	....	....	......
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds......................		F & A	....	....	....	....	......
" registered.......................		F & A	....	....	....	....	......
Philippine Islands land pur. 4's...1914-34	7,000,000	Q F	110	109	....	....	......
" public works & imp. reg.4's.1935	2,500,000	Q MCH.	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	101⅛	101⅛	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's...................1906	575,000	J & J	....	....	....	....	......
" Class C 4's...................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's...............1914	10,752,800	J & J	....	....	....	....	......
" " small bonds..........							
North Carolina con. 4's...............1910	3,397,350	J & J	....	....	....	....	......
" small.........................		J & J	....	....	....	....	......
" 6's......................1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds......1866-1900	556,500	J & J	....	....	....	....	......
" " 1868-1898		A & O	....	....	....	....	......
" new bonds............1892-1898	624,000	J & J	....	....	....	....	......
" "		A & O	....	....	....	....	......
" Chatham R. R........................	1,200,000	A & O	....	....	....	....	......
" special tax Class 1.............	....	A & O	....	....	....	....	......
" " Class 2.............	....	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME. Principal Due.	Amount.	Int'st paid.	Year 1905. High.	Year 1905. Low.	July Sales. High.	July Sales. Low.	July Sales. Total.
" " to Western N. C. R....	....	A & O	....	....	....	....	......
" " Western R. R..........	....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R........	....	A & O	....	....	....	....	......
" " Western & Tar. R......	....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40............1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde. 1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's........1913	6,681,000	J & J	97	95	96	95	11,000
" registered.....................	6,079,000	J & J	....	....	....	....	......
" small bond....................	362,200	J & J	95	95	....	....	......
" redemption 4's............1907	469,000	A & O	....	....	....	....	......
" 4½s.........................1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........1912	600,000	A & O	....	....	....	....	......
Virginia fund debt 2-3's of..........1991	17,087,000	J & J	97½	96¾	....	....	......
" registered.....................		J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871	2,274,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....	10,416,565	....	13⅞	10	14¾	11½	140,000
FOREIGN GOVERNMENT SECURITIES.							
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......1901 Four marks are equal to one dollar.	14,302,000 (Marks.)	M & S	....	....	....	....	......
Imperial Japanese Gov. 6% ster loan.1911	£10,000,000	A & O	103½	94½	102	100⅝	1,146,000
" " second series..........	£12,000,000	A & O	99½	98⅛	100	98⅝	1,782,000
Imperial Russian Gov. State 4% Rente.... Two rubles are equal to one dollar.	2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Quebec 5's..........................1908	3,000,000	M & N	....	....	....	....	......
Republic of Cuba g. 5's extern debt.1904	35,000,000	M & S	108	103¼	107⅛	106½	194,000
" registered.......................		M & S	....	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's................	....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200..........................	£21,897,960	......	101½	99½	100	99½	43,000
Small bonds denominations of £20......	....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.	....	......	....	....	....	....	......
U. S. of Mex. 4'5 gold debt 1904 ser. A..1954	39,870,000	J & D	95	92	93¾	93¼	455,500
" " " ser. B..1954		J & D	....	....	....	....	......

New York Trust Companies.—Summary showing the aggregate of resources and liabilities of the seventy-nine trust companies of the State of New York at the close of business on Wednesday, June 7, 1905, as exhibited by their reports to the Superintendent of Banks:

RESOURCES.	
Bonds and mortgages............	$83,956,364
Amount of stock and bond investments......................	341,661,738
Amount loaned on collaterals..	762,798,786
Other loans, including bills purchased..........................	82,885,807
Overdrafts........................	144,873
Due from banks, bankers and brokers..........................	6,295,985
Real estate banking house and other real estate...............	17,125,940
Cash on deposit in banks or other moneyed institutions..........	149,737,979
Specie............................	25,908,160
Legal tender notes and notes of National banks................	4,059,231
Cash items, viz.: bills and checks for the next day's exchanges; other items carried as cash....	1,014,155
Amount of assets not included under any of the above heads.	11,835,427
Add for cents.....................	35
Total........................	$1,487,424,480

LIABILITIES.	
Capital..........................	$62,850,000
Surplus on book value of stocks and bonds.....................	115,822,231
Undivided profits on book value of stocks and bonds...........	40,066,956
Deposits of trust moneys (not preferred)......................	88,379,793
Individual deposits subject to check (not preferred).........	821,039,334
Certificates of deposit on time and demand (not preferred) and not included in deposits of trust moneys...............	123,941,923
Amount due trust companies...	55,189,237
Amount due banks and bankers	54,181,894
Amount due Treasurer of the State of New York...........	1,623,930
Preferred deposits:	
Amount due savings banks...	43,589,652
Amount due savings and loan associations..................	566,582
Due as executor, administrator, guardian, receiver, trustee, committee or depositary.........................	41,683,521
Deposits otherwise preferred.	3,466,239
Other liabilities..................	35,023,053
Add for cents....................	35
Total........................	$1,487,424,480

BANKERS' OBITUARY RECORD.

Beans.—T. Ellard Beans, President of the Bank of San Jose, Cal., died July 12. He was born in Salem County, Ohio, seventy-six years ago. In 1849 he went to California, engaging for a time in mining and then in merchandising. He located at San Jose in 1866, and went into the banking business there.

Bollman.—Ernest Bollman, Mayor of Laurium, Mich., and President of the State Savings Bank there, died July 11. He had resided in Michigan since 1856, and had accumulated a large estate.

Benson.—Alexander R. Benson, Cashier of the First National Bank, Hudson, N. Y., and for nine years city treasurer, died July 23, aged fifty-six years.

Carter.—J. H. Carter, President of the banking firm of F. M. Mansfield & Co., Shell Rock, Iowa, died July 13. Mr. Carter was born in Ohio in 1837, but soon after 1850 he went to Iowa, locating at Shell Rock, where, in 1856, he established the first mercantile house.

Champlin.—Frank Champlin, President of the City Bank, Boone, Iowa, died June 20, aged seventy-four years.

Emerson.—Francis Emerson, founder of the First National Bank, McKinley, Tex., and its President during the twenty-two years of its existence, died July 22.

End.—George End, President of the Bank of Sheboygan, Wis., died July 18.

Everett.—Charles J. Everett, Cashier of the National Bank of Orange County, Goshen, N. Y., died June 21, aged seventy-one years.

Grout.—Burton W. Grout, Assistant Treasurer of the Five Cent Savings Bank, Worcester, Mass., died July 4, in his thirty-eighth year.

Hubbard.—Captain James F. Hubbard, President of the City National Bank and the Dime Savings Institution, Plainfield, N. J., died June 26, on his seventy-eighth birthday.

Lippincott.—James E. Lippincott, one of the original directors of the Long Branch (N. J.) Banking Co., and President for the last six years, died June 25, in his eightieth year.

McKinney.—Thomas S. McKinney, Cashier of the First National Bank, Sterling, Ill., died July 1. He was born at Newburgh, Ind., April 27, 1855. In 1857 he moved with his parents to Sterling, where he was educated and entered the First National Bank. His service with this institution extended over twenty-five years. He began as a collector, being promoted until he became Assistant Cashier, and about three years ago he was chosen Cashier.

Morgan.—Richard T. Morgan, Vice-President of the National Union Bank, Oshkosh, Wis., and of the First National Bank, Tigerton, Wis., and the Union Bank, Winneconne, died July 17, aged seventy-six years.

Nissley.—Jacob W. Nissley for over twenty-five years President of the First National Bank, Mount Joy, Pa., died July 17, aged seventy-eight years.

Reifsnider.—John L. Reifsnider, President of the First National Bank, Westminster, Md., died July 17. He was born at Taneytown, Md., October 19, 1836.

Thornton.—Frank M. Thornton, President of the First National Bank, Benson, Minn., died July 15. He was born in Ireland in 1840, and came to this country when ten years old. In 1856 he located in Minnesota.

Wood.—Dr. John B. Wood, President of the Bank of Independence, Mo., died recently. He was born in Lafayette County, Mo., February 15, 1841. In 1866 he located in Jackson county, but later went farther west. In 1887 he organized the Bank of Independence, of which he became President.

THE

BANKERS' MAGAZINE

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

FIFTY-NINTH YEAR. SEPTEMBER, 1905. VOLUME LXXI, NO. 3.

THE END OF THE RUSSO-JAPANESE WAR removes a menace to business prosperity and gives the nations of the world an opportunity of devoting their energies solely to the peaceful rivalries of trade. Ever since the outbreak of hostilities between Russia and Japan, the security of the financial and commercial world has been threatened with the possibilities of an extension of the war to countries other than those immediately concerned. It is hardly going too far to say that if any nation had shown a disposition to side with either of the combatants, all of Europe, and probably the United States also, might have been drawn into the fight. Although great efforts were put forth to preserve neutrality, and perhaps on account of an accurate forecast of what would result if outside nations should become involved, yet business enterprise has never been entirely free from apprehension of the panic and disaster that would have followed if this possible world-wide war had become an actuality. With the agreement reached at Portsmouth, this portentous cloud is dissolved.

The war was waged primarily for territorial and trade rights, and the result of the struggle will be to place Japan in a position similar to that held by Russia at the beginning of the war, except that Japan will doubtless return to China a large part of the territory heretofore occupied by Russia, and on the whole will probably be guided by a more enlightened policy.

In view of the fact that Russia appears to have been the aggressor, some doubts are expressed as to whether she has been made to suffer severely enough. Japan has been subjected to a heavy burden, both in men and money, and the demand for an indemnity can hardly be called unreasonable. That this point was yielded when the Peace Conference seemed on the point of dissolution was a striking evidence both of the magnanimity and wisdom of Japanese statesmanship. Japan has not only gained all she fought for on the field of war, but has won the respect of mankind by refusing to continue to fight when nothing but money was at stake.

President ROOSEVELT is justly given the highest praise for the successful outcome of the Conference. Mr. WITTE also has maintained his reputation for statesmanship of the first order in saving something from the wreck of a war he did his utmost to prevent.

It should not be lost sight of that the country which has gained immeasurably by the war is Great Britain, whose ally is immensely strengthened, and a possible foe correspondingly weakened.

THE INSURANCE OF BANK DEPOSITS by means of a common fund contributed by all the banks is proposed in an article presented in this issue of the MAGAZINE. No doubt, without such insurance, deposits in most banks are absolutely safe and reasonably so in all banks. But the impairment of confidence caused by the failure of one bank tends to communicate itself to others, and many bankers who know that their own institutions are impregnable would like to see this unsettling of trust in the banks counteracted, although they do not consider the insurance of deposits feasible.

The discussion of measures to increase the security of banking funds is a sign that banking opinion is coming to regard even the small risk attaching to bank deposits as being harmful to the general interests of the banking community. Until this risk is reduced to a minimum, or eliminated altogether, it cannot be said that such discussion is fruitless.

This proposal to insure deposits in banks by means of a safety fund has been fully debated, and the arguments, both favorable and unfavorable to the proposition, are so well known that they need not be restated. Furthermore, the plan has been put into practice. The safety-fund law in New York, which was supposed to be designed for the protection of the circulating notes of the State banks, was made applicable to deposits of failed banks also, and in consequence the plan failed; that is, the fund was not large enough to meet the claims of the noteholders and depositors. Of course, it would be a comparatively easy matter to calculate how big a fund would be required to pay the losses of failed banks, and to provide for the accumulation of such a fund, either by taxation or voluntary contributions.

There is, however, great objection on the part of most bankers to making any payments whatsoever for such purpose. They consider that by proper management they can insure the safety of their depositors quite as effectually as in any other way, and can see no adequate reason why they should be taxed to bolster up a weak bank.

The principle of suretyship has recently been extended to include bank drafts, or money orders, so-called, and it is possible that the next step will be to apply this principle to bank deposits. If a surety company, with large enough capital, should undertake to guarantee the deposits of a limited number of banks in a certain territory, the results of such an undertaking would no doubt command the keen interest of bankers generally. It is not at all certain, with proper precautions—including a system of examination by the company furnishing the guaranty—that the losses to be met would be beyond the resources of some of the larger surety companies.

THE EXAMINATION OF BANKS by examiners acting under State or Federal authority is one of the safeguards provided for the security of bank stockholders and depositors. It is unquestionable that the system of examination and supervision of the National banks has been a strong factor in establishing those institutions in the public confidence. It is, therefore, all the more to be regretted that there is some evidence of a weakening of popular faith in the efficacy of the supervision exercised over National banks by the Comptroller of the Currency. Many bankers have always, in fact, regarded these examinations with thinly-veiled contempt, and recently there has been a tendency to become more outspoken in relation to the superficial nature of these inspections. Possibly, in some instances, this attitude of mind may have been induced by a feeling on the part of the banks that the Government was unduly inquisitive; and in such cases the hostility has been aroused by a disposition on the part of the examiners to discharge their duties fearlessly. But, as a rule, the criticism of the official examination of banks is founded on the belief that such examinations are lacking in that degree of thoroughness which alone can render them efficient.

Primarily, the examination of banks made by State and Federal examiners are conducted with a view to enforcing obedience to the laws enacted for the control of State and National banks. If the laws are being obeyed, the examiner can justly find no fault with the bank's management. His authority virtually ends in certifying that the bank is not infringing the statutes. Of course, if insolvency is impending, he may make a report that will justify the Comptroller in advising the officers that if certain loans are not better secured, a Receiver will be appointed. But, outside of enforcing compliance with the laws—the beneficial effects of which should not be depreciated—bank examination appears, in too many recent instances, to have been too much in the nature of the services of a coroner instead of a wise physician whose admonitions—had they been heeded in time—might have made the post-mortem inquiry unnecessary.

A sound system of bank examinations would have for its first object the protection of the stockholders' interests. The National Banking Act concerns itself largely with the protection of noteholders and depositors, the welfare of stockholders being the last to be considered. Not only so, but stringent regulations are provided for the assessment of stockholders to make good the losses sustained by the banks. No fault whatever can be found with these provisions of law. They contribute greatly to the security of the National banks and to the high regard in which they are held. But these regulations, beneficial as they are, do not go to the root of the matter. The assessment of stockholders, for instance, may afford an effective remedy for the symptoms of disease, but it does not provide a means of curing the disease itself.

When the safety of bank shareholders is assured; when they are certain not only of immunity from assessment to meet losses, but of a fair return on their investment, the protection of depositors may well be considered as of subsidiary importance, for it is indissolubly bound up in the shareholders' welfare.

The criticisms aimed at the official inspection of banks would have an unfortunate result if they should lead to the total discredit of such examination. With the rapid growth of the National banks since the law of March 14, 1900, was passed, it is a physical impossibility for the Comptroller of the Currency, with the limited number of examiners available, to insure an absolutely thorough examination of all the banks in the system. But the examination the Comptroller is able to give is nevertheless of great value in securing conformity to the National Banking Law, designed for the protection of noteholders and depositors, and incidentally for the benefit of shareholders. This official inspection should, in all cases, however, be supplemented by examinations made at the behest of the owners of the bank, and made in their interest alone, which, from a practical standpoint, is superior to the interest of any one else.

Outside of the banks in the large cities, there is often a lack of the trained ability requisite to a complete bank examination. This deficiency is being supplied by the professional auditors, who find a constantly growing field for their work among the banks. Generally a weakness in the management of a bank reveals itself in the methods of bookkeeping, and all weaknesses of this character can be remedied by the employment of a capable and conscientious accountant. Some of the principles that should control in the examination of a bank were well stated in an address delivered before the recent convention of the New York State Bankers' Association by Mr. S. R. Flynn, President of the National Live Stock Bank of Chicago. He said:

"Every banking institution should be examined at least twice a year. These examinations should be made chiefly to test solvency. Surface examinations accomplish nothing. Sound banks make no attempt to conceal technical violations of law. Every man who has had experience as an examiner knows that the most rotten banks show the most correct surfaces. Therefore, the good banks are criticised and bad banks praised, unless the examiners get beneath the surface. If I were to examine a bank now I think I would begin by investigating the methods employed. If I found a system in use which rendered wrongdoing practically impossible without collusion between two or more persons, I would devote no more time to the accounts than a surface checking would require. I would look for error, not crime. But if I found a system inviting crookedness, a system without safeguard, I would call the board of directors together, present the facts to them, and have it then and there determined whether the negligence of the officers evidenced stupid ignorance or intelligent purpose to loot the bank. In either case the officers should be removed. The examiner, backed by his chief, should insist upon their removal. Frankly, I suspect the honesty of a bank officer who favors a bank system devoid of proper checks and safeguards. The banker with right instincts will adopt a system that will as nearly as possible render it impossible for him to commit a crime. And the wise board of directors, instead of making examinations which leave them at their completion as ignorant of the true condition of the bank as they were at the beginning, would do well to have for the main object of their investigation the discovery of methods of doing business, the system of accounting adopted by their executive officers. If they find lax methods, lax system, they will make no mistake if they discharge the official responsible. They will be removing either a fool or a crook. Fire your fool before some stupid blunder results in staggering loss. Fire your crook before he has opportunity to loot. If he is too quick for you, do not let maudlin sympathy influence you to help him escape just punishment."

The defects in the methods of accounting can be remedied by an expert accountant; but sometimes there are elements of weakness which only the eye of the experienced banker can discern. Banks fail through the ignorance and incapacity of their officers as well as on account of dishonesty. If the auditor who makes an examination is a banker as well, none of the deficiencies in the management will escape his attention.

Another thing, the reports of examinations should be sent to every shareholder, in order that the owners of the bank may know how it is being run. If the results of an examination are placed before the officers only, or even the directors, the evils pointed out may go on unchecked; but it is hardly conceivable that if all the shareholders were apprised of the fact that their investments were being mismanaged, they would remain indifferent. If they did, they would have no one but themselves to blame when the inevitable notice of assessment was received.

A sentiment is developing among the bankers of the country for a system of expert bank examinations, at least equal to that made by the Canadian bank inspectors, who are officers of the banks, not of the Government. The independent banking system existing here will preclude the adoption of the Canadian plan; but it is probable that by giving careful consideration to the needs of our stupendous banking organization, the professional accountants and auditors will in time provide examiners who may be relied on to do efficient work, and to report exactly on what they find without regard to any other considerations save those of truth.

The comparative freedom of anybody to engage in the banking business in the United States has been of immense advantage to the business development of the country. That some weeds have grown up alongside the enormous crop of sound and strong banks is no argument for any radical change in our banking system. A moderate increase in trained oversight will remedy whatever defects have been revealed.

Both the State and National banks are justly high in the popular esteem, as is clearly shown by the enormous aggregate of the deposits in these institutions. The discussion of the merits and demerits of the system of bank examinations is not a sign of weakness, but of strength—an evidence of the realization of the truth of a statement made by Mr. Flynn, that "The banks cannot hope for maximum public confidence unless danger of loss through bank failure is reduced to a minimum." This maximum of public confidence is an ideal which the banks are striving harder every year to realize, and with increasing success. It can be fully attained in one way only—by good management. As an aid to this, there can be nothing better than frequent examinations, made by men who thoroughly understand their business, and who will fearlessly report what they find to every shareholder in the bank.

A new Secretary of the Treasury will be installed early in the coming year, according to newspaper reports. It is said that when Mr. Shaw retires from his post in February he will be succeeded by Mr. Cortelyou, the present Postmaster-General.

Beginning with Alexander Hamilton, the office of Secretary of the Treasury has been held from time to time by men of eminent ability.

Notwithstanding the tremendous growth of the country since the adoption of the Federal Constitution, it is probable that no Secretary, not even excepting CHASE, has been confronted with difficulties as great as those which ALEXANDER HAMILTON was called on to meet, nor has anyone, perhaps, shown a capacity equal to that displayed by HAMILTON.

Hardly less distinguished was the fourth Secretary, ALBERT GALLATIN, who in length of service seems to have outranked all the other Secretaries from the foundation of the Government to the present time. He held the office from May, 1801, to February, 1814. Although remembered chiefly for his services to the country as Secretary of the Treasury, Mr. GALLATIN has other claims to honorable distinction. He was a member of the Pennsylvania Legislature, of both branches of Congress, special commissioner in conducting the negotiations preliminary to the Treaty of Ghent, and Minister to France. He was also a bank President, and his writings on banking and currency have become a part of the classical literature of those subjects.

Some of the Secretaries of the Treasury whose names have been prominent in the country's history are: EWING, CORWIN, DIX, CHASE, McCULLOCH and SHERMAN.

Opinion is much divided as to CHASE'S administration of the Treasury. LINCOLN said of him: "Of all the great men I have known, CHASE is equal to about one and one-half of the best of them." Before he became Secretary of the Treasury, CHASE had been twice elected to the United States Senate and was twice Governor of Ohio. He resigned as Secretary of the Treasury in June, 1864, and in December of the same year was appointed Chief Justice of the Supreme Court of the United States.

Secretary SHERMAN was not less prominent in public life than Mr. CHASE. From 1854 to 1860 he was successively elected to the House of Representatives, was six times chosen a United States Senator, was Secretary of the Treasury, Secretary of State and a prominent candidate of his party for the Presidency of the United States. He had what is a rare combination of talents—great political sagacity and an exceptional knowledge of finance.

Mr. CARLISLE, the Secretary of the Treasury in the last Administration of Mr. CLEVELAND, was also eminent in the public life of the nation before he entered the Cabinet.

Of the Secretaries who were chosen primarily for their knowledge of finance, McCULLOCH and GAGE, in the recent history of the Department, will be remembered for conspicuous ability. Mr. McCULLOCH was not only one of the ablest of the old State bankers, but he was a man of the soundest financial views. If Congress had not interfered, he would have paid off the legal tenders and saved the country millions of dollars. The course taken by Congress in stopping the withdrawal of the legal-tender notes is a striking illustration of the opposition often existing between political expediency and a sound financial policy. Since the Civil War time the banking and currency systems have been largely shaped by the exigencies of politics.

Mr. GAGE, like MCCULLOCH, had made an exceptional record as a banker before he entered President MCKINLEY'S Cabinet. His selection was due almost wholly to his ability as a financier. As Secretary of the Treasury, Mr. GAGE exercised a considerable influence on legislation. The gold-standard act of March 14, 1900, was enacted while he was in office, and no doubt the more important details of the measure were shaped by him. This act, however, did not make any substantial change in the policy of the Government regarding the gold standard; it was, in the main, merely declaratory of the policy that had existed for many years, although improvements were made in the methods of handling the gold reserve. But it was a strong tribute to the ability of Secretary GAGE that even so mild a measure as this was passed. He had, at least, overcome the inertia of Congress with respect to financial legislation, and had he continued in office until the present time, possibly he might have secured a rational and scientific remodelling of our entire currency system.

To a man accustomed to deal with other men in a business way, the petty restrictions of politics must prove exceedingly irritating and irksome; and it can hardly be expected that a Secretary of the Treasury with the requisite capacity to exercise an appreciable influence in moulding the financial policy of the country can find congenial employment in parcelling out appointments with a view to placating the innumerable petty bosses of the various States. It is this inability to meet the exacting political requirements that tends to make the high and honorable office of Secretary of the Treasury distasteful to men of the first order of ability.

Although the members of the President's Cabinet do not hold a position analogous to that of the Ministers of the British Crown, they are nevertheless placed in a position where their views may have great weight in shaping legislation, particularly such as may directly affect the matters under the control of their respective departments.

If Mr. CORTELYOU should be named as Mr. SHAW'S successor, his experience as Chairman of the Republican National Committee would be of great advantage to him in apportioning the political emoluments in which the Treasury Department is so rich. His administrative ability and high personal character are also undoubted. Whether he will develop a genius for financial affairs that will make him a fit successor of HAMILTON, GALLATIN, CHASE and SHERMAN, remains to be seen.

The intense international commercial rivalry of the present day calls for the most perfect financial equipment if the United States is to continue to move forward in its aggressive fight for the industrial and commercial supremacy of the world. That our banking and monetary systems are, in some important respects, becoming antiquated, is becoming more and more apparent. It would be too much to expect Congress, of its own volition, to make the necessary amendments of existing law. The required reforms will be brought about only as the result of the pressure of public opinion, guided by intelligent leadership. It may be that Mr. CORTELYOU, with his keen knowledge of politics, would be just the man to arouse Congress from its lethargy and secure the needed reforms. Should he accept the Treasury portfolio, the opportunities which the position would present ought to be great enough to prove a stimulus to his ambition to win lasting fame in administering a department so rich in honorable traditions and illustrious names.

BANKING PUBLICITY as a means of preventing bank failures is given a somewhat novel application in a paper published elsewhere in this issue of the MAGAZINE. It is proposed to publish, not merely the formal statements which the law now requires, but also the facts disclosed by the examination regarding the observance of the banking laws. The point is made that by maintaining silence when the banking laws are broken the authorities are, technically at least, guilty of complicity in these violations, and the bank is permitted to continue in business, often to the serious loss of the depositors.

There is one thing to be said in favor of the proposition in question: It would bring about an automatic enforcement of the banking laws. No bank could afford to have the fact published that it was carrying on its operations in defiance of the laws believed to be necessary to ensure safety. Banks that strictly comply with the law would have nothing to dread from publicity of the kind proposed; in fact, they would be benefited by it. Only those banks that disregard the laws would be unfavorably affected, and it may be plausibly argued that they ought either to observe the regulations which the legislative power has prescribed, or quit business.

But the question arises, Is not the remedy too drastic? In the matter of legal reserve, for example, if the fact were proclaimed in the newspapers that a bank in a certain town was short of the required reserve, might this not start a panic that would not only result in the closing of the bank concerned, but of others entirely innocent of transgressing the laws? It might turn out, if this proposal were put in operation, that the penalty for breaking the banking law would, in many cases, be much harsher than the offense justified. Congress certainly did not contemplate the summary closing of a bank solely because its reserve falls below the legal requirement.

The credit of a bank is extremely sensitive to adverse criticism, and while all suggestions tending to the greater safety of banking should be welcomed, it is open to question whether the proposed extension of banking publicity would be wise or not. Perhaps it ought to be considered as a matter of course, when a bank is examined and permitted to continue in business, that it is not defying the law. That this is not always true at present is well known. But to employ a remedy that might engender a feeling of distrust among all the bank depositors of a community seems to be doing more than is necessary to make the punishment fit the crime.

"THE THEORY OF GOVERNMENT PAPER MONEY" forms the subject of an article which appears in this number of the MAGAZINE from the pen of Mr. CHARLES A. CONANT, Treasurer of the Morton Trust Company. This article is probably the last of the series written by him on the science of money which we shall have the pleasure of presenting. These papers, which have appeared from time to time in this MAGAZINE since the beginning of the year 1900 are parts of a general work on the principles of money and banking upon which the author has been employed at intervals for the past six years. A few of these articles have appeared in other publications; the larger number have appeared in THE BANKERS' MAGAZINE. They are now being brought together by the author and welded into a harmonious whole, with such additions, transpositions and revision as experience has suggested. Valuable as they have usually been, taken by themselves, they will derive a much greater interest and value from the continuity of arrangement and harmony of aim which will appear in the complete work, "The Principles of Money and Banking," which we understand will be published by Messrs. Harper & Bros. during the autumn.

The appearance of a systematic work on money and banking is not an every-day occurrence. There were only two standard works in English on the subject when Mr. CONANT began his labors—that of General FRANCIS A. WALKER on "Money," and that of W. STANLEY JEVONS, the eminent English economist, on "Money and the Mechanism of Exchange." Each of these books was of a high order of merit, but they are now more than a generation old, and much has happened in the development of monetary science within that time. Two or three books have appeared recently, but they are either more elementary or much more extended than the work of Mr. CONANT.

The time is evidently ripe for a new work on this subject, in view of all that has occurred in the world of monetary science since General WALKER and Mr. JEVONS wrote: Both of them were advocates of international bimetallism, and perhaps not without some reason, under the conditions of their time. It is one of the creditable features of the work of Mr. CONANT that he treats the progress of the gold standard as an evolution rather than a victory for a faction, as the stature of commercial countries has risen to the requirements of a unit of high value and as the supply of gold has become adequate for this enlarged demand. How this evolution has not only established the gold standard in Europe and the United States, but has led to its adoption in the modified form of the gold-exchange standard even in the silver-using countries was set forth in one of Mr. CONANT's articles in the August number of THE BANKERS' MAGAZINE. It is the thread of evolution, running from the first beginnings of the use of cattle as money down to the perfected coin of modern times which is one of the special themes of Mr. CONANT's work. The fact that he himself has had a large part in framing the policies and measures which have established the gold standard in the Philippines and Panama and confirmed it in the United States, applies to his work the touchstone of experience as well as of theoretical knowledge, and should give to it an essentially practical character sometimes lacking in the work of the professional student.

THE NATIONAL BANKRUPTCY ACT has now been in operation long enough to reveal both its good and bad features. That the latter are open to correction without repealing the law as a whole may be reasonably inferred. Several conventions of bankers' associations have passed resolutions declaring that the law has served the purpose of its creation—the release of long insolvent debtors, and ought to be repealed. Some of these resolutions seem to have been passed without discussion and without that deliberate consideration demanded by a subject of such importance.

As dealers in credits, bankers are deeply concerned in all laws relating to assignments and to the methods for distributing an insolvent's estate. With the growth of banking and its extension from central points to include areas lying in contiguous States, and the ramification of business from the more important centres to every part of the country, there has gradually been developed a demand for uniformity in many business matters. This demand has led to the enactment of a uniform Negotiable Instruments Law by many of the States. But the passage of this law has been secured only after much concerted effort, and in several States there has been a departure from the act as originally drafted. Were any attempt made to secure a uniform law on the subject of bankruptcy, enacted by the State Legislatures, similar or perhaps greater difficulties would be encountered, and it would seem much easier to get Congress to cure any defects in the present law rather than to revert to the diversities and uncertainties of State laws.

A uniform and reasonable law relating to bankruptcy undoubtedly makes for greater business security, and it would perhaps be better to study the existing law attentively, and find out its imperfections, and then ask Congress to make the act more nearly perfect, instead of agitating for the repeal of the law as a whole.

THE AMERICAN BANKERS' ASSOCIATION will hold its thirty-first annual convention in Washington, D. C., October 11, 12 and 13. Both the date and place of meeting are well chosen, and an attendance close to the high record may be expected. Congress will not be in session when the convention assembles, which is to be regretted, as the legislators seem to be more or less deficient in that knowledge of banking and monetary science which the convention could readily impart. But the convention will have the President at close range, and it is hoped he will not neglect the opportunity of getting valuable financial information at first hand. President ROOSEVELT doubtless entertains sound views on money and banking, but he has been so much occupied with other, and perhaps more pressing questions, that he seems to have given little special consideration to these subjects. In the conquest for the world's markets an efficient monetary and banking system constitutes one of the most telling weapons. The holding of the bankers' convention at Washington may serve to remind the President of this fact, and he may be moved to make some recommendations to the legislative body.

THE BUSINESS SITUATION in the United States was perhaps never better than at the present time. Good crops, the end of the war, the absence of disturbing political conditions—all these elements, and others that might be mentioned, combine to form an exceptionally favorable situation for the prosecution of business enterprise. That this opportunity will be eagerly taken advantage of by the shrewd commercial, industrial and financial men of the country cannot be doubted.

If any apprehension is to be entertained for the future, it would take the shape of fear that the outlook is so propitious as to lead many men to become too optimistic and thus push enterprise beyond prudent bounds. But to take this view would be merely borrowing trouble.

The banks seem, on the whole, well prepared to meet the heavy demands of the fall trade, and there is no reason to look for monetary stringency.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

BOOKS, RECORDS AND FORMS FOR THE TRUST DEPARTMENT —*Continued.*

JOURNALS AND LEDGERS.

The book of original entry for all transactions in the Trust Department involving cash is the General Journal of the Trust Department. This book is really, in its main usage, simply a cash-book; but usage differs in the matter of arranging the debits and credits as for a cash-book or as for a journal. The ordinary journal form suffices for the work, and for small companies is not only cheaper than specially-ruled books, but is also quite as convenient. Most of the larger companies, however, use specially-ruled books; the chief purpose of the rulings, aside from the matter of appearance, being to separate different classes of accounts. Figure 7 represents a Trust Journal, or rather Cash-Book, arranged with separate columns for the accounts of "Bond Trusts," of "Court Trusts" and of "Sundry Trusts." The company which uses this book conducts all its trust work through one department, but maintains three trust ledgers—one containing the accounts of bond trusts (i. e., trusts in which the company acts as trustee under bond mortgages, involving the payment of coupons and of bonds when due), another containing the accounts of court trusts (i. e., trusts received by appointment of court), and the third containing the accounts of all other trusts for which cash is handled. It will be seen that the arrangement of this cash-book makes convenient the posting of the items to the three ledgers, inasmuch as a glance down any column shows what items are to be posted to the ledger in hand.

The three small columns at the left of each page are for posting marks. The first of these columns, headed "Special Accounts," is for use with those items that must be sub-posted to any other than the regular ledger accounts, such as rents, items for the Loan Register, etc. In the ledger a complete set of books is kept for each trust, just as the owner of the trust might keep them for himself. Each item in the general cash-book therefore appears in the individual ledger of its proper trust as both a debit and a credit. The columns in Figure 7 headed "Individual—Dr.—Cr." are for the marks of postings to these accounts. In the figure the entries are numbered for convenience in describing the entries: these numbers would not appear, of course, in the regular use of the cash-book. Thus, in the left page of Figure 7, entry No. 1 would be posted first as a debit to the cash account of the Smithville Bond Pool, and a check mark made in the Dr. posting column. It would then be posted to the credit of Syndicate Subscriptions account of the Smithville Bond Pool, and a check mark made in the Cr. posting column.

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

301

The Guardian Savings and Trust Company. TRUST DEPARTMENT.

DEBIT CASH RECEIVED May 10, 1905

	Special Accts.	Individual Dr.	Individual Cr.	ITEMS	Trust Number	Sundry Trusts	Court Trusts	Bond Trusts
1		✓	✓	The Smithville Bond Pool - Payments on call #3	74			
				J. R. Smith		200		
				N. M. Brown		150		
				Ralph Hopkins		500		
				Mrs. M. S. Tompkins		50		
2				Estate of Hiram R. Holmes - Rents Received	13			
	✓			On #213 Twelfth St., for May, $75.00				
	✓	✓	✓	" 1294 Third Ave., " " 84.50			159.50	
3				M. A. Trowbridge Estate	28			
				Income - Coupons from Anna G. Bonds $425.00				
	✓	✓	✓	Int. on Brown mtge $68.34			493.34	
4				Auburn and Birmingham Tr. Pool	206			
		✓	✓	$4000. bonds @ 86		3440		
5				Xville and Rome Tel Co.	319			
		✓	✓	Remittance to pay Coupons #2, due 5/1/05				2600
		✓	✓	" " " Bonds				10000

301

The Guardian Savings and Trust Company. TRUST DEPARTMENT.

CREDIT CASH PAID May 10, 1905

	Special Accts.	Individual Dr.	Individual Cr.	ITEMS	Trust Number	Sundry Trusts	Court Trusts	Bond Trusts
1		✓	✓	The Cleveland and Southern Tr. Co. Coup. acct. #6	365			685
		✓	✓	Coup. acct #5				30
2		✓	✓	M. A. Trowbridge Estate Voucher #116	28		215	
				Remittance to Mary Trowbridge				
3		✓	✓	S. S. Smith, Synd. Mgr. Distributions	107			
				L. R. Jones		315.80		
				M. J. Thompson		75.13		
				X. L. Timson		116.34		
4				The Skyscraper Building	94			
		✓	✓	Expense - A. B. Cowan Janitor. Salary, Apl			60	
	✓	✓	✓	Repairs - A. Carpenter Voucher #90			32.18	
	✓	✓	✓	P. Plumber, plumbing " #91			76.35	
5				O. R. Yates	118			
	✓	✓	✓	Repairs - Repairs on #123 Elm St.			74.19	
		✓	✓	O. R. Yates, remittance			200	

FIG. 7.—RIGHT- AND LEFT-HAND PAGES OF GENERAL TRUST JOURNAL OR CASH-BOOK.

Of the remaining entries on the left page, the debits would all be made to the cash accounts of the several trusts. The credits would be made as follows: Entry No. 2, to the Income account of the trust concerned; entry No. 3, to income; entry No. 4 to the Bonds account, and if the bonds are sold at a profit, the excess over the cost would be posted to the credit of the Profit on Bonds account; entry No. 5, to the Coupons account and to the Bonds account. In entry No. 2, the items would be sub-posted to the rent ledger under the account for each piece of property, and the check marks of the postings placed in the Special Accounts posting column. In entry No. 3, the the interest on the mortgage would be sub-posted to the Loan Register, under the account for this mortgage.

In the right hand page of Fig. 7, the credits for all the entries would be made to the cash accounts of the several trusts. The debits would be made as follows: Entry No. 1, to Coupon account of the trust involved; entry No. 2, to the account of Mary Trowbridge, if remittances are regularly made to her; or, if remittances are not regularly made, to the Expense account; entry No. 3, to S. S. Smith, Syndicate Manager; entry No. 4, to Expense and Repairs accounts, respectively; entry No. 5, to Repairs and O. R. Gates accounts, respectively. The Repairs items in entries Nos. 4 and 5 would be sub-posted to the Rent ledger under the accounts of the properties involved, a separate account being kept of the expenses and repairs on each piece of property. It will be noted that a voucher is kept for each item of expense, the vouchers for each trust being numbered consecutively.

With this journal, as already stated, ledgers are used in which a complete set of "double entry" books is kept for each trust. The ledgers, which are preferably loose-leaf books, are indexed by tabs on the edges of the leaves, and after the tab index for each trust are inserted as many ledger leaves as may be required. The number of accounts carried for each trust depends, of course, upon the character of the trust. It may require the carrying of only Cash and one other account, such as Principal or Income. It may be necessary to add to these such accounts as Bonds, Stocks, Mortgages, Real Estate, Individuals, etc. Under this plan the cash account will of course contain a memorandum of every cash transaction affecting the trust, and it therefore serves as the basis for rendering statements of account either to the court or to beneficiaries or to the maker of the trust. Some companies call this account the Bank account rather than the Cash account.

For these ledger pages any of the forms shown hereafter may be used. If only one form be used, as is practicable, though not entirely convenient, that shown in Figure 16 is probably the most useful, being adapted to different kinds of accounts, and containing columns for both debit and credit balances.

Inasmuch as the character of the business done in trust work for court trusts differs considerably from that done for corporation trusts and others, many companies, as already stated, divide the trust work into two divisions, and use different styles of records in the two divisions. Figure 8 represents a journal form used in the corporations division of the trust department. The general arrangement of the page is one which is coming to be used extensively for various purposes both in trust and banking departments. Both debit and credit items are brought on to the same page; and the space for names and descriptions being in the center, the writing of the names of accounts is often avoided in cases where there are both debits and credits to be made to the same account. It also causes the name of each account to stand out prominently on the page. The object of the extra column headed "General Accounts" is to facilitate the separation of accounts which for any reason are to be treated differently from the regular deposit accounts, or of accounts which are carried in a separate ledger. For example, the total funds of the department are carried as Bank account, which is of course a general account made up of the cash balances of all the accounts in the department. These funds are carried by some companies in their banking departments, and by some are carried in other trust companies or banks. As shown in the figure, the total of disbursements for the day is credited to Bank in the General Accounts column; and the receipts are debited to Bank either at the close of the day or at convenient times during the day as deposits of the funds are made. Among other general accounts would be the interest account for interest received on the Bank account, Bonds and Stock account, if the total of these items be carried in a separate account, etc. The company from whom the writer got this form carries all coupon accounts in a separate ledger, and therefore enters items for coupon accounts in the General Accounts column in the journal. The second entry in Figure 8—that of the credit to "Auburn and Birmingham Traction Pool"—illustrates a use of the two columns. The bonds having been purchased at 80, are carried at that figure in the general Bonds account. The sale here recorded having been at

Tuesday, May 10, 1905

General Accts.	Deposits	✓		Account		✓	Deposits	General Accts.
				Smithville Bond Pool	Call #3			
					J. R. Smith	✓	200	
					M. M. Brown	✓	150	
					Ralph Hopkins	✓	500	
					Mrs. M. S. Tompkins	✓	50	
80 000		✓	$100,000. bonds @ 80	Auburn & Birmingham Traction Pool.	$4000. bonds @ 86	✓	240	3 200
600		✓		N. Y. Traction Co. Coupon acct. #6				
			Distributions	S. S. Smith, Synd. Mgr.				
	315 80	✓	L. R. Jones					
	76 13	✓	M. K. Thompson					
	116 34	✓	X. L. Timson					
				Xville & Rome Tel. Co. Coupon acct. #4	Remittance	✓		3 000
	48 955	✓	Dividend #2 See items in ledger.	Spring & Waters, Synd. Mgrs.				
7 340		✓		Bank		✓		130 152 27

FIG. 8.—JOURNAL FOR THE CORPORATIONS DIVISION, TRUST DEPARTMENT.

86, the profit of $240 is journalized in the Deposits column, while the amount at which the four bonds are carried—$3,200—is entered in the General Accounts column.

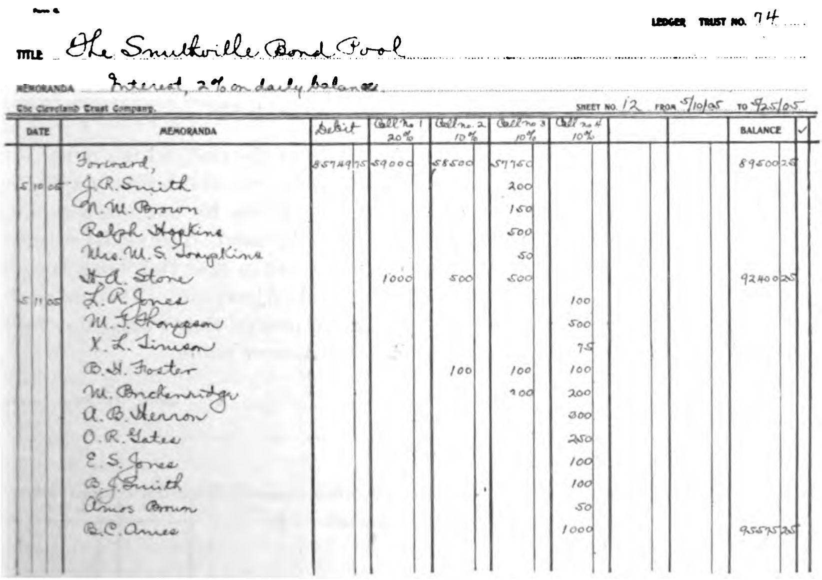
The next-to-the-last entry in Figure 8 illustrates a time and labor saving plan that is much used. A dividend of $48,955 is paid, the amount being divided between perhaps one or two hundred persons. Only the total is entered in the journal; while the items, taken from the stubs of the department's check-book, are entered in detail in the ledger. In case of a large number of credit items to the same account on the same day, a similar plan is followed, the details being posted directly to the ledger from the credit tickets. This plan subtracts nothing from the completeness of the record, while it saves about half the labor otherwise necessary.

It will be noted that although this book is practically a cash-book, it is not, like the form shown in Figure 7, arranged in cash-book style. This matter is largely a question of personal taste, but the usage is in favor of using the journal rather than the cash-book style, the credits appearing on the right and the debits on the left, as in Figure 8.

The ledger for this department is preferably a loose-leaf book. There is so much variety in the nature of the accounts that must be kept that it is a decided convenience to have special rulings for the different kinds of accounts;

and this cannot be done easily unless loose leaves, to be inserted as needed, are used. The leaves must be large enough to accommodate accounts requireing much space. A convenient size is about fifteen and one-quarter inches deep and eleven inches wide for the rulings, with such added width as is needed for the style of binder used. Figures 9, 10, 11, 12 and 16 show several ledger forms that have been found useful.

Figure 9 shows a form adapted to accounts in which funds are collected in installments or on "calls," or in which payments are to be made in several dividends, or in which either receipts or disbursements are to be classified. The figure illustrates the use of the form for an account involving the collection of funds on several calls. From this record it is easy to ascertain at any moment the totals paid in on each call, the persons who have made payments on each, and the balance of the account. In a similar manner, where the form is used to record the payment of funds in several dividends, it easily shows any information regarding the account that is apt to be wanted. For ordinary dividend accounts, however, the use of Form 10 is better, inasmuch



LEDGER TRUST NO. 74

TITLE The Smithville Bond Pool

MEMORANDA Interest, 2% on daily balance.

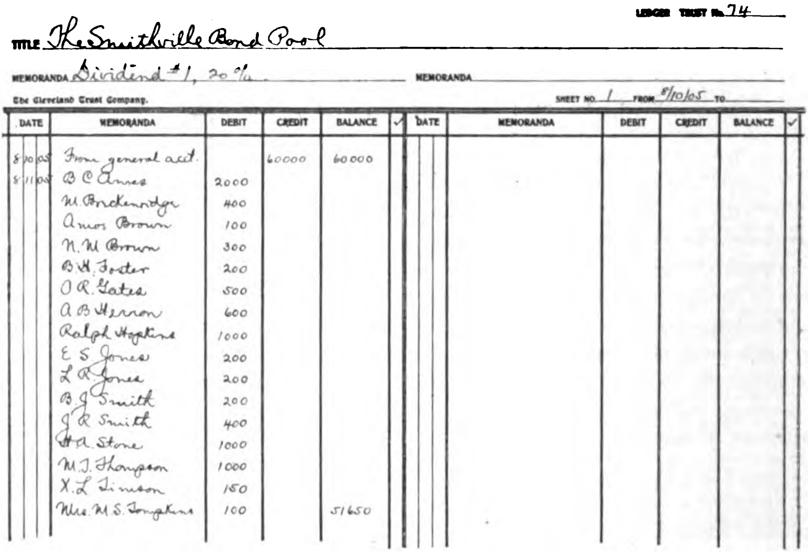
The Cleveland Trust Company. SHEET NO. 12 FROM 5/10/05 TO 9/25/05

DATE	MEMORANDA	Debit	Call No. 1 20%	Call no. 2 10%	Call no. 3 10%	Call no. 4 10%			BALANCE	✓
	Forward,	85749 75	59000	58500	57750				89500 25	
5 10 05	J. R. Smith				200					
	N. M. Brown				150					
	Ralph Hopkins				500					
	Mrs. M. S. Tompkins				50					
	H. A. Stone		1000	500	500				92400 25	
5 11 05	L. R. Jones					100				
	M. F. Thompson					500				
	X. L. Tinison					75				
	B. H. Foster			100	100	100				
	M. Breckenridge				100	200				
	A. B. Herron					300				
	O. R. Gates					250				
	E. S. Jones					100				
	B. J. Smith					100				
	Amos Brown					50				
	B. C. Ames					1000			95575 25	

FIG. 9.—LEDGER SHEET FOR ASSESSMENTS AND DISTRIBUTIONS.

as the whole dividend is usually paid on the same day, and the complete account may therefore be at once placed on a page by itself. Where funds are to be disbursed, and a separate account is wanted of items paid on account of principal, interest, commission, expense, etc., this form is well adapted to the needs. Because of the various uses to which the form may be put, the several columns have no printed headings; but it is customary to have rubber stamps for the headings most used.

Figure 10 shows a ledger form adapted to accounts where not much room for description of items is needed. The record is kept in a very compact shape. The figure illustrates its use for dividend accounts. If the number of items be large, the account is continued on the right half of the page,



LEDGER TRUST No. 74

TITLE The Smithville Bond Pool

MEMORANDA Dividend #1, 20% MEMORANDA

The Cleveland Trust Company. SHEET NO. 1 FROM 8/10/05 TO

DATE			MEMORANDA	DEBIT	CREDIT	BALANCE	✓	DATE	MEMORANDA	DEBIT	CREDIT	BALANCE	✓
8	10	05	From general acct.		60000	60000							
8	11	05	B C Ames	2000									
			M. Breckenridge	400									
			Amos Brown	100									
			N. M. Brown	300									
			B. H. Foster	200									
			O R. Gates	500									
			A B Herron	600									
			Ralph Hopkins	1000									
			E S Jones	200									
			L R Jones	200									
			B J Smith	200									
			J R Smith	400									
			H A. Stone	1000									
			M. J. Thompson	1000									
			X. L. Timson	150									
			Mrs. M. S. Tompkins	100		51650							

FIG. 10.—LEDGER SHEET FOR GENERAL USE.

shown blank in the figure, and on the other side of the leaf, which is ruled in the same way. If the number of items be small, two dividends may be recorded on each page. This is a convenient form to use for coupon accounts, unless a special form like that shown in Figure 12 is used. The small columns headed by check-marks ✓ in this form are for use in case the work is to be checked over in a hunt for an error or for any other purpose. The use of the column for such check-marks leaves the page in neater shape than do check-marks placed indiscriminately, besides being a clearer guide.

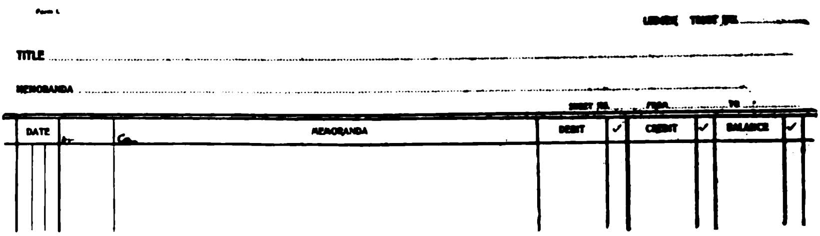


FIG. 11.—LEDGER SHEET WITH WIDE DESCRIPTION COLUMN.

In Figure 11 is shown a ledger page which is convenient where the items are to be described at length. The descriptions of debit and of credit items may be separated by the device explained in connection with Figure 14.

In Figure 12 is shown a form which combines a ledger page for coupon accounts and a record of coupons paid. The combining of the two is a great time saver, and the arrangement for noting the bond numbers of couponspaid is very convenient. In the first debit to the account—that for the payment of coupons presented by John Doe—record of the bond numbers 137, 138 and 139 is made in the description column in the ledger part of the page, and check-marks (✓) are made in the proper spaces in the form for bond numbers of coupons paid. In the fourth debit, the First National Bank of Chicago has presented twenty-five coupons cut from bonds whose numbers are not consecutive. To list all these numbers separately would require considerable time, and then the record would not be as clear as that obtained by the device here used.

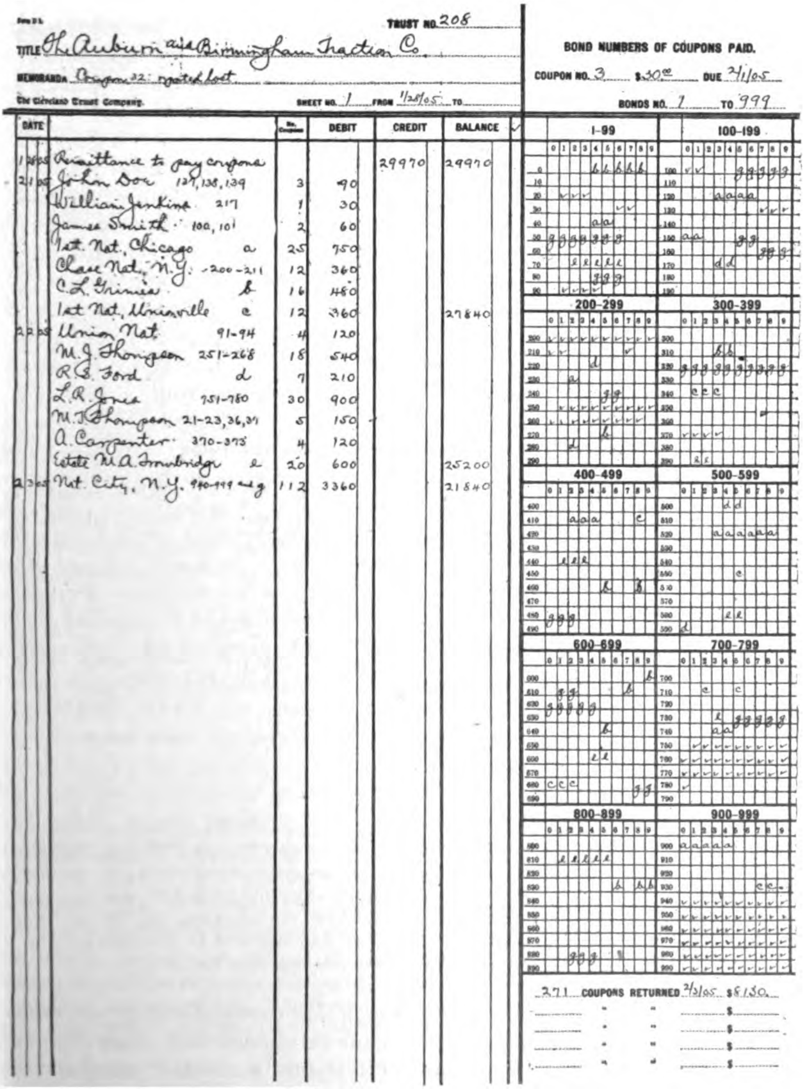


FIG. 12.—COMBINED COUPON LEDGER AND RECORD SHEET.

The letter "a" is used to designate the coupons covered by this entry. This letter is then placed in each of the little squares showing the bond numbers of such coupons—i. e., 44, 45, 123, 124, 125, 126, 232, 412, 413, 414, etc. The next party presenting a bunch of coupons whose bond numbers are not consecutive is given the letter "b," the next "c," and so on. As is evident from a study of the figure, this device shows easily and quickly what coupons have been paid, and who has presented any particular coupon. In case the ledger space on the page is exhausted before the form for bond numbers of coupons paid is filled, the use of the latter is continued, only the ledger space of the next page being used. It is more apt to happen, however, that several pages will have to be used for the bond numbers of coupons paid before the ledger space of one page is filled. If more than 999 bonds are outstanding from which coupons are to be presented, of course two or more pages will have to be used for recording the bond numbers of the paid coupons.

The use of these various ledger forms suggests again the very great convenience of the loose-leaf system. Under this system, whenever an account calls for the use of any one of these forms or of any other form which may be suggested by the needs of the case, such form may easily be inserted in the ledger and the records be kept in the clearest and most convenient manner. The system is adaptable to any need that may arise. This is not true of the bound book; for while a number of different forms may be bound under the same cover, it is impossible to foresee just how many pages of each kind of form will be needed; and it is impossible to group them in the most convenient manner for a series of accounts. Moreover, at any time a new kind of account may be received which, for the greatest clearness and convenience, will require a kind of record different from any in the book. In such a case, if the loose-leaf system is used, all that is necessary is to have the printer prepare the new form, and insert it in the binder. Furthermore, under the loose-leaf system there need be carried in the ledger only such pages as are needed, while in a bound book there are certain to be many unused pages, and the number of such unused pages is sure to be increased as the number of different forms is increased. When all of the pages of a certain form are used, the book must be filed away with many pages of the other forms unused. This takes space in the vault and adds to the expense.

CLAY HERRICK.

(To be continued.)

GERMAN NOTE CIRCULATION.—A bill is before the German Reichstag which will give the Imperial Bank the right to issue notes of twenty and fifty marks denomination; the lowest limit hitherto having been 100 marks.

The bill also provides that the Treasury certificates, of which about £6,000,000 are in circulation, shall hereafter be confined to denominations of five and ten marks. These certificates were issued originally for the purpose of taking up the paper money of the various German States in circulation when the Empire was founded, and have been left in circulation to supply the need of the country for smaller denominations than the Reichsbank was permitted by law to issue.

"The Economist," in commenting on this bill, says that "although the German public shows no great liking for paper money of small denominations, the Government think that smaller Reichsbank notes are needed in industrial centres, where large sums must be paid out in wages; but the chief reason for the bill is the need for notes in making payments by registered letter. The use of checks in Germany, owing to lack of adequate legal protection, is still quite limited, and payments by registered letter are consequently very frequent. It is believed that the gold stock of the Reichsbank will be permanently increased through the issue of twenty and fifty mark notes, and this will make for cheaper money rates.—*London Bankers' Magazine.*

THE THEORY OF GOVERNMENT PAPER MONEY.

Government paper money consists of notes issued by a government to circulate as currency. In order to circulate readily, such notes are printed in uniform style, for even sums. They do not usually bear interest, although there have been cases where an effort had been made to give to interest-bearing obligations for small denominations the money function. Two important attributes have usually distinguished issues of government paper money—that they have been inconvertible and have been made legal tender for debts.

Inconvertible Paper Money.

Inconvertibility means that the government has made no arrangements, or inadequate ones, for converting such notes at the will of the holder into standard money. The fact that they are not redeemed in such money on presentation has given such notes also the designation of irredeemable government paper. While we shall have occasion to speak of some cases in which government notes have been made redeemable, the temptation to issue them has usually derived its force from the fact that they could be issued without providing for redemption. Discussion of both the history and theory of government notes has, therefore, been based upon their lack of convertibility into coin at par at the will of the holder.

The Legal-Tender Quality.

The "legal-tender quality" is conferred on different forms of money in the United States only by specific provisions of law. In Great Britain, however, the obligation to receive money at its face value seems to have been assumed for all the current moneys of the kingdom as a part of the common law. When Henry III in 1257 tried to introduce gold into the currency, a writ issued "commanding the Mayor of London to proclaim in that city that the gold money which the King had caused to be made should be immediately current there and elsewhere within the realm of England in all transactions of buying and selling, at the rate of twenty pennies of sterlings for every gold penny."[1] In most modern States the limits are defined to which the subsidiary coins may be employed in making payments, and few such States have hesitated to give the quality of legal tender to their own paper issues and to those of the banks when war or economic difficulties have led to the suspension of specie payments.[2] The need for any legal-tender laws is disputed by some economists. Bank notes which are redeemable in standard

[1] For this and other instances, vide S. P. Breckinridge, "Legal Tender," p. 18, et seq. By a statute of 27 Edward III, persons desiring to accept foreign moneys were permitted to do so, but were not compelled to against their will.

[2] The French employ two terms for legal tender, cours légal and cours forcé—the former corresponding to the legal recognition of current metallic money, the latter plainly recognizing the forced character of irredeemable paper.

money are often not a compulsory tender, but are accepted in current transactions, because they are as good as legal money.

POWER OF THE GOVERNMENT TO CREATE AND MAINTAIN VALUE.

The fact that governments have been able from time to time to issue paper which had value in exchange, even when not redeemed in coin on demand, has led to much confusion of thought regarding the causes which give value to money. The essential question, can government create value? has been answered in too broad a way, both by those who have opposed such issues on the one hand and by those who have looked upon them as a magic means of creating wealth on the other hand.

The value of money is derived in part from its use as a medium of exchange. It is in the power of a government, as it is in the power of an individual, to give value to a certain extent to any article by creating demand for it. A government is able to create demand for articles through its position as consumer. The value of battle-ships and cannon would fall materially if governments should suddenly diminish the demand for them by a universal convention to give up their use. It cannot correctly be said, therefore, that government has no power to confer exchange value. Even an individual has power, within the limit of his means, to create demand for articles having no tangible use, as diamonds, autographs, or rare manuscripts. Such articles derive exchange value from the relation of demand to supply. The same principle applies to paper money. Government can create a demand for such money by special measures; it can by other measures monopolize the supply and so concentrate the demand for a medium of exchange upon this supply as to compel private individuals to employ it as the only alternative to going without a medium of exchange. It is well said by Fetter that "a sound theory of paper money makes it a special case of monopoly value." How this comes about he thus sets forth: [3]

"Business conditions remaining unchanged, the limit of possible issue without depreciation is the number of units in circulation before the paper money was issued, the saturation point of full-weight and full-value coins. Because governments generally have not stopped at that point, paper money has depreciated."

There is in every community a demand for a medium of exchange. This demand is met in communities where a metallic currency is used by gold and silver coins and promises by responsible institutions to pay such coin. When a government determines to issue paper money and to make it legal tender, it is aided by the operation of Gresham's law, that an inferior money will drive out a better. Where the option of receiving one or the other of two articles lies with the person who is to receive them, the option will be exercised in favor of the better article. Competition to obtain the favor of the consumer thus tends to keep up the quality of the articles offered by shop-keepers. In the case of money, if the option lay with the creditor which money he should receive, he would insist upon the best. This condition, however, is reversed by a legal-tender law, which gives the option to a debtor. Such a law confers upon the debtor the privilege of paying in paper money where the creditor would prefer gold. Inevitably under the operation of the principle of self-interest, every debtor accepts the option of paying in the cheaper money.

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[3] "The Principles of Economics," p. 451.

Even if gold, therefore, remains a legal tender in countries where government paper has been issued, the gold will soon disappear, because it has a higher value than the paper. Even if the paper is, by careful regulation, maintained substantially at par with gold within the country, it will be found that it is not accepted readily abroad. Gold is accepted abroad and is, therefore, used to pay for imports and other obligations where the new paper cannot be so used. Hence the gold will be withdrawn from circulation for use abroad and the vacuum will be filled by the new paper. As every man has debts to pay, which he has either formally contracted for deferred payment or in the cash transactions of daily life, he will require legal-tender currency to pay them. Even aside from the payment of debts, there will be a demand for the legal-tender currency for till-money for merchants and for meeting demands upon banks for loans.

In short, the fundamental need of the community which has given rise to the use of money can be satisfied only by the continued use of some substitute for money, even where economic tendencies drive away the true money of standard metal. This entire demand for money, therefore, including the customary demand as well as the demand arising to fulfill contract obligations previously entered into, will absorb government paper up to the amount where it replaces the coined money which has been previously in use. Thus a government which issues such paper and declares by law that it shall be received for debts will have little difficulty in putting it in circulation through the medium of its usual disbursements. As the process is explained by Beaure: [4]

"Fictitious and managed money is sought because it is useful in exchanges and it is difficult of acquisition because it is limited in quantity. Then also it is representative of real money, being exchangeable for it. It enters the category of articles which, being no longer capable of reproduction, have by hypothesis a value which depends not upon their cost of production (which relates only to the past), but solely upon demand and supply."

The acceptance of government currency at par for public dues is an element in giving it value. The holder of government notes knows that if the private individual will not take them as the equivalent of the coined money which they have displaced, the government will do so. He can pay fees for passports and invoices, he can purchase postage-stamps, he can pay customs duties and direct taxes with the paper currency. If he has not such payments to make himself in large amounts, he knows that importers and others have them to make and that he can dispose of the money at a trifling discount to them. Thus, within certain limits, the fact that government currency is a legal tender to the government, as well as between individuals, aids in maintaining its value.

It should be obvious, however, that the acceptance of government paper for public dues cannot maintain the value of an amount of such paper in excess of the demand thus created. There are several historical instances where its value has been maintained because the quantity was limited, and these instances have been misinterpreted by some as affording evidence that acceptance for public dues will maintain at par any quantity of such paper issued. Thus, when the General Court of Massachusetts enacted in 1692 that the notes of the province should pass in public payments at an advance of

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[4] "Théorie et Pratique de la Monnaie," p. 32.

five per cent. over their face value, the notes were successfully maintained at par for twenty years. But the amount was only £7,000 and when further issues were made, even with careful provision for redemption, depreciation of the paper set in.[5]

Issue of United States Demand Notes.

Another instance, much quoted by the advocates of government paper money, was the issue of demand Treasury notes made by the United States early in the Civil War. These issues fell at first below par, and were discriminated against at the banks; but when they were made receivable for customs dues on the same basis as coin, they rose to a premium over later issues, to which no such privilege was attached. As they were cancelled when thus received, and greenbacks issued in their place, Secretary Chase was able to report that the amount outstanding had been reduced on June 30, 1863, to $3,300,000.[6] As gold was otherwise required for the payment of customs duties and these notes were accepted for the same purpose, they acquired the character of gold for these payments. The Government having thus created a demand for the notes and having provided a supply which was not in excess of the demand, they retained a value which they could not have retained if the supply had exceeded the demand.

It is not an easy task, however, to hold up the value of irredeemable paper in coin. It is an axiom of mathematics that "things which are equal to the same thing are equal to each other." Paper which can be exchanged at par for coin is, therefore, equal to coin; but the corollary of this axiom is that paper which cannot be exchanged at par for coin is not equal to coin.

Reasons for Issuing Irredeemable Paper.

Why, then, it may be asked, have issues of irredeemable paper ever been resorted to? The most obvious answer is, that such issues enable the government making them to obtain capital without paying for it. When the Government of the United States in 1861 began the issue of Treasury notes, it incurred no immediate cost but that of printing the notes. It was able to exchange them for guns, ammunition, uniforms and stores. From a superficial point of view it might appear that a very clever stroke of finance had been achieved in acquiring all these things for the State, themselves the product of the labor of many thousands of men for many weeks, without any other cost to the Government or the country than an act of legislation and the revolutions of the printing-press.

In most cases of government issues, however, it has not been altogether out of pure wantonness—the desire to get something for nothing—that the printing-presses have been set in operation producing paper money. It has been because of inability, or supposed inability, to obtain resources by other means, or disinclination to resort to such means. This was the case with the early issues of the American colonies, who were ill-equipped to invest a large capital in a metallic currency; it was the case with the *assignats* issued in France in the hope of averting the bankruptcy invoked by many years of royal extravagance; and was the case also with the first issues of "greenbacks" in the American Civil War. In the latter case, it was possible to have

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[5] S. P. Breckinridge, "Legal Tender," p. 57.

[6] "Finance Report," 1863, p. 45. The popular impression that these notes were always at par or a premium is shown to be unfounded by Mitchell, "History of the Greenbacks," pp. 149-155.

averted the issue of Government paper by prompt resort to the powers of taxation; but such steps were so long delayed as to justify in a measure Charles Sumner's declaration:

"Whatever may be the national resources, they are not now within reach, except by summary process. Reluctantly, painfully, I consent that the process should issue."

This passage rightly defines the manner in which the Government took capital from its citizens by the legal-tender acts. It hints, however, at a deeper economic motive for such action—a motive which has been generally overlooked in the discussion of the subject, but which serves as a partial set-off (though a very incomplete one) for the evils which Government paper has caused. This was the temporary saving of capital to the country. If the payment of legal-tender notes to soldiers and contractors had been simply a taking by the Government for its own purposes of the products of American laborers and manufacturers, the country would not have been the gainer. But there was another principle involved, which affected the country as a whole to substantially the same extent. This lay in the fact that the country as an economic unit was enabled to acquire from abroad the control of an amount of capital or goods representing approximately the amount of the new currency issued. No foreigner would accept the new currency in payment for his labor or its products, but the country was enabled to substitute for its existing currency, consisting of standard metal, a new currency of paper, and to pay for imported goods by the exportation of gold, which would otherwise have had to be paid for by the exportation of other goods.

It is an important principle of economics that the employment of paper substitutes for metallic money tends to afford a means of drawing capital into use which would otherwise have remained idle. While this principle is not ordinarily so applicable to issues of government paper as to bank notes—because the former do not grow out of normal commercial transactions—yet in a time of unusual need for supplies by the government, such as occurred during the Civil War, an issue of such paper, by increasing the immediate resources of the State, may have contributed to keep capital at home and to substitute gold for it in the settlement of obligations incurred abroad. In this sense the appropriation by the State of an equivalent amount of the capital of the people was a justification of the argument of Dubois, that the mercantilists were not entirely wrong in preoccupying themselves with the formation of a war-chest and that the early expenses of a campaign require great sums to be immediately available.[7] Under ordinary circumstances, it is undoubtedly true (with some qualification), as laid down by Walras, that:[8]

"The increase in the quantity of (available) capital permitted by an issue of bank notes consists in an increase, not in the quantity of circulating capital, but in that of fixed capital."

Under normal conditions, the quantity of circulating capital which a country requires does not differ widely enough from time to time to prevent new savings from being added for the most part to the stock of fixed capital in the form of tools, investments in machinery and buildings. This would be the natural effect of the issue of irredeemable paper in large amount and the consequent expulsion of a gold currency in time of peace. In time of war, however, when a large number of persons are withdrawn from the ranks of

[7] "Précis de l'Histoire des Doctrines Economiques," I., p. 265.

[8] "Etudes d'Economie Politique Appliqué," p. 362.

producers to become consumers only (as soldiers), it may be questioned whether nearly all the capital, fixed or circulating, which is capable of such conversion, is not put into consumable goods like rations, uniforms and ammunition.

If this is so, it explains in some degree the latent tendency to seize upon the metallic currency as a war resource. That this was the real economic tendency of the greenback issues—to concentrate the producing capacity and economic energy of the country upon the equipment of its armies at home—is borne out to a rather remarkable degree by the statistics of foreign trade. They show a falling off in exports of merchandise from an annual average of about $273,000,000 for the five years ending with 1860 to about $187,000,000 for the five years ending with 1865.[9] Home production was thus diverted to home consumption. The metallic currency was treated in effect as a reserve fund which was seized upon by the Government for the emergencies of war. It was a process of a similar nature to that which led the Greek commanders to strip the temples of their treasures in the internal wars of Greece, or which has led patriotic subjects to despoil the churches of their gold and silver ornaments in times of national stress.

Up to the point that the amount of paper issued by the Government did not exceed the amount of metallic currency driven from circulation, the community as well as the State profited in a narrow sense by the economy of the capital previously invested in gold. Gold had a world market. It was the most negotiable thing with which the United States could settle their obligations abroad. Hence, as Mitchell points out: [10]

"Gold really became redundant in the United States when it had been withdrawn from current circulation as money, and when bankers were asked for exchange they could 'find no commodity so cheap as gold to ship and draw against.'"

When all the metallic currency had been driven abroad, however, and the Government made additional issues of paper, the community as such ceased to profit. The Government took from its own citizens the products of their labor and forced them to accept in payment its paper promises. Unfortunately, this has been the usual history of government paper money. The necessity found in weak financial resources for issuing it in the first place has become a more imperative reason for continuing to issue it. The government which, at the beginning of war, could convince lenders of money at home and abroad that it would avail itself of the gold currency only to the extent of substituting paper for a part of it, keeping such paper constantly at par and obtaining its chief resources from loans and taxation, might accomplish some small degree of economy by its paper issues. But in the nature of the case, it would be extremely difficult to give convincing pledges that the issue of paper, when once entered upon, would not be repeated and continued until gold had been driven from the country, paper

[9] The figures of imports are also striking. They fell from $353,616,119 in 1860 to a minimum of $189,356,677 in 1862, but recovered to an annual average of about $266,000,000 for the next three years. The outward movement of gold seems to have been delayed until the year beginning July 1, 1863, but reached a net amount of over $200,000,000 within the next three years.

[10] This fact is used also to prove that the price of gold was not artificially enchanced by "speculation," as claimed by some of the paper money men, because in that case exports of gold would have been checked and imports of the metal have begun.—"History of the Greenbacks," p. 191.

had depreciated until it was the sole standard of value, and the national finances had become so deranged that public credit was seriously impaired. The government strong enough to adopt a sound policy with success would be strong enough to do without legal-tender paper at all, so that for practical purposes it may be said that the government which enters upon the policy of issuing government paper to meet an emergency forfeits confidence in its purpose and its ability to continuously fulfill its obligations.

Tendency to Emit Large Issues.

It has been the usual history of government paper that the first issue has been made reluctantly and under solemn pledges that it should not be increased, but that such pledges, when a new emergency arose, have been treated lightly as "dicers' oaths." Such was the history of the legal-tender act of 1862 in the United States. When Secretary Chase submitted his annual report to Congress in 1861, he discussed the project of issuing Government paper, but declared that its possible consequences were: [11]

"The temptation, especially great in times of pressure and danger, to issue notes without adequate provision for redemption; the ever-present liability to be called on for redemption beyond means, however carefully provided and managed; the hazard of panics, precipitating demands for coin, concentrated on a few points and a single fund; the risk of a depreciated, and depreciating, and finally worthless paper money; the immeasurable evils of dishonored public faith and national bankruptcy."

These possible disasters, Chase declared, so far outweighed the probable benefits of the plan, that he felt himself constrained to forbear recommending its adoption. Yet within four weeks after the meeting of Congress a bill had been introduced by the chairman of the sub-committee charged with the subject,[12] providing that "for temporary purposes," and until a banking law could be put in operation, legal-tender notes should be issued to the amount of $50,000,000. To this measure Chase gave his reluctant assent.[13] Warnings that the first issue would lead to others passed unheeded over the heads of members who preferred issuing fiat paper to testing the merits of heavy taxation.[14] Before the bill became law, the limit of issues had been raised to $150,000,000, and other issues soon came. The first act became law February 25, 1862. On June 7, 1862, Secretary Chase was writing to the Committee of Ways and Means, asking for more notes. The authority to issue them was granted, to the amount of $150,000,000. Descent of the path of irredeemable paper became easier with each step. In January, 1863, a bill providing for $100,000,000 more notes was introduced, passed both houses of Congress, and received the approval of President Lincoln, all within three days.[15] This issue was only part of a larger one which was coupled with a restriction on the issue of small bank notes.

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[11] Spaulding, p. 10.

[12] This was Representative E. G. Spaulding of Buffalo, author of a work on the history of the legal-tender paper, of whom Sumner sarcastically observes that he "claims to have been the author of this act, and no counter-claimant has ever arisen."—"A History of American Currency," p. 198.

[13] Letter of January 22, 1862.—Spaulding, p. 27.

[14] Vide Mitchell, p. 57.

[15] The original bill called for $50,000,000; but on Lovejoy's motion the amount was doubled. "Then," says Mitchell, "without any discussion the resolution was passed."—"History of the Greenbacks," p. 109.

From the suspension of specie payments by the banks at the close of 1861, a premium on gold appeared, but it did not rise above three per cent. until May, 1862. After that the premium rose rapidly. The price of gold in currency was 115⅛ at the beginning of August; 122¾ early in October, and 132¼ at the close of December, 1862. Within the next two months it was as high as 172. Importers bought gold not merely for the payment of customs duties, which were still exacted in gold, and for direct payments to foreigners, but also for protection against fluctuations in the value of the currency between the times goods were bought and sold. Exporters bought and sold for similar reasons, and even manufacturers and merchants in domestic trade sought in the same manner to protect themselves on their future contracts expressed in paper currency. Thus men of foresight obtained the advantage they usually obtain in times of uncertainty and speculation over those who drift with the current.[16] While wages rose eventually in paper, prices rose much faster. In 1863, according to a careful investigation, prices in comparison with a basis of 100 in 1860, stood at 148.6; wages had risen only to 110.5. In 1864 prices stood at 190.5, wages at 125.6. Some of the effects of these conditions are thus summed up by Dewey: [17]

"As the purchasing power of earnings was greatly diminished a heavy load was placed upon the laborers of the country. The Government was the largest employer of labor in workmen, clerks and soldiers; but the Government rarely makes changes in its salaries or pay, and hence did not feel the full effect of the increase in wages which took place in the individual field of labor."

Even the benefits of disposing of the gold currency abroad were transitory and were more than offset by the bad effect of the paper issues on our international credit. It became necessary to raise at home all the capital required for carrying on the war, instead of borrowing a part, to be repaid when the country was not under such stress. The effect of this policy abroad was incidentally political as well as financial. As Bagehot points out: [18]

"The old countries were frightened by the probable issue of unlimited inconvertible paper, and they would not lend a shilling. Much more than the mercantile credit of America was thus lost. The great commercial houses in England are the most natural and most effectual conveyers of intelligence from other countries to Europe: if they had been financially interested in giving in a sound report as to the progress of the war, a sound report we should have had. But as the Northern States raised no loans in Lombard Street (and could raise none because of their vicious paper money) Lombard Street did not care about them, and England was very imperfectly informed of the progress of the civil struggle."

Ill Effects Resulting from Irredeemable Paper.

Nor was this incident peculiar to this particular case. The government which issues irredeemable paper either separates itself absolutely from the international money market or condemns itself to paying there a high pre-

[16] Simon Newcomb declares: "A system of paper money may be described, in general, as a convenient device for throwing the entire burden of an extraordinary expense upon that class of the community who have most faith in the paper money."—"Financial Policy During the Southern Rebellion," p. 114.

[17] "Financial History of the United States," p. 294.

[18] "The English Constitution," Works, IV, p. 46.

mium for the lack of confidence which its own policy has aroused. If Japan in 1904, instead of jealously guarding her gold reserve and applying to its restoration the proceeds of her first foreign loan, had issued paper money, she might indeed have obtained financial aid in London in the form of loans, but it would have been upon the onerous terms upon which it has been granted to backward peoples of uncertain credit and disordered finances.

Upon the whole, therefore, the issue of paper money is a resource which can seldom, if ever, be availed of to advantage in meeting emergencies. Governments which enter upon the issue of paper money rarely restrain the amount within the limits of the stock of metallic money which is displaced. Every new issue, if it adds to the amount legitimately required to take the place of coin, by this very fact separates the value of the paper further from that of gold. This rise of the gold premium in its turn accentuates distrust of the paper, sends its gold value still lower, and causes a demand for increased issues. The actual course of events has verified the summary made by Schwab in reference to the Confederate paper of the Civil War:[19]

"The paradox that a further redundancy of notes would create a still greater scarcity by driving prices still higher and putting commodities still further beyond the reach of the note-holder, was seldom understood. 'The business wants of the country' were never satisfied, and were calling for more notes during the inflation of the Confederacy, just as they were in the North at the same time, and as they always had done in former periods of suspension in our history. Under similar conditions the pressure for more currency was always inevitable and generally irresistible.

"The history of the French *assignats* offers an instructive parallel. We hear constant complaints of a lack of a circulating medium and a clamor for more notes, especially of small denomination. Exactly the same cry was raised in Austria during the fifties and in Russia during the next decade. It is always the same story: as the irredeemable paper drives up prices, the public demands, and generally gets, more notes with which to meet this higher price level."

Thus, the general tendency of government paper issues is to create "a vicious circle," by affording a tempting means for meeting demands for increased issues while affording no means of curtailing them when they have become obviously excessive. If it were possible to regulate the stock of paper money automatically, so that it would in fact respond to the demands of trade, while confidence in the issuing power remained unimpaired, it might be possible in theory to keep government paper currency near the level of its declared value in coin. Thus far in monetary experience, however, the only practicable means of doing so has been found to consist in direct redemption at par in coin. Rarely have governments been able to maintain such redemption at the time of issuing government paper and in many cases they have not even sought to maintain it.

In some of those communities which have gotten beyond the struggle for bare economic existence and have learned the lesson of disaster taught by excessive issues of paper, a moderate policy has in recent years been adopted which has guarded against some of the chief dangers of such issues. If such paper is to be issued without grave risk, it should form only a small proportion of the total circulation, leaving a large vacuum for money of the standard metal. Within such limits government paper, when redeemable on

[19] "The Confederate States of America," p. 147.

demand, forms a substratum upon which the more elastic element of the metallic currency may be superimposed. This has become by the progress of events the practical character of the use of paper in the monetary systems of the United States and Canada in recent years.

In the United States the $346,681,016 in greenbacks, left outstanding by the law of May 28, 1878, has not been increased. The total stock of currency in the country expanded from $789,790,976 at that time to $2,885,079,229 on July 1, 1905. If there had been no other paper issues or token currency infused into the circulation in the meantime, the increase would have been in the form of the standard metal. The greenbacks would then have constituted only about one-eighth of the total stock and would have formed no menace to the integrity of the currency system. In Canada the principle of maintaining a limited issue of Government paper as an economy to the Government and the community has resulted in the issue of what are called "Dominion notes" in denominations of $1, $2 and $4. Against such issues up to the amount of $30,000,000, a reserve of fifteen per cent. in gold is required, while beyond this limit the notes must be fully covered by gold, making them substantially gold certificates. As the banks are required to keep half their reserves in Dominion notes and their circulation has greatly increased in recent years, the joint demand from the banks and for small notes in circulation has accumulated a large gold fund in the Dominion Treasury.[1] In Austria, however, the issues of Government notes made in times of stress, in spite of the fact that they were materially reduced, proved a clog to the resumption of specie payments by the National Bank until in 1902 they were practically all retired.[20] Their history demonstrates how difficult is the maintenance of a government paper issue except by the strongest governments, on the most limited scale, and under the most severe regulations.

CHARLES A. CONANT.

[20] Vide Raffalovich, "Le Marché Financier en 1902-03," p. 820.

MISEDUCATION OF CONSCIENCE.—In an address delivered before the Christian Endeavor Convention in session at Baltimore July 7, Rev. Washington Gladden, of Columbus, Ohio, declared that there was a tremendous uneducated or miseducated conscience in this country. He said that people who are active in church work, who are models in communities, are doing things horribly wrong, because their consciences have been so dulled that they do not protest.

"A general slump of conscience in financial circles and in political circles, in society and in the Church itself," was the way he described the condition.

"The one thing this country needs today," he declared, "is a clearing and toning up of the consciences of its citizens. The phenomenon known as 'graft' is a widespread and deadly disregard of the primary rights of property, and the essence of it is the appropriation for personal uses of public property or of private property held in trust."

He referred to such instances as the appropriation of stationery by Congressmen and Legislatures, the pass habit among public officials, the tax dodger and the public official who booms public improvements that will enhance the value of his own property.

"If one could believe all he hears," he said, "and could accept the estimates of active business men who ought to know, one would be compelled to believe that not only the public service, but private business, is honeycombed with bribery of this sort—that the majority of those who are acting as agents of others are taking their private rakeoffs whenever they can do it without detection."

A PRACTICAL TREATISE ON BANKING AND COMMERCE.

MANUFACTURING.

The subject of Manufacturing, apart from the petty developments of a primitive condition, at once opens up this fundamental question, what natural capacity or suitableness exists in any given country, or given tract of country, for the production of goods by manufacturing processes? The answer to this question verges upon the problems that gather round the controversy between free trade and protection. These problems it is not within the scope of this work to consider; suffice it to state, what is universally acknowledged, that the primary conditions of the suitability of any country for manufacturing are two, the possession of *power*, and the possession (or possibility of acquiring at a competitive price) of *raw material*. There are secondary considerations, such as a supply of suitable labor, and the proximity of markets, but the foregoing are fundamental.

Where these two are found together, manufacturing is most natural, and if efficiently carried on, most profitable. Where only one of them is found, the possibility of profitable manufacturing depends on the cost of bringing the two into conjunction. Where neither of them is found, profitable manufacturing is, generally speaking, hopeless.

The early developments of manufacturing almost invariably arose around *water powers*. Thus it was with nearly all the manufacturing towns of England. The streams that flowed down from the central moorlands of the North gave rise to the falls and powers that were the origin of the manufactures of Lancashire and Yorkshire. Thus it was also in Scotland, in central England, in New England, and notably with the powers arising from the great rivers of Canada, and of the United States.

The development of coal mining introduced a new element into the question, which element, in most cases, has become the dominant one. Except in a few centres where water powers are found of prodigious magnitude and continuity—such as Ottawa, Minneapolis, and Kewatin, the power of coal has not only become supplementary to the power of water, but has almost supplanted it. But even in localities where water power has fallen almost into disuse, and great manufacturing cities are found at the present day, whose engines are almost wholly run by the power of coal, it will generally be found that some water power was the beginning of its development. Thus it was that several little converging moorland streams in Yorkshire were the origin of the town of Sheffield, though the power derived from them is now infinitesimally small. The little river Idle, which is humorously said to be the hardest working stream in the world, flows down the western sides of these same moorlands, and was the origin of many of the thriving communities of Lancashire, Manchester included. Yet hard as the little stream works, its total power and that of other streams like it is a very small factor in the total production of the district.

Nature itself, that infallible mother of all forces, has indicated with certainty where manufactures may profitably flourish. And it is one of the most striking developments of these days that water power is asserting itself again as a generator of electricity.

But though a given country, as a whole, may have the natural elements of manufacturing success, it is not every locality that is suitable for every kind of manufacture. Other elements have to be considered, and particularly the important factor of labor, economical supply of raw material, and the ease of reaching a consuming market. What particular manufacture will suit a certain locality has finally to be determined by these. It has become plain that flour milling suits Minneapolis, saw milling the Ottawa Valley, cotton manufactures New England, iron and steel Pennsylvania. Cotton spinning flourishes in Lancashire, but an attempt to introduce it into Yorkshire was a signal failure. Montreal has remarkable facilities for a variety of manufactures, and a variety of them are therefore found in that city and neighborhood. So, by a natural process of development each of the manufacturing towns of Canada has come to be what it is; and the best has come to be made both of our coal mines and the water powers of our smaller rivers, such as the Trent, Otonabee, and Grand in Ontario, and the St. Francis, the North, the Chaudiere in Quebec. And what is true of Canada is true of the United States on a much larger scale. In a forest covered country, as most of Canada was originally, the most natural form of manufacturing was sawing up the wood of the forest into lumber, or hewing it into square timber. Both have been the source of great profit at one time, both have caused great losses at another; the profit and the loss having been generally traceable to knowledge of the business or lack of it; but sometimes to the chances and changes of winter and spring. But too much or too little snow in the woods, or too much or too little water in the river, may spoil the labor of a whole season.

But a person who has been successful as a maker of timber sometimes turns his attention to saw milling. He is then confronted with new conditions of which he has had no experience, and ruinous losses have followed the experiment. Mills were built where the best conditions did not exist, and profit frittered away in cost of hauling.

The difference between a mill which can be worked properly and one that will entail constant loss may be only a difference in locality of half a dozen miles. To locate a mill on one side of a stream or the other, or on the eastern side of a hill instead of the west, may make the difference to the owner of a fortune or ruin.

The same principle applies to another natural industry of Canada, the flour mill; a business that has undergone a striking development corresponding to the development of the country. The gristing mill of former days, often buried in the woods, picturesque in appearance, with the rudest description of equipment, has been necessarily replaced by the substantial mill of these times, contiguous to a railway or navigation, equipped with modern machinery and perfect appliances for power and transport.

At quite an early period there followed Woolen mills, Tanneries, and Pork factories; and, somewhat later on, Breweries, Distilleries, Coal Mines, Iron Works, Fish-curing establishments and Implement Manufactories, Paper Mills, etc., all of which are indigenous to the soil, and work up the natural products of the country or its contiguous waters. In all these, as in flour milling, there have been enormous developments from the past to the present; and in all of them, much money has been both made and lost.

But there are now in the country manufactures of a different description, which have yet attained a high degree of development and give employment to a large number of artisans. These differ from the foregoing, inasmuch as the raw material they work up is not a product of the country. They owe their inception and, in part, their continuance, to legislative conditions, for which reason it is considered by some that they should never have been set on foot, and have no right to be continued. (Many of them have very fine water power.) These manufactures, however, exist, and their development illustrates the importance of locality as much as those before mentioned. Some mills have never been a success, and if they had been owned by private individuals the parties would long ago have gone into bankruptcy. In other cases, after the difficulties that attend all new enterprises had been overcome, success has been constant and remarkable. All of them demonstrate the points insisted upon, viz., that an ample supply of power, either of water or coal, an easily available supply of raw material, good communications both to and from the factory, and command of efficient labor, are the foundations of success, without which the largest expenditures, the most efficient machinery, and most economical management will be in vain.

There must, in the nature of things, at some time be a pioneer establishment in the case of every manufacture in every locality. It is not seldom the case that a large amount of money is lost while the experiment is in progress, even if success be attained ultimately. Some of the well-established manufactures of Canada were commenced by men who were not discouraged by losses at the outset. They persevered, but not on the same lines. They tried experiments, found out defects, introduced new methods. Thus, sometimes very slowly at first, but surely, they discovered the art of not only making goods but making money.*

Bonuses.

Closely connected with the matter of locality is the practice, once so common in Canada, of municipalities offering inducement to manufacturers to establish their business amongst them. This practice is unknown in Great Britain, and it has been of doubtful advantage to this country. For it is certain that unless a manufacturing business is established in a proper locality it cannot permanently succeed.

The great centres of manufacturing industry in Great Britain have not become so by chance, or by means of municipal bonuses, but because of their facilities. Why are they all found in the North, or in other localities contiguous to hills? It is because of the water power originally found there. In the early days of development, when a district is only imperfectly known except to the people therein, these, knowing the district to have advantages, may reasonably call attention to them, and offer inducements to a manufac-

* It is, as has been observed, foreign to the purpose of this treatise, to discuss the economic questions connected with these latter lines of industry. But it may be observed, and it deserves to be noted, that even such industries may be considered indigenous, at any rate to this extent, that the raw materials of several of them are produced on this continent, if not in this country, and that we have the means of economical production in our water power, and access to coal mines; also in a supply of suitable labor and of economical distribution in our great lines of railway and river transportation. And it is an undoubted fact that much of the water power which nature has given us would be wasted if these enterprises ceased to exist.

turer to establish himself amongst them rather than elsewhere. These inducements will offset the risk of building and bringing capital to a place hitherto unknown. Its success as a seat of manufacture has to be proved, and it may take years to accomplish it. Remission or reduction of taxes, or an actual bonus in money, may therefore be offered without violating any economic principle. If the place proves to have the advantages claimed and the parties receiving the bonus have capital and capacity, the experiment will succeed, and other enterprises follow. Then bonuses should cease.

But when the people of a town, simply out of spirit of ambition, or what is called enterprise, seek to draw manufactures to a place without natural advantages, the effort is foredoomed to failure. Any manufacturer, looking round for a spot in which to commence operations, will beware of being tempted by a bonus to an undesirable locality. Better borrow the money at ten per cent., supposing it necessary to borrow at all, and settle in a desirable locality, than get a supply of money for nothing in an undesirable one. And the people of a municipality, under such circumstances, will learn by unpleasant experience that their money has been wasted by reason of the forced enterprise never taking root.†

The Successful Manufacturer.

It may at first sight seem unnecessary to make a distinction between the successful merchant and the successful manufacturer. But the points of difference are important enough to make it desirable.

Almost all that has been said respecting a successful merchant applies also to a manufacturer; but all that applies to a manufacturer does not apply to a merchant. In using the word "manufacturer," it should be understood that, in this chapter, a flour miller, a tanner, sugar refiner, saw miller, pork packer, and hewers of squared timber are included. They all produce goods by a manufacturing process, though they are not generally called "manufacturers."

To be a successful manufacturer implies at the outset that the goods produced are such that, speaking generally, there will be some certain *demand* for them. There are goods which are subject to the changes of fancy and fashion: it is then of primary importance for a manufacturer to watch these

† The writer remembers well an instance illustrating the importance of locality that transpired in a certain town in England. The district is particularly well adapted for iron manufactures, and they have flourished there for generations. But many years ago some capitalist conceived the idea of developing the cotton industry there also. There were hundreds of cotton mills fifty miles off over a range of moorlands, why could not the industry be domiciled in his own town? The capitalist conceived there was no reason, and built and equipped a mill. But it was found impossible, year after year, to make cotton goods at a profit; although, not a hundred yards away, a great iron foundry and rolling mill, fed by the same water power, were making large amounts of money for their proprietors. The reason was that in the era before railways the range of hills aforesaid presented an insurmountable barrier. The cost of bringing raw material to the town by carting it over the moorlands and carrying back many of the finished goods over the same hills, swallowed up all profits of the mill. After years of hopeless struggle and heavy loss of capital, the factory was closed and dismantled. I well remember its broken windows, dilapidated flumes, and ruined dam, standing out as an object lesson of misplaced enterprise. Canada, too, has some object lessons of the same kind. But she has seen magnificent examples of success when natural conditions have been duly observed, and business principles brought to bear.

changes and regulate production accordingly. There are others for which the demand is certain.

But though a man may be sure of selling the goods he produces, it by no means follows that he can always sell them at a profit. A manufacturer may have an imperfect equipment, or insufficient knowledge, or inadequate capital, in which case, so strenuous is modern competition, that to make profit is out of the question.

With regard to Capital, it is obvious that more is required for a manufacturer than for a merchant. A merchant buys the very goods he sells; and can generally buy them on credit; the only immediate cash outlay on them being for freight and duties. He can generally lease the warehouse in which he does business. But a manufacturer can rarely rent his mill or factory; in fact, it is almost a necessity for him to own it.

The minimum capital on which a manufacturer can carry on business with ease, is that expended on land, buildings, plant and machinery. But it is certainly desirable for a manufacturer to have some capital beyond this, otherwise he may find himself seriously embarrassed, in a time of momentary pressure. It is only prudent therefore for him to allow his profits to accumulate until he can look circumstances squarely in the face no matter what financial changes may transpire.

But, though being in possession of adequate capital, it may be safely said that a manufacturer cannot be successful unless he, or a manager under him, has a *faculty for machinery*, and can tell, as by instinct, whether any particular machinery is serviceable and workable. This faculty, if he has it, will enable him to make economical repairs and replacements, or introduce improvements, perhaps peculiar to himself. For it is a necessity for every factory to adopt current improvements when their merit has been demonstrated.‡

Here it is that the faculty for machinery will have its scope. It will enable a manufacturer to judge whether the new thing is a good thing, and whether improvements, so called, will really improve; or whether he cannot, by some alteration, make his own machinery answer the same purpose. The proprietor of a large flouring mill, not in Canada, once lost a large sum of money by hastily adopting a new method recently patented. The mill was at a standstill for some time while the alterations were being made, and its customers were obliged to trade elsewhere. But when the mill started again, although a great flourish of trumpets had been made about the new process, it was found to make no better flour than the old and no cheaper, and in the end it was abandoned altogether.

The question, however, now arises to which all that has been referred to is preparatory, viz., *what* goods are to be manufactured, and *to whom* and *how* are they to be sold? It is not necessary in a treatise like this to enter upon the specialties of the many lines of manufacture established in the country. The greater part of them are of staple products. But there is this

‡Not that every new idea in machinery is to be adopted as soon as it comes out. A thing is not necessarily good because it is new. The patent offices at Washington and Ottawa contain hundreds of models of inventions, and of supposed improvements, which turned out on trial to be unworkable. A manufacturer, therefore, while keeping his eyes open to what is transpiring in the way of improvements, will be careful not to spend money on what may turn out to be mere "fads," unless indeed he has capital enough to enable him to spend money in experimenting.

to be said, that it is highly conducive to success, even in the manufacture of staples, for the manufacturer to make a special article, and to brand it with his own name, so that it may have a name in the market, familiar to his customers and the public. Unless he can do this, he will rarely make profit. There is a general and noticeable movement towards specializing manufactured goods, and labeling them with a name which carries with it a guarantee of quality, even of such articles as flour, pork, whiskey, etc. The reputation once established, the demand is certain, and, in most cases, the profit is assured.

But in such lines of manufactures as cottons, woollens, boots and shoes, rubber goods, etc., etc., many varieties are to be found. Some of these, too, are staple, but others are of the kind where taste and fancy have sway; such as colored and fancy cottons, woollens and silks. In agricultural implements also a considerable element of taste and fancy has sway, and competition prevails as to the quality of various kinds of machines. For the wise production of these classes of goods, the same instinctive feeling of *what will suit the market* is required, that has been referred to in the case of a merchant.

Passing, however, from the consideration of what is to be manufactured, to that of *how* the productions of the factory are to be *sold;* a wide field is entered upon, which brings the manufacturer into close contact with the Banker. At the outset, questions arise as to whether goods shall be sent *on consignment*, or whether they shall be made to reach the merchant direct; whether the services of a *selling agent* shall be secured, through whom the whole product shall be distributed to the dealer, or whether dealings shall be with customers direct.

With regard to consignments, it has long come to be regarded as an unprofitable method of doing business. Manufacturers of goods for export have long seen it necessary to establish such connections abroad that they can make *sales*, at definite prices and on definite terms of time and delivery; and will not trade except for what are called "*firm offers.*"

Manufacturers of cotton and woollens have, however, found the convenience of dealing through a selling agent who will guarantee sales; or will accept himself against the goods that pass through his hands. It saves a large amount of office work, and seems also to save a considerable amount of risk in giving credit to a large number of traders scattered over the country. But experience has proved that though trouble and office work are saved, *the risk* remains. The selling agent himself takes the risk of numerous accounts; and in difficult times he may himself succumb. Hence it has come about that while the services of a selling agent are retained, he is in some cases relieved from the responsibility of accepting against goods, or guaranteeing accounts, a difference in remuneration being made accordingly. The manufacturer then deals directly with the customer so far as collecting is concerned, and takes the risk of giving credit. This arrangement is looked upon with much more favor by the banker, for obvious reasons. The practice of selling goods through an agent is found convenient in the case of factories located in country districts. The selling agent in such cases performs the service of a well-informed partner. Being resident in a mercantile centre, he can give the manufacturer advice as to changes of fancy and taste; and prevent him running on undesirable goods.

In most lines of manufacture, the natural course is to sell to the wholesale merchant. In this case the manufacturer will have large accounts in his books, especially in the timber trade, where it is a common practice to sell the whole product of the year to one mercantile house. This involves exceptional risk, and a prudent banker will be careful as to discounting bills of the magnitude called for unless a lien is preserved on the goods until payment. But throughout all these selling arrangements, where paper is required to be taken, a prudent manufacturer will always keep in touch with his banker, as to whom to credit, and to what amount.

The last course opened to a manufacturer is to sell to the retailer. This is, or certainly was, a common practice in Great Britain, but it has not taken root here, except indeed in the case of the departmental city stores, whose purchases are on the same scale as those of a wholesale merchant, and are treated as such by a manufacturer. It is evidently not desirable for the manufacturer to sell to the ordinary retailer, for in that case he will endanger his trade with wholesale houses.§

With regard to other elements of success all that has been said of the merchant has an equal application to the manufacturer.

In the matter of insurance there is even a greater necessity for a careful outlook; for the damage to the business of a manufacturer by fire is usually far more serious than to a merchant. It is much more easy for a merchant to obtain new premises and a new stock of goods than for a manufacturer to replace his buildings and machinery. The fact that a manufactory is usually well built, or that it has unusually good fire protection should never induce a manufacturer to diminish insurance. He gets the benefit of his good appliances in a lower rate. But to diminish the *amount* is apt to prove a serious mistake.

Another factor in manufacturing success must finally be noticed. It is that a manufacturer should be about his works early in the morning. One of the most conspicuous instances of manufacturing success that Canada has

§ The method of disposing of staple export goods by consignment was formerly almost universal, but it has led to so many losses as to have been largely abandoned. It was an easy way of doing business to forward goods to a consignee as fast as they were made, and draw a percentage against them, that percentage being supposed to leave a margin to be drawn for in future. The margin would, in truth, be realized if the goods struck a favorable market; and many an exporter has deceived himself by treating it as a tangible asset. But a sad undeceiving has often awaited him on the receipt of Account Sales. In many cases there was a balance against him instead of to his credit, which balance he was called upon to pay. The technical name for this is "reclamation," a word which has had an ominous sound for many a shipper, and proved the beginning of a downfall. A consignee when his own acceptances are coming due, and markets are adverse, will sometimes slaughter his correspondents' goods. An unscrupulous consignee, indeed, in an advancing market has been known to take goods to his own account, rendering a far less favorable return than he could afterwards have done, had the goods been actually sold. There are, in fact, disadvantages every way in consigning. The manufacturer has not the advantage of that direct contact with the buyer which is one of the most efficient checks upon his business. If he consigns he may not know for weeks that his goods are unsuitable or badly manufactured; whereas, if he sells, the buyer will tell him at once. In the one case he will go on making goods by which he ultimately loses money; whereas, in the other he will at once change his methods, overhaul his machinery, or buy more suitable raw material, and so work round to a profitable style of business.

It may be thought difficult to arrange sales with buyers across the sea, but it is undoubtedly for every exporter's interest to open communication with buyers, and to visit the centres of consumption abroad, and in these days of swift communication it is becoming easy to do it.

known, in which, from small beginnings, an enormous and most profitable business had been built up, was characterized by this feature. One of the principals was always about the establishment as early as any of the workmen, going from floor to floor, from room to room, from department to department. Dusty and dirty he was as any workman in the building, before breakfast. But a few hours later the same man might be seen on 'Change, in the Bank parlor, or in his own office, guiding the finances of his large business, or attending to operations involving the welfare of men in all parts of the country.|| G. H.,

Former Gen. Mgr. Merchants' Bank of Canada.

|| It is amongst these large and diversified spheres of industry, some mercantile, some manufacturing, that banks find their principal field of operations: their mode of dealing with each will be fully opened up later on; meanwhile it may be observed that it would be of extreme interest, though it may not be possible, for a special Government return to be published say once a year, showing how much assistance the banks were rendering to the various lines of industry in the country.

THE CAPTAINS OF BANKING.—In an address before the recent convention of the South Carolina Bankers' Association, R. G. Rhett, President of the People's National Bank, Charleston, referring to the part taken by the great banks of the country in building up colossal combinations of capital, said:

"Those bankers who have thus drowned every feeling of moral responsibility to anyone, and have not found it improper to construct their palaces and erect their monuments upon the wreck of the people's rights, seem to be growing in number and in power. Their sphere of action is extending to the entire country, and if their rapacity is not held in check by their own foresight, untold disaster will result in the clash which sooner or later must come.

The quicker a moral, as well as a legal, responsibility is recognized, the speedier will the adjustment between labor and capital begin. Each class is combining for a struggle, and the battles are growing larger and fiercer. Labor cannot but feel that fabulous wealth is being concentrated in the hands of a comparatively few capitalists, by means of the sweat of the brow, and while the capitalist grows richer, the laborer grows poorer. Capital on the other hand, sees in the unions and combinations of labor a menace to all investments through the unreasonable demands often made, and so combines still closer for its protection.

If the moral responsibility of these captains of banking held a larger share of their attention, the great brains that have built colossal fortunes, and now wield princely powers, might yet solve the problem of so adjusting the rights of labor and capital—nay, deeper still, the rights of man and money—that the clash which seems drawing nearer may be averted; a mutual confidence restored, and the marvelous prosperity of this great country enjoyed by all in peace and happiness."

BANKERS MUST BE PROGRESSIVE.—The position of the erstwhile banker and especially the country banker was unique in its independence. There was no scramble for business. The banker sat in his office and business came to him all unsolicited. It is true the volume was not large, but the margins for profit were. The two qualifications requisite to success were to know when to say "no," and to be able to say "no" (and it was easier then to say "no," than it is now). To solicit business was considered at least of doubtful propriety, and in no case was it considered professional, or in accordance with bank ethics to solicit another bank's customer. But in these times of close competition, of close margins, the banker who sits down and waits for business is a back number and failure, and the same might be said of the banker who does not keep pace with the progress of the times. He needs to know, he needs to do; and the more he rubs against other bankers, the more he learns, and the more inspiration to do he catches.—From Annual Address of B. F. Mauldin, President of South Carolina Bankers' Association.

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.

PROMISSORY NOTE PAYABLE TO ORDER—ASSIGNMENT WITHOUT WRITING.

United States Circuit Court of Appeals, Ninth Circuit, May 1, 1905.

FIRST NATIONAL BANK OF COUNCIL BLUFFS *vs.* MOORE.

In the absence of a statute to the contrary, a written assignment of a negotiable note, payable to order, is not necessary to transfer an equitable title to the note to the transferee.*

Where certain negotiable notes sued on were transferred by parol in Iowa, the transferee was entitled to maintain a suit thereon in his own name under the law of that State.

The First National Bank, of Council Bluffs, Iowa, brought an action to recover upon three promissory notes of date January 2, 1897, made by one Moore to the Citizens' State Bank of Council Bluffs, Iowa, two of said notes being for $2,500 each and one for $800, and all made due and payable six months after date. The complaint alleged that on January 2, 1902, the payee of the notes, by an instrument in writing, assigned and transferred the same to the bank and that the payee delivered the notes to it. The defendant answered, denying upon information and belief the assignment and delivery of the notes, and setting up as an affirmative defense fraud in obtaining the original note for the renewal of which the notes in suit were made, and failure of consideration for such original note. Upon the trial of the cause the plaintiff introduced in evidence the deposition of T. G. Turner, formerly a clerk in the Citizens' State Bank, who testified in substance that the notes had been in the possession of the bank long prior to January 2, 1902; that the stock of the plaintiff in error was bought up by the Citizens' State Bank, and the two banks became consolidated, thereafter doing business under the name of the First National; that the latter took over all the assets and assumed all the liabilities of the Citizens' State Bank, and that the written assignment of the notes had been made for the purpose of enabling the plaintiff in error to bring an action thereupon.

The written assignment of the notes was offered in evidence. It purported to have been signed by the Citizens' State Bank, by Charles R. Hannan, Cashier; but when it appeared from the testimony that the name of Charles R. Hannan, Cashier, was written, not by himself, but by T. G. Turner, objection was made to the instrument on the ground that the execution and delivery of the assignment had not been proven, and that it had not been shown that Turner had authority to sign Hannan's name thereto. As to the authority of Turner to sign the name of Hannan, Turner testified that on Janu-

*The Negotiable Instruments Law (§3060-a49, Iowa Statute, §79 New York Act) provides as follows:

"Where the holder of an instrument payable to his order transfers it for value without indorsing it, the transfer vests in the transferee such title as the transferrer had therein, and the transferee acquires, in addition, the right to have the indorsement of the transferrer. But for the purpose of determining whether the transferee is a holder in due course, the negotiation takes effect as of the time when the indorsement is actually made."

ary 2, 1902, Hannan was the Cashier of the Citizens' State Bank, and that he (Turner) was the Vice-President of the plaintiff in error, and that he had verbal authority from Hannan to sign his name to any instrument necessary to close up the business of the Citizens' State Bank. He admitted that he did not consult Hannan about signing his name to the instrument, but testified that Hannan knew that he had signed it, and made no objection thereto. The objection to the admission in evidence of the written assignment was sustained by the court. The plaintiff then moved for leave to amend its complaint so as to allege as follows: "That long prior to January 2, 1902, and after the maturity of said note, the Citizens' State Bank of Council Bluffs, for value received, sold and delivered to the plaintiff the note hereinbefore set out, and that ever since said time plaintiff has been the owner and holder of said note and in sole possession thereof," and moved the court to continue the cause in order to give opportunity to procure the attendance of some of the officers or directors of the Citizens' State Bank for the purpose of proving the same.

The court denied permission to make the amendment, on the ground that to allow it would be practically to set aside a stipulation that had been entered into before the trial, whereby a similar allegation had, by the consent of the parties, been struck from the complaint, and overruled the motion for a continuance. The plaintiff thereupon renewed its offer of the assignment and of the notes sued upon, to which offer the defendant in error interposed the same objections as before. The objections were sustained, and, the plaintiff having rested, the defendant moved the court to direct a verdict in his favor on the ground that the evidence introduced did not sustain the cause of action set forth in the complaint, nor any cause of action, on the part of the plaintiff against the defendant. The court allowed the motion, and the jury, under the instructions of the court, were directed to return a verdict for the defendant.

GILBERT, *Circuit Judge* (after stating the case as above): In the view which we take of the law of this case, it becomes unnecessary to consider the question whether the written assignment of the notes was properly executed or was admissible in evidence. The complaint contained the allegation that the notes had been assigned and delivered to the plaintiff in error. The testimony showed that the notes in question were transferred and delivered by the Citizens' State Bank to the plaintiff in error long before the written assignment was made. No objection was interposed to the admission of this testimony on any ground, and it was, we think, prima facie sufficient under the pleadings to sustain the right of the plaintiff in error to recover on the notes. The objections that were made were to the admission in evidence of the written assignment, and to the testimony tending to show that Turner was authorized by the Cashier of the Citizens' State Bank to sign his name thereto.

In the absence of a statute to the contrary, a written assignment of a negotiable promissory note payable to order is unnecessary. An assignment by parol is sufficient (7 Cyc. 814). And while the title so transferred is equitable, and is subject to the defenses which the maker might have made prior to notice of the transfer, and under the old system of pleading and practice, an action to recover on the note could be prosecuted only by the holder in the name of the payee (Jones vs. Witter, 13 Mass. 304; Minor vs. Bewick, 55 Mich. 491; Coombs vs. Warren, 34 Me. 89; Freeman vs. Perry, 22 Conn. 617; Martin vs. Martin, 174 Ill. 371; Davis vs. Lane, 8 N. H. 224; Waters vs. Millar, 1 Dall. 369; under the code system, by the very decided weight of authority, a negotiable unindorsed promissory note, payable to order, may, for a valuable consideration, be assigned by mere delivery, so as to give the transferee the right to recover thereon in his own name. (Williams vs. Norton, et al., 3 Kan. 295; Pease vs. Rush, 2 Minn. 107 [Gil. 89]; Billings vs. Jane, 11 Barb. 620; Savage vs. Breqvier, 12 How. Prac. 166; Boeka vs. Nuella, 28 Mo. 180; Quigley vs. Mexico Southern Bank, 80 Mo. 289; Fultz vs. Walters, 2 Mont. 165; White vs. Phelps, 14 Minn. 27 [Gil. 21]; Cassidy vs. First National Bank, 30 Minn. 86, 14 N. W. 363; Fox vs. Harrison National Bank [Kan. App.], 50 Pac. 458; Beard vs. Bedolph, et al. 29 Wis. 136; Moore vs. Miller, 6 Or. 254; Harrisburg Trust Co. vs. Shufeldt, 87 Fed. 669, 31 C. C. A. 190.)

The notes in controversy were made and transferred in the State of Iowa.

We find no statute of that State which requires that such an assignment be in writing, nor have the courts of that State so held. On the contrary, it seems to have been there settled by the adjudications that not only may such an assignment be made by parol, accompanied by delivery, but that the assignee of such a note, so transferred, may maintain an action in his own name to recover thereon.

In Conyngham vs. Smith, 16 Iowa, 471, it was held that the assignee of a bond by parol contract of assignment may maintain an action thereon in his own name. In Younker vs. Martin, 18 Iowa, 143, in an opinion rendered by Judge Dillon, it was held that the transferee by delivery, without indorsement of a promissory note payable to order, may maintain an action thereon in his own name, but without prejudice to the maker's right of set-off of equities existing before notice to him of the transfer. The court said: "Notes are choses in action—that is, things which must be recovered by action at law—and, like all other things in action, they may be assigned and the title will pass without indorsement."

The doctrine of that decision was reaffirmed in Pearson vs. Cummings, 28 Iowa, 344, and Switzer vs. Smith & McGowen, 35 Iowa, 269.

It is our judgment, therefore, that the judgment be reversed, and the cause remanded to the court below for a new trial.

CHECK—RIGHT OF DRAWER TO STOP PAYMENT.

Supreme Court of Tennessee, June 20, 1905.

PEASE & DWYER CO. *vs.* STATE NATIONAL BANK.

Under the Negotiable Instruments Law the drawer of a check has the right to stop payment at any time before the bank has accepted or certified the same.

While it is competent for the parties by agreement to give the transaction the effect of an assignment, such intention must be clearly shown.

The complainant, a corporation and depositor with the defendant, the State National Bank, having a balance to its credit of more than $5,000, drew a check thereon July 19, 1904, payable to the order of J. W. Dickson & Co., for $600, and delivered it to the payee. Three days later, July 21, 1904, complainant instructed the defendant to refuse payment of the check, which instruction it ignored, and paid the check July 25, 1904, charged it to the account of the complainant, deducted it from its balance, and afterwards refused to account for the money when demanded.

This suit was brought to recover the proceeds of the check and interest thereon from the day when paid. The chancellor decreed in favor of the complainant and defendant appealed.

SHIELDS, *J.*: We are of the opinion that there is no error in the decree of the chancellor. The drawer of a check in the usual form, upon his general account with a bank, firm or person, before it is accepted, expressly or by implication, may revoke it and forbid its payment, after which payment, if made, is at the peril of the bank. A check of this kind is not an appropriation of any part of the funds to the credit of the drawer with the bank, and does not constitute any claim or right of action against the bank until it is accepted or certified by it. The remedy of the holder, if payment is refused, is against the drawer. (Negotiable Instruments Law, Act 1899, p. 172, chap. 94, § 189; Imboden vs. Perrie, 81 Tenn. 505; Pickle vs. Muse, 88 Tenn. 385.)

In Imboden vs. Perrie, 81 Tenn. 505, supra, the contest was between a creditor whose attachment was levied by garnishment upon the balance of a depositor in a bank, and the payee in a check drawn upon the bank before the levy of the attachment, and presented afterwards. This court quotes approvingly from Attorney General vs. Continental Life Insurance Co., 71 N. Y. 325, this statement of the law concerning the relations of banks, their depositors, and the holders of unaccepted checks: "Church, C. J., said: 'Lunt vs. Bank of North America, 49 Barb. 221, declares the rule accurately, that checks drawn in the ordinary form, not describing any particular fund, or using any words of transfer of the whole or any part of any amount standing to the credit of the drawer, but containing only the usual requests, are of the same legal effect as are inland bills of exchange, and do not amount to an assignment of the funds of the drawer in the bank. This doctrine accords with the relations between the parties. Banks are debtors to their customers for the amount of their deposits. A check is a request of the customer to pay the whole or a portion of such indebtedness to the bearer, or to the order of the payee. Until presented and accepted, it is inchoate; it vests no title or interest, legal or equitable, in the payee, to the fund. Before acceptance, the drawer may withdraw his deposit; the bank owes no duty to the holder of a check until it is presented for payment.' "

The facts of the case of German National Bank vs. Farmers' Dep. National Bank, 118 Pa. 313, were similar to those in the case of Imboden vs. Perrie. It is there said:

"I presume no one at this day questions the right of the drawer of a check to stop the payment thereof. This is usually done by notice to the bank on which the check is drawn. If the bank pay after such notice, it does so at its peril. The holder of a check has no remedy against the bank upon which a check is drawn for its refusal to pay it. He must look to the drawer."

In the case of Kahn vs. Walton, 46 Ohio St. 205, involving this direct question, it is said:

"A check, being simply a written order of a depositor to his banker to make a certain payment out of his funds, is executory, and, of course, revocable at any time before the bank has paid it or committed itself to its payment. * * * The bank is the agent of the drawer. Its duty is to pay his money as he directs. It owes no duty to the holder except under the drawer's directions, until, by virtue of those directions, it assumes some obligation to the holder; up to that time the latest order from the drawer governs."

In the case of Florence Mining Company vs. Brown, Receiver, etc., 124 U. S. 391, Mr. Justice Field says:

"A general deposit in a bank is so much money to the depositor's credit; is a debt to him by the bank, payable on demand to his order, not properly capable of identification and specific appropriation. A check upon the bank in the usual form, not accepted or certified by its Cashier to be good, does not constitute a transfer of any money to the credit of the holder; it is simply an order which may be countermanded and payment forbidden by the drawer at any time before it is actually cashed. It creates no lien on the money which the holder can enforce against the bank. It does not of itself operate as an equitable assignment."

Further cases in accord with these are: St. Louis & San Francisco Ry. Co. vs. Johnston, 133 U. S. 574; Fourth St. Nat. Bank vs. Yardley, 165 U. S. 634; Schneider vs. Bank, 1 Daly (N. Y.) 501; O'Connor vs. Mechanics' Nat. Bank, 124 N. Y. 332; Randolph vs. Allen, 73 Fed. 42, 19 C. C. A. 353; State vs. Bank of Commerce, 49 La. Ann. 1078; House vs. Kountze, 17 Tex. Civ. App. 406; Sunderlin vs. Mescosta County Savings Bank, 116 Mich. 284.

There are cases in which this general rule does not apply, but the fact must clearly show that it was the intention of the parties to assign all or a part of the specific fund on deposit. (Fourth Street Nat. Bank vs. Yardley, 165 U. S. 634.)

The insistence of the defendant is that the check was countermanded by complainant, not for its own benefit, but for that of the payee; that before payment was forbidden the check had passed into the hands of a bona fide holder for value and without notice, and that the bank, having paid it, is in equity a purchaser, and has the right to set it off against the claim of complainant; and, further, that complainant ratified the payment of the check after it was done by bringing suit against the payees, J. W. Dickson & Co., to recover the sum for which it was drawn, and interest.

We can see no force in the first insistence, but it is not necessary to pass upon it, as there is no proof to sustain it.

It is true that a check payable to order is a negotiable instrument, and, in the hands of an indorsee for value and without notice, it is a valid indebtedness of the drawer. But no such case is presented by this record. It does not appear that the check was indorsed or passed to any one by J. W. Dickson & Co., or to whom it was paid by the bank. The only references we find to an indorsement of it are in the answer and brief of the defendant.

There is evidence, brought out upon the cross-examination of a witness for complainant, that previous to this suit complainant brought one against J. W. Dickson & Co. and others to recover the proceeds of the check, but the record in that case is not in the transcript in this one.

It further appears that the defendant was also sued in the same case with J. W. Dickson & Co., and the bill afterwards dismissed as to it; but we do not know what relief was prayed against the defendant, and the facts stated are not sufficient to show a ratification of the payment of the revoked check.

We are therefore of the opinion that the payment of the check after it was countermanded by the complainant was unauthorized, and that the decree of the chancellor awarding a recovery in favor of the drawer should be affirmed, with costs, and it is accordingly so decreed.

TITLE OF BANK MAKING ADVANCES ON POST-DATED CHECKS—RECOVERY ON.

Supreme Judicial Court of Massachusetts, Essex, June 22, 1905.

SYMONDS *vs.* RILEY.

A check does not lose the quality of negotiable paper because it is post-dated.

Where a bank advances money upon post-dated checks, without notice of any equities existing between the parties thereto, it is deemed a holder in due course.

Where the Cashier of a bank takes up post-dated checks on which he had made advances for the bank, he acquires the title of the bank therein and is entitled to enforce them to the same extent that the bank could.

This was an action to recover upon four checks, all drawn by the defendant to the order of one K. F. Gorman, and indorsed by her. One of them was drawn on the Appleton National Bank of Lowell and the others upon the Second National Bank of Manchester. Three of them were indorsed by the defendant before delivery as P. J. Riley & Co. They were drawn under the following circumstances: K. F. Gorman, the payee, was a clerk in the office of one Sibley. There was an arrangement between Sibley and the defendant for an exchange of checks and notes for the accommodation of the defendant. The checks in suit were given pursuant to this arrangement. The defendant made them payable to Miss Gorman of his own motion, and they were indorsed by her, and deposited in the National Exchange Bank of Salem, of which the plaintiff was Cashier, to the credit of Sibley as cash, and Sibley was permitted by the Cashier to draw against them to an equal amount. When the checks became due, they were not paid by the defendant, and were duly protested. Thereupon the bank insisted that the plaintiff should make good the checks, and he did so, and took the checks. This was after the checks had been dishonored. The defendant neglected to pay them, on the ground that he was entitled to set off against them certain indebtedness which he claimed was due him from Sibley on account of checks and mercantile transactions. The case was sent to an auditor, who found and reported in favor of the plaintiff. At the trial the plaintiff put in the checks and the auditor's report, and rested. The defendant thereupon asked the court to rule that the plaintiff could not recover, and offered to show that when the checks were delivered to Sibley he was indebted to the defendant in a sum greater than the total amount of the checks, and asked the court to rule, that, "it being undisputed that the plaintiff took the checks twenty days after their protest, he took them subject to the equities between the defendant and said Sibley." The court declined to rule as requested, or to admit the evidence that was offered, and directed the jury to find for the plaintiff for the amount found due by the auditor, with interest.

MORTON, *J.*: We think that the rulings were right. The checks were negotiable instruments (Bill vs. Stewart, 156 Mass. 508, 31 N. E. 386), though differing somewhat from negotiable promissory notes, and as such were subject to the law relating to negotiable paper. They were dishonored when the plaintiff took them, and the defendant contends that they were subject to any equities existing between him and Sibley. They were not made payable to Sibley, and whether in an action against him by the payee, Gorman, the defendant could have pleaded in set-off Sibley's alleged indebtedness to him—as to which see Tyler vs. Boyce, 135 Mass. 558, Sheldon vs. Kendall, 7 Cush. 217, and Rev. Laws, chap. 174, § 5—it is not necessary to consider. We assume for the purposes of this case that he could. But that does not help the defendant. The checks were deposited in the bank to Sibley's credit in the usual course of business. The bank took them in good faith before they were overdue, and paid full value for them. It had no notice of any alleged equities between the defendant and Sibley, and in an action upon the checks against the defendant could have recovered the full amount of them. The checks being unaffected in the hands of the bank by the equities, if any, between the defendant and Sibley, they were unaffected by such equities in the hands of the plaintiff. The plaintiff took such title as the bank had. If the bank had a perfect title, as it did, he took the same title, and became invested with all the rights of the bank. (Thompson vs. Shepherd, 12 Metc. 311; Bank of Sonoma vs. Gove, 63 Cal. 355; Howell vs. Crane, 12 La. Ann. 126; Wilson vs. Mechanics' Savings Bank, 45 Pa. 494.) There is nothing to show that he had notice, when the checks were transferred to him, of any alleged equities or defenses on the part of the defendant. But, even if he had had such notice, it would not have availed the defendant. (Thompson vs. Shepherd, supra; Peabody vs. Rees, 18 Iowa, 571.) It is unnecessary, therefore, to inquire into or consider whether there was any such condition of things as would have constituted a good defense to the checks on the part of the defendant either by way of set-off or otherwise to an action on them by Sibley, and the evidence that was offered was rightly excluded.

The defendant further contends that the auditor's report should have been submitted to the jury. But, the circumstances in regard to the taking and the transfer of the checks by the bank as found by the auditor being undisputed, there was nothing to submit to the jury. The question became one of law, and the court rightly directed the jury to return a verdict for the amount found due by the auditor, which was the amount of the checks. (Peru Co. vs. Whipple Mfg. Co., 109 Mass. 464.)

Exceptions overruled.

PROMISSORY NOTE—IRREGULAR INDORSEMENT—ALTERATION.

Supreme Judicial Court of Massachusetts. Suffolk, June 19, 1905.

THORPE *vs.* WHITE, *et al.*

A person who signs his name on the back of a promissory note before the delivery thereof is liable as an indorser.

After H. had indorsed a note, the maker without the knowledge of H., inserted therein the words "with the privilege of renewal for one year from April 30, 1904," and then delivered the note to T. who took it without knowing of this change: Held, that T. being a holder in due course, could enforce payment according to the original tenor of the instrument.

BRALEY, *J.*: The defendant, Hannah C. Hand, irregularly became a party to the promissory note set forth in the bill of complaint, as before delivery she signed her name in blank on the back of an instrument of which the defendant White was the maker, and the plaintiff the payee. (Dubois vs. Mason, 127 Mass. 37, 38.)

According to the law relating to negotiable promissory notes before St. 1898, p. 502, chap. 533, § 64, clause 1, took effect, she was liable as a promisor between herself and the plaintiff, though entitled to notice as if she were an indorser when the note was not paid at maturity by the maker. (Fay vs. Smith, 1 Allen, 477, 478; Brooks vs. Stackpole, 168 Mass. 537; Black vs. Ridgway, 131 Mass. 77, 84.)

But after the Negotiable Instruments Act became operative this distinction was abolished, and the effect of her signature was to make her an indorser as to all parties. (Rev. Laws, chap. 73, § 81.)

After she had signed, and given the note to White, he wrote in the body of it, without her knowledge or consent, the words, "with the privilege of renewal for one year from April 30, 1904," and then delivered it to the plaintiff, who took it without knowing of this change. If such an alteration had been made by the plaintiff after delivery, and it was found to have been material, the defendant would have been relieved from performance of her promise. But if deemed immaterial, she would have been held liable. (Lee vs. Butler, 167 Mass. 426, 430; Gaylord vs. Pelland, 169 Mass. 356, 360; Jeffrey vs. Rosenfeld, 179 Mass. 506; James vs. Tilton, 183 Mass. 275; Rowe vs. Bowman, 183 Mass. 491.)

It, however, becomes unnecessary to decide whether this rule should be applied where the change was made under the conditions previously stated, for either way the defendant was not discharged. (See Draper vs. Wood, 112 Mass. 315.)

The note was put in circulation as a contract on delivery to the payee, who, upon acquiring title by its negotiation, thus regularly became a holder of it, within the provisions of Rev. Laws, chap. 73, § 69. (Boston Steel & Iron Co. vs. Steuer, 183 Mass. 140, 144; Mehlinger vs. Harriman, 185 Mass. 245; Baldwin vs. Dow, 130 Mass. 416.)

By reason of her being an owner or holder in due course without notice of the alteration, under the provisions of section 141 of this chapter she can enforce payment of the note according to its original tenor.

The decree of the superior court dismissing the bill as to all the defendants except White must be reversed, and the exception of the plaintiff in the master's report sustained. Decree accordingly.

ACTION FOR WRONGFUL REFUSAL TO PAY CHECK—NATURE OF ASSIGNMENT OF.

Supreme Judicial Court of Massachusetts, Suffolk, June 23, 1905.

ROBINSON *vs.* WILEY, *et al.*

The wongful refusal of a bank to pay a customer's check is not a personal injury, but is a breach of contract, and hence the cause of action therefor is assignable.

BRALEY, *J.*: The fund in the possession of the complainant is the avails of the judgment recovered in Wiley vs. Bunker Hill National Bank, 183 Mass. 495, 67 N. E. 655. It belongs to the plaintiff in that suit, who is a claimant here, unless under the assignment made by him for the benefit of his creditors his title passed, to the assignees, who began and prosecuted the action. In the granting part of the instrument he conveys to them "all * * * his property, choses in action of every name, nature, and description, * * * except such property only as is exempt by law from attachment." The language employed is comprehensive, and must be held to have conveyed all his title in any personal property or rights of action he then owned or possessed, and which were assignable. Under the clause of exemption, which follows the form commonly used, the parties evidently intended to exclude from the conveyance the class of property that is exempt from seizure on an execution against the judgment debtor by the provisions of Pub. St. 1882, chap. 171, § 34. Up to the time of his failure the assignor had been engaged in buying and selling wood and coal, and kept an account with the Bunker Hill National Bank, upon which he drew checks in the ordinary course of his business. Having a sufficient balance for this purpose, he drew a check in favor of third parties, which, upon presentation, the bank wrongfully refused to honor. In consequence of this it was claimed in the original suit that his credit had been impaired; that he had suffered pecuniary loss, and was thereby rendered insolvent. The strongest contention of the claimant rests upon the ground that the injury to his credit thus caused was purely personal, and essentially slander. If this view is upheld, then the act of the bank was a pure tort, and his right of recovery for the wrong was unassignable. (Rice vs. Stone, 1 Allen, 566, 569, 570; Linton vs. Hurley, 104 Mass. 353; Comegys vs. Vasse, 1 Pet. 193, 213.) Independently of the contract he had no cause of action. The refusal to pay his check was not a positive personal wrong distinct in itself, for which alone a suit could have been maintained for injury to his feelings, but it was inseparable from the contract. (Drake vs. Beck, 11 M. & W. 315, 319.) The ability of a trader to borrow money usually depends on the belief of the lender that the debt will be paid, and whatever tends to lower the financial standing of the borrower impairs his financial credit in the market. When checks given by him to his creditors are not paid upon presentation to his bankers, his financial standing, in the absence of satisfactory explanation, usually becomes impaired, and, if not retrieved, it may cause loss of customers, and finally ruin his business, with which may be associated a valuable right of good will. (Angier vs. Webber, 14 Allen, 211; Moore vs. Rawson, 185 Mass. 264, 272, 273.) Such a result may be brought about in various ways. If accomplished by the circulation of false reports, it is slander or libel, according to the form of defamation used, and the right of action dies with the person; but where it takes the form of a breach of contract, then the remedy is under the contract for damages, not to his person, but to his business, which must be considered as property. While it may be true that a merchant in good standing, when subjected to the indignity of having his checks dishonored by a banker, with whom at the time there are sufficient unincumbered funds to pay them, suffers mental distress, the wrong inflicted is not to the person of the drawer, such as arises from defamation of character, or restraint of liberty, but springs from the banker's failure to perform his contract. (Wiley vs. Bunker hill National Bank, ubi supra, at page 496 of 183 Mass., and cases cited; Heath vs. New Bedford Safe Deposit & Trust Co., 184 Mass. 481.) It is sometimes said that the test of assignability depends upon the question whether the cause of action would survive the death of the assignor. (Stebbins vs. Palmer, 1 Pick. 71, 78, 79; Comegys vs. Vasse, ubi supra.) But, if this is considered as affording the true standard by which to determine the quality of the claim, then the right to sue for the damages suffered would have survived to Wiley's personal representatives. (Stebbins vs. Palmer, ubi supra; Wiley vs. Bunker Hill National Bank, ubi supra.) If, instead of a voluntary assignment for the benefit of his creditors, the debtor had taken advantage of our laws relating to insolvency, his assignee, indeed, would not have been vested with any claim for damages for personal injuries suffered by the insolvent, because it is not a right of property until judgment has been obtained. (Stone vs. Boston & Maine Railroad, 7 Gray, 539. See Billings vs. Marsh, 153 Mass. 311, 313.) But a cause of action for breach of a contract made with the insolvent debtor, together with all incidental damages, would have passed. (Lothrop vs. Reed, 13 Allen, 294, 296.) In the instrument before us the terms employed to transfer title are fully as comprehensive as those used in Pub. St. 1882, chap. 157, § 46. The object to be accomplished, which is the distribution of the debtor's property ratably for the benefit of his creditors, is the same in each case, and no sufficient reason appears why a different rule should be adopted whether the assignment is made by force of law or where it is voluntary, if the language employed to transfer the debtor's right of property is susceptible of a similar construction. It follows that the claimants, John C. Bullard and Benjamin F. Wild, as assignees, are entitled to the money now in the possession of the plaintiff.

Decree accordingly.

REDUCTION OF CAPITAL STOCK—USE OF CAPITAL SET FREE TO CHARGE OFF ASSETS—TITLE OF STOCKHOLDERS.

Supreme Court of Errors of Connecticut, June 9, 1905.

COGSWELL *vs.* SECOND NATIONAL BANK.

The directors of a National bank having voted to recommend a reduction of the capital stock, were advised by the Comptroller of the Currency that the proposed reduction would be approved, provided so much of the amount as was necessary should be used to charge off bad, doubtful and unproductive assets, and only the difference paid to the stockholders. The stockholders then voted to reduce the capital, and a statement of the doubtful assets was sent to the Comptroller, and such assets transferred to an account called "Stockholders' Trust:" Held, (1) that this fund belonged to the stockholders individually and not to the bank, and (2) that a transfer of stock by a stockholder did not transfer his interest in this fund.

BALDWIN, *J.*: This appeal respects the disposition of the special fund to which reference was made in Cogswell vs. Second National Bank, 76 Conn.

252, 255, 261. It was held in that case that if that fund had been, as alleged, set apart by direction of the Comptroller of the Currency for the benefit of those who were shareholders of the bank at the time when its capital was reduced, a valid trust in their favor was thus created.

The facts attending the transaction have now been fully found by the superior court. The directors, having voted to recommend a reduction of the capital stock of the bank from $300,000 to $200,000, were advised by the Comptroller of the Currency that it would be approved "provided so much of the amount as is necessary is used to charge off bad, doubtful, and unproductive asset, the difference only being paid to the shareholders in cash," and that "the shareholders of a National bank, upon a reduction in capital stock, are entitled to either receive the cash or the charged-off assets, and neither can be withheld without their consent." The Comptroller also said to the President of the bank, in reference to the same matter, "The assets belong to the stockholders of record, and a trust fund must be created, so that those assets may be distributed among the stockholders of record, when your capital is reduced."

The stockholders then, in May, 1900, voted to make the reduction, without any specification of the mode of accomplishing it; but the President, in asking the approval of this action by the Comptroller, filed with him a written statement that "the whole amount of the reduction, viz., $100,000, will be used for the purpose of charging off bad, doubtful, and unproductive assets; no money to be paid to the shareholders unless realized from said assets, which are to be set aside and collected for the benefit of the shareholders of record at date of the issuance of the Comptroller's certificate approving the reduction."

It was understood that this statement was to be replaced by one from the directors, and on the faith of this understanding a certificate, on June 9, was given by the Comptroller approving the reduction, without any qualifications. The directors subsequently sent him a statement in conformity with the understanding, dating it back to June 9. On June 27 a schedule of certain assets of the bank, each item being given a valuation, and the total valuations of all amounting to $100,307.86, was presented to the directors, who thereupon voted that the assets so scheduled, "which assets are considered either bad or doubtful, and on account of which the capital stock of the bank has been reduced from $300,000 to $200,000 be set aside from the other assets of the bank, and be held by it in trust for the stockholders of record on June 9, 1900; and that whatever may be realized from said assets be distributed from time to time, as may be reasonable, among said stockholders in proportion to their respective holdings on said date."

Thereupon the account with capital stock on the books of the bank was credited with a reduction of $100,000, and the items named in the schedule above described were charged to the account of profit and loss at the valuation of $100,307.86. Some of the items were of real estate; the rest were not well secured; and all were those referred to in the directors' statement to the Comptroller dated June 9. This left the bank with good assets worth over $240,000. The bank thereafter, until its charter expired in 1903, kept a separate account relating to the assets included in the schedule, entitled "Stockholders Trust," in which were credited all collections and charged all expenditures arising in connection with endeavors to realize upon them. Two of the scheduled items represented claims for a larger amount, the valuation affixed to each representing the estimated loss upon it. The same claims were also entered in the books of the bank, as part of its remaining capital, at a valuation for each equal to the difference between its face and the valuation assigned to it in the schedule. The receiver has received $20,240 on account of the scheduled assets. Some of them also remain uncollected, but have a value. To one of the items entered as "Demand loans, E. A. Packer, $15,647.50," belonged certain railroad stock held as collateral security. A note for over $1,000, made by "C. R. Cogswell, trustee," and discounted by the bank to pay an assessment on this stock, was included in the reduced capital of $200,000, and in March, 1903, was paid off from the proceeds of sales of the stock; leaving a balance of such proceeds, which was included in the $20,240 above mentioned. All the certificates representing the shares in the original capital were, on or about July 1, 1900, exchanged by the holders for certificates in favor of each for two-thirds of the number of his original shares.

As a conclusion from all these facts it was found by the trial court that the "reduction of capital stock was made to meet the diminution in the assets of the bank caused by charging off said assets described in said schedule in the manner hereinbefore set forth, and not for the purpose of setting free any capital of the bank," whereupon an order was made that the assets included in the schedule of June 27, 1900, and their proceeds belonged to the bank, and should be distributed to those who were shareholders at the expiration of its charter.

The subordinate facts which have been detailed do not justify these ultimate conclusions, either of fact or law. The reduction of capital stock was accomplished before the assets described in the schedule were charged off. It was accomplished by a vote of the shareholders, approved by the Comptroller of the Currency, and his approval was only secured by the assurance of the President and directors that certain bad, doubtful, and unproductive assets would be charged off and set aside for the benefit of those who were shareholders at the date of such approval. It is of no consequence in this proceeding that the certificate of approval did not refer to these assurances. It is enough that it was given because of them. What was thus promised the directors did. They had the right to do it. (Rev. St. U. S. § 5145 [U. S. Comp. St. 1901, p. 3463].) The bank was not being wound up. The directors' vote was simply a form of declaring a dividend from assets in excess of the capital stock. (Smith vs. Dana, 77 Conn. 543, 554.)

The right to receive what might ultimately be realized from the fund thus set apart became, therefore, irrevocably vested in those who were shareholders on June 9, 1900, and they or their assigns are now entitled to whatever is to be distributed from it. Directors of National banks can declare dividends only out of net profits. (Rev. St. U. S. §§ 5199, 5204 [U. S. Comp. St. 1901, pp. 3494, 3495].) It is contended that the fund set apart in this case did not consist of net profits. Technically this is true. But it was the equivalent of net profits, within the meaning of those statutory provisions, which were intended simply to preserve the capital stock intact and to provide for turning a part of the net profits into a surplus fund, to be accumulated until it equaled twenty per cent. of the capital stock. Such a surplus fund existed in case of the bank whose affairs are being wound up in this proceeding at the time when the fund now in question was set apart for distribution. Whether, if no provision in regard to the assets charged off had been made by the directors, and with the approval of the Comptroller, in the nature of the declaration of a dividend, whatever might have been thereafter realized from them would have belonged to those then shareholders in the bank, we need not inquire. (See Seeley vs. New York National Bank, 8 Daly, 400, 78 N. Y. 608; Strong vs. Brooklyn Cross-Town R. Co. 93 N. Y. 426; McCann vs. First National Bank, 112 Ind. 354, 131 Ind. 95.)

With his approval, whatever it was not necessary to retain as capital or to form a surplus fund might certainly, with the assent and by vote of the directors, be returned to the shareholders; and if a dividend were ordered then it might be made payable thereafter, and only on the contingency of future collections.

There was no impropriety in placing in the schedule at a certain valuation claims which were also and primarily retained at another and lesser valuation as part of the capital stock. If a note for $2,000 had been discounted on the faith of collateral security which was certainly worth $500 and might be worth more, there could be no legal objection to charging off $1,500 from the book valuation of the loan and embracing it at a valuation of $1,500 in doubtful assets set aside for the purpose of an ultimate dividend, while also carrying it along at a valuation of $500 as part of the assets representing the capital stock. In such case what would be really set aside would be not the note, but an interest in any collections on account of it in excess of $500.

Certain of those who were shareholders on June 9, 1900, have since transferred their shares. Such transfers (notwithstanding Rev. St. U. S. § 5139 [U. S. Comp. St. 1901, p. 3461]) did not pass the right to any interest in the special trust fund created on that day. A dividend declared by the directors of a corporation in favor of those who are then its shareholders, though payable at a future date, severs the fund to be so distributed from the assets of the corporation. The share of each of the payees so named thereupon vests in him as an individual, and he does not lose it on ceasing to be a shareholder. (Beers vs. Bridgeport Spring Co. 42 Conn. 17, 24; Second Universalist Church vs. Colegrove, 74 Conn. 79, 84, 49 Atl. 902.)

It follows also from the same considerations that those who were shareholders on June 9, 1900, could at any time thereafter transfer their rights in the special trust fund, whether with or without a transfer of their shares.

There is error, and the order appealed from is reversed, with directions to enter an order for a distribution in conformity with this opinion. The other judges concurred.

USURY BY NATIONAL BANK—PENALTY, RECOVERY BY SURETY.

Court of Civil Appeal of Texas, July 1, 1905.

LASATER *vs.* FIRST NATIONAL BANK OF JACKSBORO.

A discharge of a note by a surety by giving his own note in renewal thereof does not operate as a payment by the principal in such sense as to entitle him to avail himself of the Federal statute authorizing the recovery from a National bank of twice the amount of usurious interest paid to the bank, nor does the subsequent payment of the renewal note by the surety operate to give the principal a cause of action under such statute.

SPEER, *J.*: This suit is again before us upon a judgment of the Supreme Court of the United States reversing the judgment of reversal and rendition heretofore rendered in this court on November 8, 1902. For a full statement of the nature of the case, and of the facts material to the questions involved, see the opinions of this court and of the supreme court on certified questions in 72 S. W. 1054, 1057.

In the opinion of this court deciding the case upon the original hearing, what we consider to be the most material question involved was disposed of in the following language: "The payment made by A. M. Lasater, the surety, who purchased the mortgaged cattle from appellant, and in consideration thereof agreed to pay off the note to the bank, and in discharge thereof executed his own note, which was afterward paid, was in law a payment by appellant in property, and the same as payment in money." Upon a motion for rehearing being filed by the bank, this court certified to the supreme court for answer the questions shown in the certificate, as incorporated in the supreme court opinion already referred to. The supreme court answered generally that the opinion of this court correctly decided the several points presented. This court thereupon overruled the motion for rehearing, whereupon the appellee removed the cause by writ of error to the United States Supreme Court, where a judgment was rendered reversing the judgment of this court, and remanding the cause for further proceedings not inconsistent with that opinion. (First National Bank of Jacksboro vs. J. L. Lasater, 196 U. S. 115.)

The question decided by this court in the language heretofore quoted, and by the supreme court upon the certificate, is thus disposed of by Mr. Justice Brewer in the following language: "The mere discharge by A. M. Lasater of the note executed by himself and J. L. Lasater by giving his own note in renewal thereof would not uphold a recovery from the bank on account of usurious interest in the former note. (Brown vs. Marion National Bank, 169 U. S. 416.)

The payment contemplated by the statute is an actual payment, and not a further promise to pay, and was not made until the bank in June, 1901, received its money. Prior to the renewal by A. M. Lasater, in October, 1900, there were only two or three small cash payments on the indebtedness."

It was only upon the theory that the discharge by A. M. Lasater of the note executed by himself and J. L. Lasater, by giving his own note in renewal thereof, "was in law a payment by appellant in property, and the same as payment in money," that this court in the first place reversed the judgment of the district court and rendered one in favor of appellant. But this construction of the Federal statute being held to be eroneous by the Supreme Court of the United States, it follows that, if appellant ever had a cause of action for usurious interest paid the bank, it was by reason of the subsequent actual payment made by A. M. Lasater in June, 1901. This court never intended to hold, nor do we think it should be held, that appellant can avail himself of this final payment made by A. M. Lasater. If appellant ever paid usurious interest to appellee, it was on the 17th day of October, 1900, at the time when A. M. Lasater took up appellant's note by substituting his own. Clearly, appellant's debt was discharged at that time. He never afterward owed the appellee anything, and the appellee never took, received, reserved, or charged any interest whatever, so far as he is concerned. When A. M. Lasater, in June, 1901, paid the bank the sum of $4,457, he paid his own debt, and not appellant's. Then, if the transaction of October 17th, whereby appellant's indebtedness to the bank was discharged and he was released, would not uphold a recovery from the bank, it is clear to our minds that, irrespective of the question of fraud upon his part in withholding from his trustee in bankruptcy notice of the existence of this claim, upon which the cause was decided in the United States Supreme Court, appellant has no case, and the judgment of the district court should be affirmed.

For this reason, and in obedience to the mandate of the United States Supreme Court, the judgment of the district court is in all things affirmed.

CERTIFICATE OF DEPOSIT — TRANSFER THEREOF — DEMAND ON BANK FOR PAYMENT—FORM OF.

Supreme Court of Indiana, June 21, 1905.

FIRST NATIONAL BANK OF MISHAWAKA *vs.* STAPF.

A certificate of deposit is in legal effect a promissory note, and under the statute of Indiana is transferable by indorsement.

The indorsee of such an instrument, having used due diligence to collect, has a right of action against his immediate or any remote indorser.

A bank may pay upon an oral order or direction, but under the usages of the banking business, it is not required to do so.

MONTGOMERY, *J.*: Appellee held a certificate of deposit in the following terms:

"Certificate of Deposit. Indiana National Bank, No. 8408. Elkhart, Indiana, Nov. 7, 1903. George Stapf has deposited in this bank $600.00 Six Hundred no-100 Dollars, payable to the order of self in current funds on return of this certificate properly endorsed. This deposit is not subject to check. W. C. Collins, Cashier."

On November 13, 1903, appellee indorsed this certificate and delivered the same to appellant, and the face value thereof was placed to his credit on his deposit account with appellant bank.

The third paragraph of answer is founded upon this certificate and its indorsement, and, after alleging the transfer of the certificate as the consideration for one of the items of account sued on, avers that appellant immediately forwarded the same, with proper indorsements, for collection; that payment was not made; that suit was instituted thereon, and a judgment for $604 and costs recovered against the Indiana National Bank of Elkhart, at the earliest possible date; that execution was issued at once, and returned "No property found." It further charged that said bank had no property subject to execution at any time after November 13, 1903, and sought to have the sum of money named in said certificate, with interest, set off against any amount found due on appellee's complaint, and to have judgment over against appellee for the excess.

The certificate of deposit above set out is in legal effect a promissory note, and transferable by indorsement under the statute of this State. (Section 7515, Burns' Ann. St. 1901; Gregg vs. Union, etc., Bank, 87 Ind. 238; National State Bank vs. Ringel, 51 Ind. 393; Drake vs. Markle, 21 Ind. 433; Long vs. Straus, 107 Ind. 104, 6 N. E. 123, 7 N. E. 763; 2 Daniel, Negotiable Instruments, §1698a.)

The indorsee of such an instrument, having used due diligence to collect, has a right of action against his immediate or any remote indorser. (Section 7518, Burns' Ann. St. 1901; 2 Daniel, Negotiable Instruments, § 1702; Miller vs. Deaver, 30 Ind. 371; Gwin vs. Moore, 79 Ind. 103; Spears vs. Clark, 3 Ind. 296.)

The answer further avers that the Indiana National Bank of Elkhart had no property subject to execution at any time after the transfer of this certificate. Under these circumstances, appellee would be liable as indorser without regard to the question of diligence, as no action on the part of appellant, however diligent, would have been availing. (Herald vs. Scott, 2 Ind. 55; Reynolds vs. Jones, 19 Ind. 123; Roberts vs. Masters, 40 Ind. 461; Huston vs. Bank, 85 Ind. 21; Williams vs. Osbon, 75 Ind. 280; Dick vs. Hitt, 82 Ind. 92.)

The answer appears to contain all essential averments, no specific defect has been pointed out, and we accordingly hold it sufficient, and that the court erred in sustaining appellee's demurrer to the same.

Appellant's motion for a new trial charged that the decision of the court was not sustained by sufficient evidence, was contrary to law, and that the amount of recovery was too large. It is particularly urged that there was a failure to prove a proper demand preliminary to bringing suit. Appellee alleged a demand in general terms, and the evidence shows an oral request for payment. A proper demand of a bank for money on deposit is made when the depositor during business hours presents or causes to be presented at the bank his check, order, draft, receipt, or other writing for the payment of money in the amount desired, which writing, when honored and in the hands of the bank, will be evidence of the authority and direction of the depositor to pay, as well as evidence of the payment. (McEwen vs. Davis, 39 Ind. 109; Morse on Banks and Banking, § 313.)

A banker may pay upon an oral order or direction, but under the usages of the banking business he is not required to do so. No proper demand was shown by the evidence.

The judgment is reversed with directions to overrule the demurrer to the third paragraph of answer, and for further proceedings in accordance with this opinion.

ASSESSMENT OF BANK STOCK—SUCH STOCK PERSONAL PROPERTY—ASSESSMENT UPON "CAPITAL STOCK."

Supreme Court of Appeals of Virginia, June 15, 1905.

WEST *vs.* CITY OF NEWPORT NEWS.

A city ordinance laying an assessment on all personal property of every description, "including the capital stock of banks," is not in violation of the statute of Virginia that "No tax shall be assessed upon the capital of any bank."

Under the statute of Virginia bank stock is personal property.

This was a motion for the correction of an alleged erroneous assessment of taxes, whereby the plaintiff was charged with $148.50 city taxes for the fiscal year 1903-04 on 400 shares of the stock of the Citizens' & Marine Bank of Newport News, of the assessed value, for the purpose of State taxation, of $16,500. The lower court held that the taxes complained of were legally assessed and levied, and dismissed the application for relief therefrom.

The plaintiff claimed to be aggrieved by this action of the lower court: Because (1) the ordinance of the city of Newport News approved June 17, 1903, imposing taxes on personal property, attempted to impose a tax on the capital stock of the banks of said city, instead of laying such tax upon the shares of stock of the individual stockholders; and that such an ordinance is invalid, and, being invalid, no legal tax was thereby assessed or levied either upon the shares of a stockholder or the capital stock of the bank. (2) That, even if a legal tax was imposed by the ordinance, the city authorities did not follow the mode of assessment and manner of collections prescribed by statute for the collection of State taxes upon shares of stock.

The ordinance in question, which was approved June 17, 1903, was as follows:

"Be it ordained by the common council of the city of Newport News, that for the fiscal year beginning on the first day of February, 1903, the taxes on lands and lots and the improvements thereon, persons, incomes, and other property for the payment of the interest on the city debt and to meet the appropriations for the fiscal year of 1903 and 1904, beginning July 1st, 1903, shall be as follows: Upon all lands, lots and improvements thereon, wharves and upon all personal property of every description, including the capital stock of banks located in this city, except such real and personal property as is exempted from taxation by the laws of the State of Virginia, or any ordinance of this city, ninety cents on every hundred dollars of the assessed value thereof."

HARRISON, *J.* (omitting part of the opinion): That the city has the authority to levy a tax upon the State assessment of this bank stock cannot be questioned, as section 1040a of Va. Code 1904, p. 502, gives it such power in express terms, the language of that section being in part as follows:

"(1) Hereafter each county or city in which any bank, either National or State, is so located may, subject to the conditions mentioned below, tax all the shares of stock issued by any such bank so located within its limits at the same rate as is assessed upon other moneyed capital in the hands of individuals residing in such county or city. (2) That in so taxing said shares the said county or city authorities, respectively, shall follow the mode of assessment and manner of collection prescribed by statute for the collection of State taxes upon said shares."

The ordinance in question imposes a tax of ninety cents on every $100 of the assessed value of all personal property of every description, "including the capital stock of banks located in this city." The contention is that by the use of the words, "including the capital stock of banks located in this city," the council attempted to impose a tax on the capital of the banks, instead of laying such tax upon the shares of stock of the individual stockholders.

The statute does not use the term "capital stock" in providing for the exemption mentioned, but employs the word "capital" alone. The language is, "No tax shall be assessed upon the capital of any bank," etc. (Acts 1902-04, § 17, p. 163.)

"Capital" and "capital stock," while sometimes used interchangeably, are not one and the same thing. "Capital" includes the entire assets of the bank, whether represented by the money paid in for the issuance of stock, surplus, undivided profits, or other property of the bank, and may vary from time to time according to its profits or losses; while "capital stock" is fixed and definite, and represents only the total amount derived from the issuance of the shares of stock.

In the case of Union Bank vs. Richmond, 94 Va. 316, it is said that: "The property or interest of a stockholder in an incorporated bank, commonly called a 'share,' the shares in the aggregate totality being sometimes called the 'capital stock' of the bank, is a different thing from the moneyed capital of the bank held and owned by the corporation. This capital may consist of cash, or of bills and notes discounted, or of real estate combined with these. * * * In whatever it may be invested, it is owned by the bank as a corporate entity, and not by the stockholders. A tax upon this capital is a tax upon the bank."

This is a different thing from taxing the shareholders or stockholders upon the value of their stock. All legislative acts are presumed to be lawful, and are to be construed as such, unless the contrary plainly appears. Since, then, the capital of banks is exempt from taxation, the term "capital stock" used in the ordinance clearly had reference to the totality of shares of the individual stockholders which the city had the right to tax. The purpose of the ordinance is made manifest by the fact that in its execution no attempt has ever been made to tax the capital of the several banks of the city, but the assessment and levy has been upon the individual stockholders.

If, however, it were conceded that the use of the words "capital stock" showed an intention to tax the capital of banks, the result would be the same, for we concur in the view taken by the lower court that the words "all personal property of every description" are broad enough to levy a tax against all kinds of personal property, whether tangible or intangible. That bank stock is personal property would seem to be settled by section 1173a, subsec. 7, Va. Code 1904, p. 608, wherein it is declared to be personal property; and by section 5, subsec. 10, Va. Code 1904, p. 7, which defines personal estate to include chattels real, and such other estate as, upon the death of the owner intestate, would devolve upon his personal representative.

This court has held that bank stock is property, to be assessed like any other property. (Burrowes vs. Smith, Treas., 95 Va. 694, 29 S. E. 674; Union Bank vs. Richmond, supra.) As the words, "all personal property of every description," used in the ordinance, are general terms, they include all kinds of personal property, whether tangible or intangible. Shares of bank stock being personal property, and therefore embraced by the words "all personal property," the added words, "including bank stock," gave no further meaning or force to the ordinance than it had without them. Where words of a general description are used, they cover everything of that kind not expressly or by necessary implication excepted.

INSOLVENT BANK—LIABILITY OF STOCKHOLDERS—ESTOPPEL.

Supreme Court of Minnesota, June 16, 1905.

HUNT *VS.* HAUSER MALTING CO.

1. The decision in Hunt, Receiver, vs. Hauser Malting Co., 96 N. W. 85, 90 Minn. 282, holding, where the latter corporation had, without authority, purchased stock and received dividends thereon for a number of years in the Commercial Bank of St. Paul, it was estopped from denying its constitutional liability, authorized under chapter 272, p. 315, Laws 1899, adhered to and followed.
2. Held, upon the evidence in this case tending to show that when the Commercial Bank was reorganized, its name afterwards changed, and the surrender of a specified number of shares of stock by each holder, as well as the retention and return or repurchase of stock by defendant to aid in restoring its impaired capital, that the malting company, by participating in the reorganization scheme, was further estopped from denying its stockholder's liability.

Held, that whether or not proof of the manner in which the defendant corporation assented to its agreement to reorganize and change of name was appropriately made was immaterial, and without prejudice to the defendant's rights in this case.

(Syllabus by the Court.)

Action to recover upon the constitutional liability of defendant as the holder of fifty shares of the stock of the Allemania (formerly Commercial) Bank of St. Paul. The cause was tried to the court, who directed a verdict in favor of plaintiff receiver, provided the jury should find a certain assignment was fraudulent. A verdict for plaintiff was returned. There was a motion for a new trial, which was overruled.

The points decided are stated in the official syllabus given above.

LIABILITY OF STOCKHOLDERS—STATUTE OF NORTH CAROLINA.

Supreme Court of North Carolina, May 17, 1904.

SMATHERS, *et al. vs.* WESTERN CAROLINA BANK, *et al.*

The statute of North Carolina (Pub. Laws 1897, ch. 298) imposing an additional liability upon the stockholders of banks, does not apply to debts of the bank created before the passage of the statute.

This action, in the nature of a bill in equity, was brought by Geo. H. Smathers, Receiver of the Western Carolina Bank, in which a number of creditors, in behalf of themselves and all other creditors of said bank, joined, against the bank and certain stockholders thereof, for the purpose of enforcing the statutory liability imposed upon the stockholders for the indebtedness of the bank by chapter 298, p. 473, Pub. Laws 1897.

CONNOR, *J.* (omitting part of the opinion): The seventh ground of demurrer presents the question, for the first time in this court, whether, under the power reserved by article eight, section one, of the constitution, to amend or repeal charters, the stockholder can be made individually liable for the debts of a corporation by an amendment to the charter, or a general statute passed subsequent to the charter and subscription to the stock. This is a question of very great importance to the holders of stock in banking and other business corporations in this State.

The facts stated in the complaint in respect to the status of the defendant stockholders and date of the contraction of the debts are so meager that we prefer to decide the question only to the extent clearly presented. While the Legislature has not seen fit to attach such personal liability to stockholders in other than banking corporations, the power conferred by the constitution is not confined to them. It is well settled that statutes attaching such liability are in derogation of the common law, and should be strictly construed; (10 Cyc. 665, citing Gray vs. Coffin, 9 Cush. 192; Brunswick Ter. Co. vs. Bank, 192 U. S. 386).

We hold that the statute should not be so construed as to fix such liability upon stockholders for debts or contract, contracted or made prior to the amendment to the charter or the statute. The subscription of stockholders constitutes the contract, and the extent of the liability as to debts already incurred is fixed by the terms of the charter as they then exist. Any change in the charter in this respect must be construed to operate prospectively only. It is well settled that such liability as the stockholder assumes is contractual. (Whitman vs. Oxford Bank, 176 U. S. 559.) Thus construed, we find no constitutional objection to the act of 1897.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

CHECK—FORGED INDORSEMENT—PAYEE A "FICTITIOUS OR NON-EXISTING PERSON"—BELIEF OR INTENTION OF DRAWER—BILLS OF EXCHANGE ACT, 1890, *SECTION* 7, *SUB-SECTION* 3.

VINDEN *vs.* HUGHES (1905, 1 King's Bench, page 795).

STATEMENT OF FACTS: This was an action to recover the sum of £487, the value of twenty-seven checks drawn by the plaintiffs and cashed by the defendant in the circumstances hereinafter stated, which raise the question whether the payees were "fictitious" within the meaning of Section 7, Sub-Section 3, of the Bills of Exchange Act, 1882, which provides: "Where the payee is a fictitious or non-existing person, the bill may be treated as payable to bearer."

The facts were as follows: The plaintiffs, Messrs. Vinden & Rogers, were salesmen in Covent Garden Market. The defendant was a draper in the Brixton Road. From the year 1896 to the year 1903 the plaintiffs had in their employment a cashier and confidential clerk named Rowland Cross. Part of his regular duties was to fill up checks payable to the order of customers of the plaintiffs, who were growers for whom fruit and vegetables had been sold, with the names of the customers and the amounts payable to them respectively; these checks were then submitted to the plaintiff, Vinden, the partner who attended to this particular part of the business, who signed them, and they were sent off by post to the customers in the usual way. At times a slightly different practice was adopted, namely, when it was probable that the plaintiff Vinden would not be at the office on the day when the checks had to be sent out, he used to sign a few checks in blank, leaving the names of the customers and the amounts to be filled up by Rowland Cross afterwards, as required.

During the years 1901, 1902, and 1903 Rowland Cross drew twenty-seven checks, amounting in all to £487, obtained the signature of the plaintiff Vinden thereto, and then, instead of posting them to the various customers, took them away and appropriated them, and, having forged the indorsements, obtained cash for them from the defendant, who was a neighbor of his, and at whose shop Rowland Cross and his wife were in the habit of dealing. The defendant passed these checks through his own banking account, and had the proceeds placed to his credit. Some time in 1903 the plaintiffs had occasion to dismiss Cross, his frauds were discovered, and he was prosecuted and convicted. No imputation was made against the defendant, who had also been deceived by Cross, whom he had at the time every reason to believe to be a respectable person, and a customer whom he had been willing to oblige by changing checks for him, and the question was argued as one of law,—namely, which of these two innocent persons was to suffer through the fraud and forgery of Cross.

The actual checks had been destroyed in the usual course of the plaintiff's business, so that it was not possible to prove at the trial the exact date on which they were signed, and the dates taken were those on which they were debited against the plaintiffs by the bank in the pass-book. With the exception of one check for £20, in favor of a customer for an amount actually due at the time that check was believed to have been drawn, and in respect of which £20 had been paid into court by the defendant, all the checks were treated in the argument as having been filled up for sums not actually owing to the respective customers therein named at the time the checks were signed. It was also admitted for the purposes of this case that there was no material difference between checks filled up with the names of customers and amounts before signature, and checks signed in blank and filled up afterwards by Cross with names and amounts.

JUDGMENT (WARRINGTON, *J.*): The question I have to decide in this case is, what is the true construction of Section 7, Sub-Section 3, of the Bills of Exchange Act, 1882, applied to the facts of this particular case; that is to say, in other words, I have to decide whether in the case before me the payees of certain checks were fictitious or non-existing persons within the meaning of that third sub-section.

On these facts I have now to decide whether the defendant Hughes is liable for the moneys which he thus paid to Cross. With the exception of one check for £20, for which liability has been admitted and the money paid into court, the case I have to deal with is one where there was no money owing to the customer, or a sum less than the amount of the check, at the time it was drawn.

Is the person whose name was inserted in each of these checks by Cross a "fictitious" person within the meaning of the Bills of Exchange Act? I thought at one time that the case was covered by the second branch of the judgments in Bank of England vs. Vagliano Brothers. I will come back to that presently, merely saying in passing that on further consideration I do not think those judgments do cover this case. Independently of authority, what am I to say is meant by "fictitious"? It seems to me this at all events must be true. It cannot be fictitious in the abstract. You must look at the circumstances of the particular case, and say whether the name of the person inserted in the bill is the name of a fictitious person, having regard to all those circumstances.

In this case let us consider what was the position of Mr. Vinden when he signed these checks. It was not a fiction to him then. It was intended to be, and was to him at that moment, a perfectly real transaction. He believed that he owed the sum of money represented by the check to the person whose name appeared upon it, and he signed the check in that belief. It was only when he discovered that he had been imposed upon by his clerk that there was, I will not say a fiction, but that there was anything that was not real and in accordance with his intention. I think I am entitled to say that the fraud perpetrated upon him has really nothing to do with the construction of the act of Parliament, and that one has to look at (and the only thing one has to look at for the purpose of construing that act) is the state of things at the time the check was drawn. At the time the check was drawn he intended to pay (I will take the first one on the list) "T. H. Graves" the sum of £29. T. H. Graves, by the way, is not a non-existent person. I should have said on that that T. H. Graves is not a "fictitious" person.

Having discussed the case of Clutton vs. Attenborough & Sons the judge concluded that no assistance in this case could be obtained from that judgment and continued:

Now, does Bank of England vs. Vagliano Brothers carry it any further, or rather, is that case any authority on the particular question which I have to decide? In Bank of England vs. Vagliano Brothers, the facts were very special and very peculiar; the document with which the House of Lords had to deal was a document purporting to be drawn by a drawer, really accepted by an acceptor, and in favor of a real payee—that is to say, not a non-existing payee. I say advisedly purporting to be drawn by a drawer, because it was not drawn at all, the name of the drawer being forged. The two learned Lords whose judgments have been most relied upon in this case were Lord Halsbury and Lord Herschell. I think it is enough for me to refer to what Lord Herschell says on the question raised in the present case as to the meaning of the word "fictitious." One must bear this in mind—that in the case with which he had to deal, there being no drawer in fact, the use of a name as payee was a mere fiction, although the payee actually existed. I think all the expressions which have been referred to in his judgment in support of the defendant's case here are explained by that fact, and I think he is not dealing with the case of the drawer of the document intending to issue the document, and intending to issue it with the name of the particular payee upon it, that payee not being non-existent. On page 152 he says this, and this is a passage which was relied upon as summing up what he means: "Do the words, 'where the payee is a fictitious person,' apply only where the payee named never had a real existence? I take it to be clear that by the word 'payee' must be understood the payee named on the face of the bill; for of course by the hypothesis there is no intention that payment should be made to any such person. Where, then, the payee named is so named by way of pretence only, without the intention that he shall be the person to receive payment, is it doing violence to language to say that the payee is a fictitious person? I think not. I do not think that the word 'fictitious' is exclusively used to qualify that which has no real existence. When we speak of a fictitious entry in a book of accounts, we do not mean that the entry has no real existence, but only that it purports to be that which is not—that it is an entry made for the purpose of pretending that the transaction took place which is represented by it." Then again, later on, he says: "It seems to me, then, that where the name inserted as that of the payee is so inserted by way of pretence only, it may, without impropriety, be said that the payee is feigned or pretended, or, in other words, a fictitious person."

Now, those passages which I have read, which were the passages mainly relied upon by the defendant, would be satisfied entirely by the case in which the drawer drawing the check puts into it the name of the person who exists, but whose name is inserted by mere pretence. In the present case let us test it. Take those words of Lord Herschell. Did Mr. Vinden draw this check in favor of T. H. Graves and the others as a mere pretence? It is impossible to come to that conclusion on the facts of this case. It was not a mere pretence at the time he drew it. He had every reason to believe that those checks were being drawn in the ordinary course of business for the purpose of the money being paid to the persons whose names appeared on the face of those checks. That seems to me really to answer the defendant's case. I confess that I was much impressed by those passages in Lord Herschell's judgment and in Lord Halsbury's judgment; but when you come to see what it is they are directing their minds to, I think one appreciates that they are not really expressions which govern, or were intended in any way whatever to govern, such a case as that which I have now before me.

I come to the conclusion, therefore, that in this case the names of the payees were not fictitious, or rather, to use the expression in the act, which curiously enough says nothing about names, I come to the conclusion that the payees in these cases are not fictitious or non-existing persons; that the bills, therefore, cannot be treated as payable to bearer; that the forged indorsement, therefore, did not entitle the defendant to receive payment of the amounts of the checks; and that accordingly he is liable to the plaintiffs for the loss that has been sustained.

In the view I take of the law it is unnecessary to say whether or not the defendant is a holder in due course; but, as I have heard the evidence on that point, I think it is desirable that I should express my view upon it, which is, that there was nothing here which I can see, so to put the defendant upon inquiry as to render his payment to Cross anything but bona-fide. If that is so, then he would be a holder in due course; but as I say, it is unnecessary for me, in the view I take of the law, to decide that point.

The result will be that there will be judgment for the plaintiffs for the amount claimed, less £20 paid into court, and costs.

CHECK—CHECK STOLEN ABROAD—FORGED INDORSEMENT—TRANSFER FOR VALUE IN FOREIGN COUNTRY—CONFLICT OF LAWS—BILLS OF EXCHANGE ACT, SECTIONS 24 AND 72.

EMBIRICOS *vs.* ANGLO-AUSTRIAN BANK (Law Reports, 1905, 1 King's Bench, page 677).

The rule of international law, that the validity of a transfer of movable chattels must be governed by the law of the country in which the transfer takes place, applies to the transfer of bills of exchange or checks by indorsement.

STATEMENT OF FACTS: This action was brought by the firm of L. and M. Embiricos against the defendant bank to recover damages for wrongful conversion of a check under the following circumstances. On March 6, 1903, a Roumanian bank drew a check at Braila in Roumania on a London bank payable to the plaintiffs or their order. On the same day the plaintiffs specially indorsed the check to a London firm, but one of their clerks stole the check after such indorsement. On March 9 the check was presented at a bank in Vienna and then bore the indorsement of the London firm to whom the plaintiffs had specially indorsed it. The Vienna bankers having inquired by telegraph and having been advised by the Roumanian bank that they had issued such a check, cashed it and on the same day sent it to the defendants in London. The defendants then cashed it at the bank on which it was drawn.

At the trial it was shown in evidence that according to the Austrian law "the holder of a check which he has bought bona fide without gross negligence and for value is identified as the proprietor of the check and entitled to the proceeds thereof against all the world, notwithstanding that the check has been previously stolen and notwithstanding that the indorsement has been forged."

The trial judge dismissed the action on the ground that the transfer of the check in Vienna was governed by the Austrian law, according to which the Vienna bank acquired a good title to the check, which title was transferred to the defendants. An appeal was taken from this judgment on the ground that sec. 24 of the Bills of Exchange Act specifically provides that where an indorsement has been forged it is wholly inoperative, and no right to retain the bill or to give a discharge therefor or to enforce payment thereof against any party thereto can be acquired through or under that signature.

JUDGMENT (VAUGHAN WILLIAMS, ROMER and STIRLING, *Lords Justices*): The only question is one of conversion. Did the defendants convert the property of the plaintiffs? Now, if the plaintiffs when they brought this action had no title to the check in question as against the defendants, the action must clearly fail. The defendants, by the foreign firm through whom they claim, did acquire a good title to the check as against the plaintiffs, if the Austrian law applied. The only question, therefore, is whether the Austrian law did apply.

The plaintiffs contend that it did not, on the ground that bills of exchange and checks are wholly outside the general principle of private international law which gives effect to a title acquired by transfer abroad by the law of the country in which the transfer took place. I think that contention is erroneous for the reasons which were given by me in Alcock vs. Smith, and which were, I think, approved by the Court of Appeal in that case; and, on further consideration I see no reason, having regard to the authorities as they stand, to depart from the opinion which I then expressed. Certainly no subsequent case has thrown any doubt upon the decision which I then gave. Lacave vs. Credit Lyonnais certainly did not; on the contrary, it appears to me to recognize the general principle which formed the basis of my judgment in Alcock vs. Smith. Of course, it may well be that by reason of some special English enactment or law the English courts might be compelled not to recognize the application of the general principle of international law in special cases brought before them for decision; but I know of no English law or enactment which obliges the English courts, in such a case as the present, to refuse to give effect to the defendants' title.

Sec. 72 of the Bills of Exchange Act, 1882, which codifies the law relating to bills of exchange, checks, and promissory notes, certainly does not. On the contrary, that section at any rate recognizes those general principles, and in particular in sub-section 2, which says that, "Subject to the provisions of this act, the interpretation of the drawing, indorsement, acceptance, or acceptance supra protest to a bill, is determined by the law of the place where such contract is made." The proviso to that sub-section, "That where an inland bill is indorsed in a foreign country, the indorsement shall as regards the payer be interpreted according to the law of the United Kingdom," does not touch the present case.

The only other section to which I need refer is sec. 24. That is only a statement of the general English law—local, therefore, for the purpose of the present case—and has not, in my opinion, the intention or effect of controlling the operation of private internatioal law in such a case as the present.

For these reasons I think the appeal fails.

VAUGHAN WILLIAMS, *L.J.*: But it would manifestly be an unsatisfactory state of the law if the legal result is that the indorsement is effective to give the indorsee of a bill a good title as against the payee, but not effective according to English law to give that indorsee a good title against the drawer or the acceptor. And it would be convenient, as well from a legal as from a commercial point of view, that it should be established that the title by such an indorsement is good as against the original parties to a negotiable instrument, having regard to the contractual liability incurred by them thereby. At all events, it has never been decided that the liability of an acceptor in England of a bill drawn abroad or of the drawer of a check payable in England, amounts to a contract to pay on a forged indorsement valid by the foreign law, but invalid by the law of England. It may, however, be that the contract of the drawer or acceptor is to pay on any indorsement recognized by the law of England. I am disposed to think that this is the true contract. If the contract of the drawer of a check or acceptor of a bill were limited to payment on indorsements valid by the English local law, an argument might be raised that, even though the indorsement abroad was valid to legalize the possession by the indorsee claiming under the foreign indorsement, yet he would be guilty of a conversion if he used a negotiable instrument to the possession of which he was entitled for the purpose of obtaining and did obtain payment from an original party to the negotiable instrument from whom he could not have recovered by process of law. User of a chattel by a person entitled to possession in such a manner would perhaps give a right of action for money had and received.

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 promptly sent by mail.

Editor Bankers' Magazine: St. Louis, Mo., July 17, 1905.

Sir: In due course of business, we sent a customer's draft, with shipper's order bill of lading attached, to a bank at Cairo, Illinois, for collection and returns. The draft was duly paid and the money held by the bank for ten days, and then refunded to the party who paid the draft and the bank has refused to remit, and has compelled us to enter legal action. Not receiving any returns, we finally wrote to the bank, which then frankly admitted the above facts, simply adding, that not having heard from us during the time he held the money, and the payor of the draft, saying the goods were not as bought, to return him the funds, which the Cashier did. What is your opinion in the pending case? CASHIER.

Answer.—If there was any breach of warranty upon the sale of the goods, then the purchaser, if he paid the draft without any opportunity to examine them, had the right to rescind the contract, return the goods, and recover back the purchase price from the seller. But the collecting bank had no right to decide this question; and when demand was made upon it to refund the money, it should have referred the matter to the transmitting bank, and asked for instructions. If it was subjected to conflicting claims, it could have protected itself by requiring indemnity, or by interpleading the parties; but its return of the money was obviously improper.

Editor Bankers' Magazine: New York, June 23, 1905.

Sir: As the clerical work in banks increases it becomes more and more difficult to provide receiving tellers for Saturdays and other extra heavy days, who are familiar with the signatures and standings of all depositors, and it delays the work enormously if every check on the receiving bank deposited must be examined both as to signature and credit before the deposit is entered upon the pass book. Is it positively settled as a matter of law that there is no recourse on a check on the bank received and entered upon a pass book of the bank? In other words, when the receiving teller receives and enters a check on his bank upon the pass book of a depositor, does that constitute final payment, or can the check be protested later, returned to the depositor or deducted from his deposit?

All other checks are received subject to collection, why not checks drawn upon the bank itself? Of course, the depositor is entitled to immediate notice of forgery, no account or shortage; but has not the bank a reasonable time in which to examine a check even after it is entered as a memorandum on the depositor's pass book?

Provided a check is drawn upon one of several branch banks and deposited in another, does the acceptance of it by the receiving teller of one bank and its entry upon the pass book constitute final payment without recourse? If so is there any distinction between a check drawn upon one branch bank (in New York city) and deposited in another or cashed over the counter of another branch bank? Of course, when a check is cashed by the bank upon which it is drawn the payment is final, but is not the fact that the bank cashing it is only a branch, as shown by the location named in the check, sufficient notice to the payee of the check that the payment is not final but subject to the same rules as a check drawn upon another bank and cashed as a matter of favor for the owner? Branch Bank.

Answer.—As to forged checks, it is settled that where payment is made and accepted without presentation and subject to future examination of the paper, the bank is not absolutely bound by the act, but the ordinary rules respecting money paid by mistake govern, and the bank may recover the money so paid, provided it uses due diligence in making the inspection as soon as it has an opportunity. (Allen vs. Fourth Nat. Bank, 59 N. Y. 12.) But this rule has never been applied in a case where the check was presented at the bank's counter, and whether it would apply where presentment is made at a branch bank, no one could say until the case shall have been decided by the courts. It is quite possible that in such a case the courts would for this purpose treat the different branches as independent banks, and very strong reasons could be urged in favor of that view. Where a check drawn on the bank itself is credited to a customer, the transaction is, in legal effect, the same as if the money had been paid over the counter to the bank, and then deposited by the customer to his own account, and the payment being regarded as complete, the bank could not cancel the credit because of any mistake But if the check was drawn on another branch, the court might treat the case as if the check was on an independent bank. To avoid any question, however, it would be well for the bank to have an agreement with its depositors that checks drawn on any branch would be credited or cashed by the other branches subject to examination.

Editor Bankers' Magazine: Oshkosh, Wis., July 19, 1905.

Sir: Please answer in your columns the following: When a certificate of deposit or savings account is issued to Mr. or Mrs. Blank, in case of the death of one of the parties, can the other draw the money? TELLER.

Answer.—An account in this form would not necessarily establish a right of survivorship, so as to entitle either of the parties to draw the money upon the death of the other; but this would depend upon the other facts of the case. If it is desired to accomplish this purpose, then it would be better to add the words "or the survivor of them." (See Bankers' Magazine. Vol. LXX., p. 201; Id., p. 343.)

AN ENDURING NATIONAL BANKRUPTCY SYSTEM THE INHERENT ALLY OF COMMERCE AND CREDIT.

[Address Delivered Before the National Association of Credit Men at Memphis, Tenn., by William A. Prendergast, of New York.]

In his Essay on "Signs of the Times" written in 1829 Carlyle says: "Were we required to characterize this age of ours by any single epithet, we should be tempted to call it, not an Heroical, Devotional, Philosophical, or Moral Age, but above all others, the Mechanical Age." The Mechanical Age—even then in its incipiency, but soon to become the great leviathan of the industrial sea—marked the incoming of that succeeding age in which we live and move, and for an adequate description of which we are justified in paraphrasing the words of Carlyle just quoted. If we were to denominate the present age, we would say that it is not "an Heroical, Devotional, Philosophical or Moral Age, but above all others, the Commercial Age."

While in its earlier applications and uses the functions of commerce were not dependent upon a well understood or elaborated theory of credit, in its modern utilities credit is an inwrought element of the commercial system. Commerce and credit are thus the great dynamic influences which animate the activities of this mighty world. The employments, the pleasures, the literature of every race are affected by the controlling impulses of the times; and as a natural conclusion, the law, designed for the regulation and protection of human rights, must necessarily partake of and adapt itself to the dominating spirit of the age.

With each succeeding day, the empire of commerce is asserting its unchallengeable sovereignty over the thought and aspirations of the human mind, and with the growth of its supremacy, there has also developed the necessity of establishing legislative safeguards for the vast interests it typifies. This condition has been lucidly explained by Madison in the tenth number of "The Federalist" as follows: "Those who hold and those who are without property, have ever formed distinct interests in society. Those who are creditors and those who are debtors fall under like discrimination; a manufacturing interest, a mercantile interest, a moneyed interest, grow up of necessity in civilized nations and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation."

The characteristics which make for success or failure in the great drama of commerce or business life cannot be measured by any known rules of human action; neither can the forces or principles underlying them be reduced to a scientific exactness or identity. For these reasons the sum of successes and failures represent certain indefinable economic manifestations over which the realm of legislation must exercise its authority. As an illustration of this state, and also as leading definitely to the consideration of the primary object of this address, John Stuart Mill in his Political Economy has said: "It is true that to persons of the same amount of original means, there is more chance of making a large fortune in some employments than in others. But it would be found that in these same employments bankruptcies also are more frequent, and that the chance of greater success is balanced by a greater probability of complete failure."

Bankruptcies, insolvencies, business collapses or failures—whatever we are pleased to name them—are unquestionably an inevitable outcome of commercial engagements or enterprises, and consequently, in a constantly expanding commercial environment, as that which surrounds every phase of human activity to-day, the duty rests, not perfunctorily, but solemnly, upon those entrusted with the law-making powers of the Government, to legislate not only wisely but permanently upon these questions which concern the relations of debtor and creditor and the multifarious interests represented by them.

The proceedings of the Convention in which the Constitution was framed disclose unmistakable evidence that it was such a conception of the obligations of a government to its people, that prompted that body to include in the powers delegated to Congress the right "to establish uniform laws on the subject of bankruptcies throughout the United States." The judgment of those who have made a life study of this and kindred subjects is unanimous on the point that a system of bankruptcy laws is a concomitant of the operations and progress of commerce. Robertson has said, "The law of bankruptcy is in fact a modern creation, slowly evolved out of the criminal code in answer to the necessities of a spreading industrial life." The failure of Congress to maintain a continued national bankruptcy system has always afforded those opposed to national regulation of this important question a favorite though inadequate argument against it. In the majority report upon the bill to repeal the present act, submitted to the House of Representatives February 6, 1905, the argumentative paucity of which indicated a bankruptcy of knowledge upon the important subject under discussion, we are told that "it has never been the policy of the United States to have a permanent bankruptcy law." Those responsible for this statement evidently expect the people of the country to regard a persistent omission of the duty owed to the commerce of the nation as an evidence of exalted rectitude. As against this statement, however, it can be said that there has hardly been a period of our history when there has not been a rigorous demand for the enactment of an exemplary national bankruptcy law. The repeal of the Law of 1867 was immediately followed by a general demand for a new and a more satisfactory law, a demand that, growing in volume and intensity, had its fruition in the act of July 1, 1898. The refusal of Congress to legislate upon this subject was for years the cause of strong disapproval on the part of the great mass of the commercial interests of the country and placed us in the position, once described by a prominent member of Congress, as behind every enlightened nation of the world and on the level only of China.

When De Tocqueville (certainly one of the greatest students of governmental institutions the world has produced, and whose "Democracy in America" is recognized as a standard) paid his eventful visit to America, one of the anomalies to which he called attention in this celebrated work was the failure of Congress to enact baukruptcy legislation, a matter he said, "in which the intervention of the Union is clearly necessary." The history of bankruptcy legislation demonstrates that neither in principle nor in practice is it a new or untried method of controlling the many and important questions involved in its operation. It has developed in the range of its application, in the breadth of the principles of justice it exemplifies, in the humanitarian influence it dispenses, with the recurring evolutions that have signalized the thoughts and tendencies of the commercial world, during the past four hundred years. Where once it wrote servitude and despair for the unfortunate, to-day it affords hope and encouragement to him who, though unfortunate, has been honest in his misfortunes. Originally it contracted the number of those qualified to figure in business life by the penalties it imposed; to-day it extends the sphere of commerce by the freedom of action it affords the honest debtor, and the sustenance it gives the credit system, in the equity and universality of its provisions.

The Demand for a Permanent Bankruptcy Law.

I take issue squarely and in no spirit of compromise with those, in or out of Congress, who maintain that the present law was passed as a temporary measure in order to afford relief to those impoverished by the panic of 1893: if that was the motive of certain of those supporting the measure (which I doubt) they misunderstood the gravamen of the demand which had been urged upon Congress for many years by business men and trade organizations throughout the country. The tremendous increase in inter-State commerce, the glaring disparity and unfairness of the many State laws, the repeated injustices to which foreign creditors (those of different States) were subjected, due to the lack of harmony or uniformity in the State statutes, constituted the basis of the claim made by the people that not only should there be a national system instituted, but that it should be a permanent system. This feeling, strong at the time of the passage of the law, has since increased in vigorousness as the operations of the law in nearly all essential particulars have recommended themselves to the approval of the nation.

It has been held by some, for the sincerity of whose views we have the highest respect, that there exists throughout the country to-day a feeling of restlessness as to the merits of the law and a desire that it be either materially amended or repealed. As to the urgency of certain amendments there will be no conflict of opinion, and this feature of the situation will be treated later in this address. As to there being any unusual or numerous demand for the repeal of the law, I enter an emphatic negative. There is no country among the great family of nations where public opinion or popular sentiment among the great famli of nations where public opinion or popular sentiment manifests itself with more alacrity or unerring force than in this great land; and it is inconceivable that there should exist any radical or considerable demand for the repeal of the Bankruptcy Law without it making itself powerfully evident, not only in public expression but especially through the medium of the press. On the contrary, public expression as far as we have been able to gauge it, and the means employed have been thorough, has been almost unanimously in favor of the retention of the law. The press of the nation, without respect to section or politics, has been most outspoken in its advocacy of the law and its desire for its preservation on the statute books.

The majority report, heretofore referred to, says: "Trial and experience have demonstrated the manifold imperfections of this law, and that many cases of injustice have come and are constantly coming from its operation. To substantiate this, we refer to the many bills now pending in Congress, some of them seeking to amend the act in various particulars and others seeking its repeal." I ask, "What are the manifold imperfections and the many cases of injustice to which the report refers." If they are so palpable, so blatant, so sinful, why not give at least one of them a name? Why conceal them from the gaze of an expectant and inquiring people under a blanket of high-sounding but, in the circumstances, meaningless tautology. As to the "many bills pending in Congress, calling for either amendments or the repeal of the law," the amendments asked for in them were as harmless, considering the purposes of the law as a whole, as the most serious pronouncement of the Anti-Imperialist Society. The bills providing for the repeal of the law can be traced to the same quarters and interests, few in number, that have always been, and probably always will be, opposed to a National Bankruptcy Law. Their representatives voted against the passage of the present act; they opposed the amendment of the law in 1902 and will no doubt continue to array themselves against it, until, let us hope, they will come to realize and believe that the common interests of a whole people outweigh the selfish and purblind claims of a few small markets, or a fallacious assertion of State rights on a question in respect to which the Federal authority is clearly set forth in the Constitution.

It has also been averred that there exists on the part of the small dealers of the country, notably the retailers, a hostile attitude toward the Bankruptcy Law; if this interest has suffered through wage-earners or consumers availing themselves of the discharge feature of the law, those who sell to the consumer must understand that they have the remedy in their own hands and are in a position at any time to curtail credit. This complaint, which has arisen in one or two jurisdictions, has never assumed such proportions as to justify the claim that there is a general antipathy to the law on the part of this numerous and influential element of the body politic.

It has been stated that the larger dealers only desire the law and are those who benefit thereby; also that the larger dealers are not the best barometers of public feeling either as to the utility of the law or its acceptability as a national statute. It is futile to attempt to disassociate the interests of the large and small dealers, the wholesalers, manufacturers, jobbers and retailers. The first three classes mentioned are those who extend the great percentage of the credit of the country. Any law which protects them in their dealings with their customers, which enables them to realize the largest percentage of collections or dividends, thereby reducing losses, this character of law, is that which also enables them to sell to the retailer at a price in which the element of loss has been computed at its minimum, and what is quite as essential, a law which guards them against preferential State statutes, permits, nay, encourages, freedom of credit, of which the small dealer is the beneficiary.

The majority opinion favoring the repeal of the law also says:

"We do not believe that there is any necessity or any general public demand for the longer retention of the law. It has tended to burden the Federal courts with litigation which we believe could be just as well conducted by the courts of the States. Doubtless the people of the various States uphold honest laws and the courts of the various States administer justice as honestly, faithfully and fully as do the Federal courts. Bankruptcy law and other unnecessary Congressional legislation, creating new civil remedies and new penal offenses, are burdening the Federal courts, and the administration of justice is not bettered thereby."

Imperfections of State Laws.

There is no dispute as to "The people of the various States upholding honest laws and of the desire of the State courts to administer justice as honestly, faithfully and fully as the Federal courts." To raise this question is to attempt to befog the issue. The State courts are called upon to administer the laws of their States; they must interpret those laws as they find them. It is not with the courts we are contending, it is with the laws themselves. To pretend that the law can be executed with that celerity, that justice can be dispensed with that precision, when forty-five different statutes are working as against one general law, is to argue the impossible, and resist the irresistible. The spectacle of the gentlemen who constitute the majority referred to weeping over the State laws excites neither State pride nor sympathy. It is because these State laws were neither equitable nor honest in their treatment of the creditor, and made a slave of the debtor, that we are opposed to them and prefer a National Bankruptcy Law. We prefer and insist upon a uniform system throughout the country, in place of a system of legalized anarchy under the operations of the State laws. According to the latter, the attachment, the garnishment, the chattel mortgage, the judgment note, the deed of trust, the respite and the replevin processes, with guilty collusion and so-called diligence as their running mates, made a travesty of justice. In the name of integrity, righteousness and progress, we protest against the suggestion of a return to these conditions and utter an unqualified condemnation of it.

It is my pleasure to quote the following from an address by John G. Gray, a leading attorney of Seattle, as illustrating a few of the advantages of the national system as opposed to the State system:

Comparison of State and National Systems.

"The bankruptcy law is more efficient than a State court receivership in this, that under the Bankruptcy Law all property, wheresover situated, including that fraudulently conveyed, passes to the trustees in bankruptcy. To state the proposition more clearly, all property of the bankrupt, wheresoever situate, passes to the trustee in bankruptcy free and clear of all liens by judicial proceedings accruing within four months. The question of bona fide and want of knowledge is immaterial under the State assignment law in force in this State at the time the Bankruptcy law of 1898 took effect, and that assignment law is only suspended for such time as the Bankruptcy Law shall be in force. Under that law it was within the power of a banker, or a friendly creditor to attach the property of his debtor situate outside of the State of Washington, and, at the same time, prove his claim in the insolvency proceeding. This, of course, worked an injustice and a hardship upon the merchandise and other unsecured creditors.

Under State assignment laws a debtor in failing circumstances may prefer a creditor, regardless of the fact that the creditor knew of his debtor's financial condition, and he may prefer certain cerditors, if he acts without fraud, before making a general assignment, although such preference is made in contemplation of insolvency. This, of course, is strikingly in contrast with the provisions of the Bankruptcy Law, which provides that the transfers of property, which include payments of money, within the period of four months, while the debtor is insolvent, shall be a preference and voidable at the election of the trustee, if the creditor receiving the same had notice or knowledge that a preference was intended.

In a recent bankruptcy case here the bankruptcy scheduled approximately a collar button and a pair of cuffs to cover debts aggregating $10,000. The party elected trustee, when but two creditors were present, debated as to whether to expend five dollars to give bond; delayed for some time in giving his bond, and at last, after a lapse of six weeks, gave his bond, quietly obtained an order for the examination of the bankrupt, and on the day that the examination was to take place, procured an order for the examination of two witnesses, one the wife of the bankrupt; subpoena was served upon her after the bankrupt had left his home for the referee's office; the bankrupt's testimony was in his favor; he had nothing, he had scheduled nothing, and apparently had been honest; but the wife, coming in later, was placed upon the stand and testified to transactions which showed that she was either a donee of approximately $5,000 worth of property, or that she had been preferred to the extent of $5,000 in payment of an indebtedness not exceeding $2,000. It is needless to say that in this case the examination was effective. The testimony was clear and so diametrically opposed was the testimony of each that it would have taken a Solomon to have ascertained which was telling the truth. The property discovered in this case was real property within the State and a $3,000 promissory note in a bank in a far distant city, and this note was tied up by a simple notice in writing delivered to that bank on behalf of the trustee. It is needless to say that as the result of a suit brought within this district to compel the transfer of all the property to the trustee and to set aside the conveyance as fraudulent and a preference, a fair compromise was made, with the acquiescence of the court, so that the creditors entitled to prove their claims received a fair proportion of their indebtedness. If this proceeding had been under the State insolvent law, or an assignment for the benefit of the creditors, no such examination could have taken place, and no such results could have been obtained, and it would have been necessary, for the purpose of reaching that note, if the same could be reached under such circumstances, to have an ancillary receivership in a distant city, at a considerable expense.

All controversies regarding property in the hands of the trustee must be settled in the bankruptcy court; any person claiming property in the trustee's hands must litigate his claims before the referee. This secures prompt adjudication of the rights of the claimant and of the rights of the estate. There is no delay. However, in the State court receivership leave is generally granted to the claimant to sue the receiver and an independent action is brought, with a probable jury trial, and the settlement of the estate is delayed for a long period. By reason of this additional litigation the allowance to the receiver and counsel is enlarged. If either receiver or claimant be dissatisfied with the result of the action, then follows the expensive appeal to the supreme court and the additional delay. Strikingly in contrast with this practice is the system of review of the decision of the referee by the judge of the court in bankruptcy matters. A simple certificate of the referee and a transcript of such evidence as is material, is forwarded to the court, the matter is submitted upon oral argument or written brief, and in a short time the matter is decided by a judge whose decision is entitled to weight."

Advantages of the Present Law.

The great advantages of the present law have been summarized by an eminent authority, Referee William H. Hotchkiss, of Buffalo, as follows:

1. The prevention of preferences.
2. The administration of insolvent estates wholly in charge of the creditors interested.
3. The election of the trustee by the creditors.
4. The acquirement of increased dividends from insolvent estates.
5. The adjustment of bankruptcies through compositions with the knowledge and under the direction of the court.
6. The reduction in expenses incident to failed accounts, notably in the case of attorney's fees.
7. The examination of the bankrupt by creditors.
8. The prompt administration of estates and an avoidance of the usual vexatious delays in litigation.
9. The sale of real estate clear of liens.
10. The expeditious adjudication of bankrupts, as distinguished from the tedious and expensive processes common to State courts.
11. The settlement of the affairs of corporations in bankruptcy in the interests of creditors and stockholders.
12. The use of contempt proceedings to effect the recovery of property.
13. The institution of ancillary proceedings to reach property lying in different States.
14. The excellent influence of the law in enforcing concert of action and mutual terms of settlement without recourse to legal proceedings.
15. The punishment of fraudulent bankrupts.
16. The filing of the proof of a debt without expense or the employment

of an attorney, and thus, as a rule, the payment of dividends without the deduction of a collection fee. Save in questionable failures, there is no reason why a creditor should spend one farthing in advance or during administration in proving his debt or collecting his dividends.

I have now discussed the dependence of commerce and credit on bankruptcy legislation, the need of such legislation, the conditions and causes leading to the enactment of the present law; the iniquities and inequalities of the State statutes governing insolvencies; the sentiment of the country favorable and unfavorable to the law, certain criticisms of its opponents, and epitomized some of the claimed advantages of the law. Those who are its friends do not allege that it is not susceptible to improvement. Considering that it is the product of human agencies, we count ourselves fortunate that such excellent results have been secured. The futility of expecting that any enactment, the work of a legislative body, will ever be entirely satisfactory to every one concerned has long been conceded.

Hamilton in the eighty-fifth number of "The Federalist" brings to bear upon this point his ever luminous reasoning, when he says:

> "The result of the deliberations of all collective bodies must necessarily be a compound as well as of the errors and prejudices as of the good sense and wisdom of the individuals of whom they are composed. The compacts which are to embrace thirteen distinct States (now forty-five) in a common bond of amity and union must necessarily be a compromise of as many dissimilar interests and inclinations. How can perfection spring from such materials?"

If the advocates of the law are asked what plan they have to offer to allay such opposition as may exist in Congress or elsewhere, the only and conclusive reply will be that wherever defects as to practice or administration have developed, relief is ever at hand and the Congress can and should furnish the necessary remedy in the form of amendments to the law. To assert that because certain defects have displayed themselves the law should be repealed, is to introduce into legislation a policy of destruction against which no statute could claim immunity. It would be well in considering this subject of amendment to establish as a premise that no amendments should be urged except those that are vitally necessary and that the fewer suggested the better.

After an exhaustive discussion and criticism of the law on the part of the National Association of Referees in Bankruptcy, at its Fifth Annual Convention at Niagara Falls, May 29 and 30, 1905, these experts in bankruptcy practice and administration selected the following points as suggestive of those questions which mature consideration may lead all interested to decide embody fruitful material for amendments. They may be briefly defined as follows:

Needed Amendments of the Law.

"That the compensation of receivers shall not in any event exceed that permitted to trustees for similar services and that ten days' notice of the application therefor, specifying the amount applied for, be given to all creditors.

That the compensation of receivers shall be based on the gross proceeds realized, and not on appraised values and shall be paid when the trustee's fees are paid.

That receivers be appointed only when absolutely necessary for the preservation of the estate and after reasonable notice to the bankrupt, unless such notice is dispensed with for good cause shown and after reasonable notice to such creditors as can be reached.

That attorneys' fees shall only be allowed for legal services that are absolutely necessary and shall be allowed only upon verified and itemized accounts being filed and only after ten days' notice to creditors, specifying the amount applied for.

That where the bankrupt shall have lost money or property at gambling within four months of such bankruptcy his discharge be not granted to him until he shall, within one year of his adjudication, return such money or such property or its value at the time of such loss.

That the present third objection to a discharge [14-B(3)] be rephrased so as to include a materially false statement in writing made to any one for the purpose of being communicated to the trade.

That as an additional objection to a discharge, that the bankrupt has not accounted satisfactorily for losses and that on this objection the burden of proof be on the bankrupt.

That the burden of proof in respect to the objections for discharge enumerated in section fourteen of the law as amended be upon the bankrupt.

That debts for necessaries be also excepted from the operations of a discharge.

That claims wholly for the purchase money of exempt property or for the services of a domestic be added to the debts not affected by a discharge.

That each district court have ancillary jurisdiction to aid another district court in the administration of a bankruptcy pending in the latter.

That wages of travelling salesmen, if within the limitations of §64b, be entitled to priority.

Any corporation engaged principally in manufacturing, trading, printing, publishing, mining, or mercantile pursuits to be entitled to the benefit of the Bankruptcy Act, as a voluntary bankrupt, on petition of an officer or stockholder of such corporation duly authorized at a meeting of stockholders held for that purpose by the vote of a majority in amount of the total stock of the corporation. Also all corporations to be amenable to bankruptcy, except banks, municipal and public service corporations."

The number of the suggestions here offered might lead some, not thoroughly informed as to the actual workings of the law, to believe that radical changes were contemplated; but an examination of these proposed alterations indicates that this would be a misinterpretation. No doubt those who are opposed to the Bankruptcy Law will claim now, as they have before, that it is impossible to satisfy its advocates and that the periodical demands of the latter for certain amendments is indubitable proof of this contention. There is no disposition to avoid this feature of the subject, but rather an entire willingness to discuss it.

In bankruptcy law and practice we have to a great extent developed a new department of jurisprudence. The facility, the smoothness and the almost general satisfaction with which the law has been administered, is at once a tribute to the able judges and referees, who have executed it, and an unanswerable demonstration of the virility and solidity of the law itself. That in the application of the many doctrines and provisions of this law occasional delinquencies have manifested themselves, goes but to prove that it is the product of finite and not infinite origin.

There is neither disposition, desire, nor necessity to introduce into the law any unusual theory as to the rights of either debtors or creditors. The changes advanced would have the effect of strengthening certain present sections of the law and are born of the experience acquired in thoughtful observation of its practical operation.

An analysis of the suggestions involved yields this result: Four of the propositions relate to questions involved in receiverships, principally the remuneration to be allowed them, and attorneys. They aim at a greater economy in administration, "a consummation devoutly to be wished." No doubt it will be charged that again creditors are demanding something for themselves and themselves alone; the soft impeachment is admitted. The insolvent estate is the creditors' and the creditors' alone. Its proceeds are theirs in morals and in law. Those proceeds should be manipulated with conscientious regard to the rights of those who hold the strongest interest in them. The honest debtor desires that his estate will pay the largest possible dividend to his creditors.

Most of the remaining suggestions refer to obstacles which should be placed in the way of dishonest and undeserving debtors securing discharges. We are told that many dishonest men seek relief in bankruptcy and that this should not be permissible. The Congressional report to which frequent reference has already been made, says on this point, "that many dishonest men are taking repeated advantage of the law to avoid the payment of just debts." The panacea for this condition needs no especial elucidation. Amend the law so that the man who dissipates his estate by gambling will not be entitled to a discharge unless he make complete restitution. Debar the man who has given a materially false statement in writing *to anyone* for the purpose of being communicated to the trade, from the benefit of a discharge. Say to him who cannot or will not account satisfactorily for his losses, that he has forfeited the boon of a discharge. Wholly important in these connections, place the burden of proof as to these elements squarely on the bankrupt. If those who have criticised the law because some dishonest men have defeated its objects, will lend their assistance toward strengthening the discharge features, they will be making for higher standards in business affairs and an enhanced regard for the sanctity and majesty of the law.

For twenty years prior to the passage of the present Bankruptcy Law, the friends of this character of legislation strove zealously for the success of the cause. At that time the business interests of the nation did not present the unified force in behalf of such a law as they splendidly exemplify to-day in their adherence to it. During the period mentioned there were sharp and powerful divisions in the ranks of the commercial army as to the wisdom and expediency of such a statute. To-day, the great business institutions of the land—who were formerly most active and potent in their hostility—are either avowed friends of the law, or reconciled to the fact that it has come to stay, and has more than responded to the best hopes of its progenitors. In all this we perceive the impregnable foundation of an enduring national bankruptcy law.

Commerce knows no State lines. The laws which regulate commerce and govern the relations of its different factors should be as untrammelled in their operations as the spirit of commerce is unrestrained in its power and functions. The highest interests of commerce require that the citizenship of every State should sell and buy, one with the other, under conditions of absolute equality which a national bankruptcy law alone ensures. The chaos due to the confused and preferential State laws is an insult to commercial progress and a violation of the precepts of political economy. Commerce induces relationship and sympathy between the people of States and sections that no other known influence so effectually promotes. Verily, as Montesquieu has said, "Commerce is the cure for the most destructive prejudices." The glory of England rests not alone in the sturdiness and broad nationality of her people, but largely in the fact that her commerce and her law have gone hand in hand, thus upbuilding a system which has ever enabled her to be a leader in the stately procession of the nations. It is our part and our hope to be humble instruments in the creation and development of those theories of commercial and legal economy, the ascendancy of which will ever illumine the sacred temple of human liberty.

The Meaning of Savings.—When the total resources of the Savings banks of the State of New York are in round numbers one billion four hundred thousand dollars, we can look forward with a good deal of confidence to the conflict with the dangers of concentrated capital of which many social or Socialist prophets continuously and vociferously warn us.

There are several elements in the situation thus created which it is well worth while to keep in mind. In the first place, this vast fund is known to be managed with the utmost fidelity and good sense by a body of moderately paid trained officials, supervised carefully by unpaid trustees. That speaks well for the stock of homely virtues at the disposal of the community. Despite the alleged prevalence of corruption it is clear that our people are not "short" on plain honesty. In the second place, the fact that this great mass of capital is invested in safe securities and can be borrowed on those and those only, is a conservative and restraining influence upon business operations which is widespread and continuous. If it does not attract more attention it is because sound business is always the rule rather than the exception.

Finally—and this is the fundamental fact—this wonderful accumulation of capital is the fruit of the saving and progressive qualities of human society. It is the outcome of energy, patience, industry, self-denial, and foresight on the part of over two millions of people. These qualities are, moreover, the possession especially of those classes in which the chances for accumulation are the least in number and value and in which the hope of advance would naturally be most feeble as compared with those whose chances are abundant. Every dollar put in the Savings bank by working people expresses a certain hope for the future, and this hope, acting on such multitudes of minds, is an immense force impelling toward advance. These deposits are the expression also of confidence in the honesty and sagacity of the selected agents and in the general management of the business world in which the deposits will be employed. There is simply immeasurable value to the community in the general existence and working of these associated sentiments of hope for themselves and confidence in others shown by the Savings bank depositors.—New York Times.

Electric Lighting for Banks.—A pamphlet has been issued by the Westinghouse Companies' Publishing Department, of Pittsburg, describing the Nernst Lamp, which is evidently a great improvement over the ordinary incandescent lamp or the arc lamp. Banks desiring to improve their lighting facilities will doubtless find the pamphlet of practical interest.

THE NEW GOLD SUPPLIES.

In an article printed in a recent number of the "Engineering Magazine" appears this remarkable statement and prediction: "Ten years ago, the world's annual yield of the yellow metal was half a million dollars per diem; to-day it is a million; within the next ten years it will be two millions." Then follows a description of the mechanical and metallurgical devices which have occasioned this enormous growth, and which are now contributing to still further increase it. No attempt is made to trace the social and commercial consequences of this new and mighty development; the article is purely technical; it deals only with facts; facts already accomplished or impending; facts relating to the cyanide process and especially to the gold dredger, that phantom Ship of the Desert, which is now moving over the golden placers of Australasia, Brazil and California; without sails, paddle-wheels, or screws, and with no other water than a small pond, which it creates and carries with it in its strange career.

It is to the commercial consequences of the new supplies of gold, already enormous and expected to become still greater, that the present article will be mainly devoted; consequences concerning which the banking community can scarcely be unconcerned.

With the national mints of the world substantially open to the gratuitous and unlimited coinage of gold, the increased production of that metal is tantamount (though not in the same proportion) to an increased production of money: and as there are no legal limits in any country to the circulation of gold coins, the subject at once becomes related to everything that may be bought or sold for money, and is therefore too extensive for any comprehensive consideration. To grasp it quickly, we must limit it; limit it in space and time; limit it to the United States, to the near future, to the first, the primordial consequences which are likely to follow, which indeed are already manifesting themselves in the train of, the increasing production of gold.

The Greeks did not invent fables for the mere pleasure of romancing. Behind every one of them is a hidden truth, whether of fact or deduction, which they desired to convey or preserve. The shower of gold by which Jupiter overcame Danæ and gave the heroic Perseus to an expectant world, was evidently intended to represent the activity and prosperity which follows an increase of money. It was a myth of the most ancient Greek period; it sprang from the gold mines of Egypt, which the Phœnicians opened in the fifteenth, the Egyptians exhausted by the twelfth century before the Christian æra, and Mehemet Ali, within the memory of men now living, vainly tried to render profitable. Such showers fell again when the mines of Laurium poured their copious treasures upon the Athenian world; when Alexander returned laden with the plunder of the Orient; when the Roman Cæsars robbed both man and nature of their metallic hoards in Europe and Asia Minor; when the Spaniards despoiled America and the English despoiled the Spaniards; and when the placers of Brazil, California and Australasia threw, each of them, in the course of a few years, a thousand millions into the channels of trade. Like the flowers which suddenly carpet the desert after a fall of rain: activity, production and prosperity sprang up to mark all of these periods as halcyon ages. An increase of money, provided it is sound money—and what can be sounder than gold coin—is a certain harbinger of increased commerce and exchanges, rising prices, augmenting production, and that moderate redistribution of wealth, opportunities and honors, which alone can offer an adequate reward to the genius of man.

If from these general considerations we descend to particulars, if we restrict a survey of the subject to our own country and the near future, we perceive every indication of a prosperous term; and none of misfortune. The crops are full and abundant; the manufacturers are overwhelmed with orders; the merchants are transacting an ever-increasing trade; the railways are overburdened with passengers and freights; the artisans and laborers are receiving full employment and the highest rewards ever paid to them; prices in every direction indicate a tendency to rise; and although the banks and treasuries are already bursting with gold, the United States, Australasia and South Africa, are each producing a hundred million dollars a year more, to say nothing of other countries, or of the new Gold Ships, which we are assured will soon make themselves felt in trade, wherever commodities are bought and sold, and gold coins pass for money.

Consulting the future in the mirror of the past, we find that in all general rises of prices concerning which we possess any definite information, the rise was not simultaneous as to the various commodities and services affected; and that there was a certain order, or *precession*, in the movement. When the natural law was sought which governed this precession, it was found to be marketability: for example, during every previous general rise of prices, stocks had risen before merchandise, and merchandise before land; because stocks were more marketable than either of the other forms of property; and land, the least. A general rise of prices—and it is to be remembered that a general rise of prices can only be due to an increase of money—is like the fairy's wand, which vivifies all that it touches. It is from noting with precision the exact order and interval of time when the wand descends that the observant merchant, banker or investor reaps his most profitable returns. No spear of Ithuriel ever exposed deceit quicker than an influx of gold will raise an undervalued commodity. Gold is ever searching for commodities, as much as commodities are searching for gold.

It was asserted by David Hume and admitted by Lord Overstone and John Stuart Mill, that whilst the volume of money might be increased or diminished instantly, the resulting movement of prices would occur only after an interval of time.* Mr. Mill stated vaguely that this interval of time was only that which was sufficient "for the increased supply of money to reach all markets, or, according to the conventional metaphor, to permeate all the channels of circulation." The distinguished economist and logician made no effort to determine by induction, the actual time taken to raise prices, by a given sum of money, within a given area; but it *was* determined, and that, too, by an anonymous economist, an American, in 1864. He found, from an examination of the course of prices during a period of paper inflation in the United States, that it required a period of several years for all prices to conform to a doubling of the currency. When this problem is extended to the entire commercial world, as it would have to be in the case of a gold currency, the measure of time would undergo important modifications. It will not be necessary to go into this, because there will probably be no doubling of the world's gold currency. But there will doubtless be a great increase of it; and, if so, a rise of prices following behind it in point of time.

In California, Australasia, South America, and other placer-mining countries, wages rose before commodities, because labor was most in demand and most marketable. In other countries, wages rose after commodities; yet the laboring classes were on the whole better off during rises of prices in the last-named countries, because the laborers were all employed; gold was seeking them.

It has also been observed that no matter how carefully the various objects of exchange, as stocks, bonds, staples, imperishable commodities, perishable goods, land, labor, professional services, etc., are divided and classified, the interval of time between the rise of one class and another was not uniform; in other words, supposing ten years to be the time required for the entire doubling of prices, and the classes and services to be ten in number, it would not follow that each successive year would add one more to the classes with doubled prices. After once commencing to feel the effect of the increased sum of money, some classes doubled in price quicker than others. Moreover, it was observed that it required much more than a doubling of the currency, to double prices.

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*Hume's Essay; Lord Overstone's "Thoughts on the Separation of the Departments of the Bank of England," 1840; Mill's "Political Economy," iii, 13, 4. Tooke, in his "History of Prices," vi, 195, says something of the same kind.

In further reference to a rise of prices, it is to be observed that the order of the rise in the same country would probably greatly differ at one period, as compared with another. This is because the marketability would differ. Forty years ago there was no large and quick market for several staples for which there is now as good a market as there is for stocks. At that time, 100 shares of railway stock could be sold much more readily than 200 bales of cotton or 1,000 bushels of wheat. At the present time one is as marketable, as "liquid," as the other. The influence of the new gold supplies should therefore be felt as quickly in the markets for staples as in those for stocks.

There are yet other considerations to be borne in mind. Our country has prospered so exceedingly and our population increased so rapidly, since the computations of 1864 were completed, that a very important modification must be made in respect to the commercial position of land. Not only are the most productive lands all taken up, even the least productive have been invaded. The high latitudes of the Northwest are occupied, the plains between the Mississippi and the Rockies are now covered with thriving farms, even the desert has been encroached upon, and some of the Indian reservations obliterated. The South, blighted so long by the slave system, has sprung into a new and healthy life; slowly, painfully, but permanently. In a word, the entire land is occupied. At the same time, we are increasing our native population by two millions a year, and adding another million from immigration. This means practically that nearly a million more farms are now demanded every year or two for the increasing requirements of subsistence. There is a limit to the land, but no limit to the increase of population. These opposing circumstances must meet somewhere and at some time; and wherever and whenever they meet there must inevitably ensue a rise in the value of land, independent of any consideration arising from the swelling volume of money. In other words, land, which in the classifications of 1864 stood in the last rank of commodities that obeyed the impulse of an increased currency and joined in the rising precession of prices, must, in the classifications of the future, take a higher rank. It must rise sooner and move quicker than it did forty years ago; and this is a consideration which should have weight not only in the purchase of land, but also in the negotiation of those varied securities which have land for their basis. A farm mortgage which in 1864, or even in 1870, might not have been deemed a reliable kind of security for a loan of bank deposits, would now probably be considered with much greater confidence; and land, which at that period could not find a purchaser without great loss of time or sacrifice of interest, is now in so much greater demand, that it will readily find a market and even furnish a profit.

Another important influence of the probable rise of prices relates to invention and the trusts. During the past ten or fifteen years the general tendency of commercial development has been toward the amalgamation and concentration of industries—in a word, the formation of trusts. Individual merchants and manufacturers have deemed it advantageous and profitable to convert their enterprises into incorporated companies, while these companies have amalgamated to form trusts. The many advantages attending this development have not, and cannot, eradicate its disadvantages. The advantages are chiefly, economy of management; cheapening of cost; standardising of product; and rapidity of production. The chief disadvantages are proctorage of management; loss of the credit trade; and the discouragement of invention. It is an old saying that "When you want a thing well done, do it yourself," or, as Sancho Panza puts it: "*Lo que quiere, andar; lo que no quiere, mandar.*" No trust, no corporation, with its long line of proctors, commencing with an impertinent office-boy and ending with a disdainful president, can successfully compete in the long run with a private merchant or manufacturer. The customer prefers to deal with some body, rather than with a thing; with a person, who is guided by tact and swayed by propriety, rather than with an institution, which is governed by neither. No corporation can offer credit with the same degree of safety and advantage that a private merchant or manufacturer can. To-day, the entire trade of South America, Africa, Asia Minor, Russia. China, and several other countries, is lost to us, chiefly because our trade is in the hands of corporations, whose executive officers dare not grant the credits which the industrial position of those countries render necessary; credits which are perfectly safe and which the foreigner can readily obtain in England, from private merchants and manufacturers. We are producing agricultural implements, tools, cutlery, arms, wire, nails, pipes, rails, typewriters, sewing machines, carriages, automobiles, and many other forms of hardware and light machinery far in excess of our own requirements, and urgently needed in those countries; but we cannot sell them, because we cannot give credit; and we cannot give credit, because our merchants and manufacturers, with their human heads and hearts, are gone; and in their places stand a rigid row of immaculate companies, which have neither heads nor hearts, but only rules, regulations, shares and dividends.

With regard to invention, the corporations have thus far managed to absorb it; because invention has thus far devoted itself to improvement in existing devices and forms; and these were already in the hands of the corporations. The result has been to discourage further invention in the old lines, and attract it to new ones. Every enterprising inventor is now experimenting with Hertzian waves, radium, flying machines, metallurgical processes, and other forces and devices not under the control of companies. Tesla declares that he will soon be able to draw in South Africa an instantaneous air-line draft on London; Maxim announces the command of four out of the five movements demanded of an air-ship; Ludlow promises to navigate his aeroplane to-morrow, or next week, or next month. As for metallurgy, let the gold dredgers make reply. Small companies, with $50,000 to $100,000 capital, are earning dividends of 100 to 300 per cent. per annum; the quartz miners are dropping their tools, and the long-abandoned placers are coming into the market again upon the basis of $100 to $1,000 an acre. Does the ingenuity of man, engrossed in stacking the cards of law and finance, expect to outstrip the ingenuity of man exercised in harnessing the mighty forces of nature? The thought is absurd.

If those lessons of the past which Sir John Sinclair so graphically describes in his "History of the British Revenue" have any force to-day; if the trusts and monopolies of the Elizabethan age had anything in common with their cogeners of the present time, then our trust system has had its day; and that day will ere long fade into twilight, and end in darkness and oblivion; their constituent companies restored to their original independence, and these again struggling to overtake the individual merchant and manufacturer.

Finally, the rise of prices will be more rapid now than at any previous time, not only because the telegraph has effected a quicker circulation of money, but also because the railway has effected a quicker movement of goods. In examining the details of that tremendous rise of prices—about five times—which occurred during the Elizabethan age, Mr. Cliffe Leslie, an able English economist, found that this rise was almost entirely confined to the maritime countries, like Spain, France, Holland and England, so that long after these countries had felt the spirited effects of the new metal from America, the inland States of Europe remained wholly untouched and inert. They had no railroads.

Perhaps the most important consequence to the banking world of the new supplies of gold will be their influence upon the rate of interest for money and the bearing which this will have upon the value of stocks, bonds, mortgages, Savings-banks and life insurance investments, and a thousand other forms of income and security. But this is a subject too vast for mere incidental mention. It demands a field for itself. To deal comprehensively with the subject of money, and especially in relation to the rate of interest, is like sitting down to a grand organ with 1,200 stops. The performer upon such a huge and complicated piece of mechanism must not only be thoroughly acquainted with its varied powers and their modulations, he must have space in which to give effect to his play. Otherwise, instead of a harmonious concert of soul-commanding sounds, he will produce a deafening burst of discords, a hideous tumult of suppressed shrieks and explosions. The future rate of interest is the 1,200 stops to the grand organ of Money: the incidental mention is the confined space in which such an instrument or such a subject cannot be properly treated. However, this much may be advanced without risk: the hitherto long-standing rates are likely to be deeply affected by the new supplies of gold; but whether in the direction of a further fall, or an opposite tendency, will require grave consideration to determine with confidence.

If from the commercial consequences of the new supplies, we turn to the social ones, these will of course depend, like the others, upon the quantity of such supplies, the proportion consumed in the arts, and the rapidity with which the balance is thrown into the mints. We can only peer into the future through the medium of the past: and this promises us that the new supplies of gold will lead to a brilliant period of social advancement and progress. In describing the Elizabethan age, or the Second or Northern Renaissance, in a work now long since out of print, the present writer said:

"It was an æra of great designs and enterprises. That which the Arabians had offered to mankind in the ninth, and the Venetians in the twelfth century—namely, OPPORTUNITY—was now offered by all the nations of Northern Europe. Land in the colonies was placed within reach of a peasantry who had never before seen it freed from the taint and burden of feudal vassalage; commercial companies were formed to establish factories and promote trade and mining in America, the East Indies, and the distant islands of the sea; canals, warehouses and the improvement of rivers and harbors were energetically carried on in France, Holland and England; and even the idea of cutting a ship canal through the Isthmus of Panama was seriously entertained. Philip II. of Spain had a route across the Isthmus carefully surveyed by some Flemish engineers, but afterwards relinquished the project. Peter Heylyn, an English writer, in a geographical treatise published in Oxford in the early part of the seventeenth century, observes that 'many have motioned to the Council of Spain the cutting of a navigable channel through this small Isthmus, so to shorten our common voyages to the China and the Moluccoes. But the King of Spain has not hitherto attempted it, partly because if he should employ the Americans (Indians) in the work, he should lose those few of them which his people have suffered to live; partly because the slaves which they yearly buy out of Africa do but suffice for the mines and sugar houses; but principally lest the passage by the Cape of Good Hope being left, those seas might become a receptacle of pirates.'

"This was the age of Sir Thomas More's 'Utopia,' 1516; of Bodin's 'Republic,' 1577; of Raleigh's Roanoke Colony, 1585; of Hall's 'Crapulia,' 1600; of Campanelli's 'City of the Sun,' 1625; of Bacon's 'New Atlantis,' 1625; of Harrington's 'Republic of Oceana,' 1657; of Vairasse's 'Sevarambi'; and of Locke's experimental government in Carolina. Not only did poets and philosophers dream, and statesmen plan, reforms of government, the commercial classes demanded them, and the people struck for them. An insurrection occurred in Castile 1520, and a popular Junta was established 1522; a popular insurrection, against devoting agricultural lands to pasture, took place in England under Ket and Flowerdew in 1549; the French army set up the Cap of Liberty for its symbol, 1552; a republic was declared in Holland, 1572; a colony, practically renouncing the European system of government, was established in New England, 1620; the peasantry rose in Upper Austria, 1626; a republic was established in England, 1645; and the barricades of the Fronde were erected in Paris, 1648.

"Everywhere there was a protest against the old order of things, against feudal governments, and against prerogatives, privileges and monopolies. Society began to recast itself, and it never stopped until a complete recasting was accomplished; slowly, methodically, peacefully, but effectively.

"The commerce of Northern Europe, hitherto consisting of a coasting trade in small vessels, suddenly grew to great proportions. In 1699, Petty estimated the combined tonnage of the European merchant marine as follows: Holland, 900,000; England, 500,000; Baltic ports, 250,000; France, 100,000; and Spain, Portugal, Italy, etc., 250,000; total, two million tons; value, $40 per ton. He estimated the sea trade of Holland at $90,000,000; England, $50,000,000; France, $25,000,000; and the rest of Europe, $60,000,000; total, $225,000,000. Without putting too much faith in computations which are partly founded upon conjecture and proportioned by national pride, it may be concluded quite safely that two-thirds of the entire maritime trade of Europe was now in the hands of the Northern States. A few centuries previously it had belonged almost exclusively to Italy and Spain. The mere fact that an essay was written in England to discuss the matter, is in itself a most striking proof of the progressive character of this æra. Before the middle of the seventeenth century there were few commercial writers in Northern Europe. They were only to be found in Moorish Spain and in Italy.

"This rebirth of commerce was accompanied by the mobilisation of commercial products, such as sugar, tea, coffee, tobacco, spices, and raw materials of almost every kind. Conrad Gesner, who died in 1564, anticipated Sir Walter Raleigh in the use of tobacco. So early as 1621, the consumption of East India silks in Europe reached five million dollars annually.

"With commerce appeared also those inventions which facilitate intercourse, negotiation and credit. The postal system, begun in Venice during the first renaissance, was introduced into the Northern countries during the second. It was established in Venice so early as the twelfth, but in Gothic Spain not until the sixteenth century; in the Tyrol, 1516; France, 1524; England, 1635; and Scotland and Ireland, 1644. The first public statement of national finances, since that of the doge Mocenigo in 1463, was made by Sully in France, 1598. Bookkeeping, long practiced in Italy, was not introduced into England until 1543.

"Education evinced the same extraordinary and sudden energy. A mere list of the universities founded during this æra will be sufficient to prove this statement. It comprises those of Seville, Siguenza, Compostella, Evora, Granada, Strasburg, Marlburg, Besançon, Konigsberg, Gripswald, Douay, Dillingen, Milan, Ingoldstadt, Leyden, Helmstadt, Altorf, Edinburgh, Bamberg, Dublin, Paderhorn, Venice, Parma, Aix, Groningen, Lima, Salzburg, Mantua, Alba Julia (Transylvania), Dorpat, Utrecht, Harvard (Massachusetts), Abo, Bruges, and Kiel. The first of these was founded in 1502, the last in 1665.

"In every department of activity, from the subtle statecraft of Richelieu to the perfection of counterpoint by Palestrina, mankind evinced its capacity for radical improvement the moment its social shackles were removed, the moment effort and reward were permitted to bear some sort of an equitable relation to one another. It was an age of miracles. The land was cleared; marshes were drained; forests were felled; roads and bridges were constructed; palaces arose on all sides; and every art that could contribute to the comfort and happiness of society, soared at once through the busy mind of man, from discovery to perfection. Everything was thought of; everything attempted; everything done. From the North Pole to the South, from the cabinet of Louis, where Colbert planned every enterprise that France afterwards completed, to the frozen tides of the Neva, where Peter originated every reform that Russia has since accomplished, there was to be observed an unceasing activity of action and of thought. Men lived by centuries instead of years; they saw more movement, more change, more progress, more growth in one generation, than had been seen before in one hundred. There was no 'depression of trade' in this renascent period; 'overproduction' was unheard of; the rich were prosperous; the poor were satisfied; everybody wore a smiling face—for every ship from America and the Orient bore a chest of bullion, and prices were rising."

ALEX. DEL MAR.

CRUDE METHOD OF STEALING.—In recently sentencing Emil Neumar, the young clerk who assisted in robbing the Equitable Life Assurance Society, Judge Foster said:

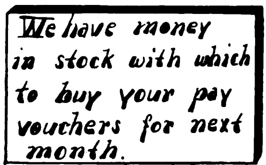
"You stole from the Equitable, but your methods were very crude and bungling. If you had had instead of collusion with an outsider collusion with an insider and thereby had had your salary raised to $50,000 and had then divided with the other man, the result would not have been a bit more objectionable from a moral or ethical standpoint and would have been no more hurtful to the policyholders; but very possibly you would not have been at the bar of justice. Under all the circumstances of the case, compelled as I am to extend to you mercy by reason of your services to the people, the sentence is to the Elmira Reformatory."

HUMORS OF FILIPINO AND CHINESE BANKING.

My first experiences with the Filipino and Chinese bankers of the Philippines was at the outbreak of the hostilities, at which time a number of United States regiments were in Manila. The local banking institutions immediately began to print signs to appeal to the Americans. The native sign-painters struggled manfully with the English words. The several larger banking houses in Manila proper did not go very far out of their way to induce business, but the hundreds of little money-exchangers, one-horse bankers, money-lenders, etc., immediately sought to reap a harvest, and some of them did so.

Upon my arrival in Manila I found that there was a great demand for the loan of money for brief periods, and afterwards learned that this short loan was required for purposes of gambling. The natives gamble almost all night. It is a failing they have. The Spanish also do considerable gambling. The soldiers look upon the sport as a pastime, and not infrequently gamble.

1



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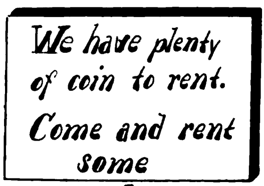

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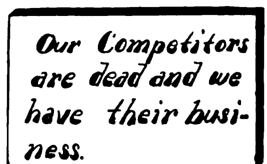

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The result is that there is quite a business done by the money people in loans at high rates for purposes of gambling.

In Fig. 1 is a typical sign of the establishment that lends quick money to the gambler to retrieve himself with, in exchange for which he not only pays a high rate of interest, but furnishes the proper security.

On one occasion a son of a planter rushed into a money-broker's office and secured a ten-minute loan to win back his losses at the game. He signed away part of his inheritance, and lost. The money-broker secured valuable sugar properties as a result. On another occasion the proprietor of a hemp-producing farm staked his lands and machinery, and lost. He borrowed 1,000 pesos for an hour from the nearest banker and gave as security the property he had lost at the game. With the new stock of coin this man entered the game again and won back his losses and more too. The banker who had furnished the loan was paid three per cent. interest for the short use of the money, and given a present besides.

The result is that one may find signs of this order placed in conspicuous positions in the vicinity of the gambling resorts in various parts of the islands.

Another source of considerable income to the numerous money-brokers in the islands is obtained from the fees obtainable through buying up pay vouchers of Government employees. Of course, it is against the regulations to sell one's pay voucher a month or more ahead, but it is often done in an emergency. The Government employee draws up his pay voucher for any month he chooses, and properly signs it. Perhaps the amount is for $75 or for $150. He can take this pay voucher to one of the native bankers or money-changers and get it discounted at about six per cent. Therefore, you will see signs like that in Fig. 2.

In recent years discharged soldiers and civilians from America have entered into the banking business in the islands and some first-class banking institutions and money-exchanging offices have been opened. Still, one finds the interesting native and Chinese money-exchanging shops greatly in the majority. Some of these shops are very degrading in appearance, and one would take them to be junk-shops. In one place of this kind the sign was hung as in Fig. 3, indicating a cash exchange for any old rubbish. And the idea of the advertisement was carried out. There were all sorts of things in the place, for which money had been given. Of course, the payments for the articles were estimated on an exceedingly low basis. But I have always wondered how these bankers managed to derive a profitable revenue from this mode of doing business. It looked to me as if much of the rubbish-like stock had been in the place a dozen years or more without any attempt to turn it over occasionally for profitable purposes.

The money people of the islands are accustomed to do quite considerable bargaining in watches, tools, clothes, etc. It is not uncommon to see signs like that in Fig. 4 posted in the window of the bank or money-exchange. The first-class banks of Manila do not undertake any of these trivial schemes, but small shop-banks of the Chinese and natives of the cities and the provinces derive a good portion of their income in this way.

It has been supposed that the Filipinos do not have many clothes to deposit for temporary loans. This is an error. The natives of the cities, and even of the provinces, possess some excellent and really valuable fabrics made from the rich pineapple and kindred fibers. The Jusi clothes are very valuable. A small roll of this texture brings a very liberal sum of money. There are small bankers who coax the natives to patronize them with signs worded as shown in Fig. 5. "We have plenty of coin to rent. Come and rent some." Then, to substantiate the proposition, a few bags of coin are placed where they can be seen. Sometimes the coin is openly shown. The native bankers have considerable faith in advertising. They have some peculiar customs in the provinces. In one place I heard the beating of a drum on the plaza in front of the church of the town. Some people collected, and then the drummer announced that so-and-so had just called at the town, and for a certain number of days would rent money on good security. In another case the bell-ringer or town-crier made the announcement of money to lend. A very startling effect was produced at one money-exchanging establishment in the vicinity of Iloilo, by the proprietor setting up a real coffin, labeling it with the sign shown in Fig. 6. The sign read, "Our competitors are dead, and we have their business." Natives stopped and gazed upon the odd notice. Some laughed, and others crossed themselves. These are some of the humorous situations your correspondent noticed while in the Philippine Islands.

RETURNED SOLDIER.

ADVENTURES OF A BANK NOTE.—A lady passing down the Rue Richelieu had the misfortune to lose a pocketbook containing among other valuables, a 1,000-franc note. The pocketbook was picked up by a chair-mender named Renaud, who lives at Montreux; he placed it very carefully in his pocket and proceeded home. It is not often that a chair-mender has occasion to change a note for that amount, and Renaud, recognizing the impossibility of turning it into gold without detection, agreed with a friend to do the business for the consideration of 100 francs. This friend, Lucien Mathern, also a chair-mender, was in his turn filled with apprehension. The difficulty was solved with the aid of a horticulturist named Simonnet, who kindly consented to buy himself a horse for 300 francs and return the change. Renaud was thus richer by 600 francs. All might then have gone well if, two days later, it had not been discovered that the horse had been stolen from a dealer at Meaux. This led to the arrest of the trio, and later in the day the police put their hands on the horse-thieves.—*Paris Messenger.*

A SQUARE DEAL FOR THE INDIVIDUAL DEPOSITOR.

An average annual loss of approximately one million of dollars of depositors' money, covering a period of forty years, through banks operating under the National system alone—which, with whatever imperfection it has, is yet the best banking system the country has succeeded in developing—undoubtedly shows that the protection from loss afforded by banks is far less than it should be. As these losses were sustained by depositors of banks of all sizes, neither the amount of capital nor the amount of deposits serving as an absolute protection against the possibility of loss, it is equally certain that the improvement of the system in that particular is a matter of vital concern to every bank dependent for prosperity, as each is, on its success in attracting individual deposits.

Bank Failures Due to a Disregard of the Banking Laws.

The National Bank Law provides wise restrictions and outlines judicious policies for the government of banking associations, and contemplates a literal compliance with its provisions by those intrusted with the management of banks operating under its authority; and it may be here asserted that the records do not disclose a case of insolvency where the bank discharged its functions in firm conformity with the law, nor a failure whose tangled affairs did not reveal a disregard by its officers of that law.

It then seems to be undeniably a fact that the principal cause of the failures which entailed those losses on the depositors was a willful and persistent disregard of the law, either technically or criminally, or both, a fact which forces the obvious conclusion that the remedy for those conditions lies, first in the administration of the law by the officers charged with that duty in a manner to secure a more strict adherence to its provisions, and, secondly, the establishment and maintenance of a fund to cover any possible loss yet resulting to depositors from injudicious or criminal mismanagement of banks.

It is common knowledge that certain provisions of the National Bank Act are frequently disregarded by bankers. Loans in excess of ten per cent. of the capital stock to one interest, the most insidious and fatal of the dangers that beset the banking business, are frequent; and credits to officers and directors for use in their outside business affairs to an extent not warranted by their true financial standing, are likewise common. Real estate collaterals and overdrafts, both frowned on by the law, are part of the daily problems of many banks. And many more breaches, of questionable wisdom, will suggest themselves to the mind upon slight reflection. Even the Department itself seems to assume a violation of the law generally, as its printed forms are prepared for the confessions of the guilty, at least as often as five times during each year, while the policy lately announced, requiring directors to individually sign letters answering those of the Comptroller calling attention to some irregularity, caused by the frequency of directors claiming after their bank had become insolvent that they were ignorant of the fact that the officers had been violating the law, is evidence both that the law is being violated, and that it is believed it would be conducive to a sounder system if such were not the case.

Each of the conditions enumerated indicates a general indifference to the plain requirements of the law, an indifference that renders the bank guilty of such practices, to the degree to which it participates in them, just that much less secure and its depositors' money just that much less safe.

Greater Publicity Favored.

It would be largely to the advantage of both the shareholders and the depositors of banks to have more publicity of the method pursued by the officers in the daily conduct of the business. Shareholders, and directors as well, in many cases know too little of the methods actually followed in the bank, Solicited to become shareholders on account of local prominence and chosen directors because of ability displayed in the conduct of their own business affairs, too often their duties as directors are discharged as a mere formality, each delegating to his associates the duty of giving to the bank the attention and supervised that would, in the vast majority of cases, had they been exercised, have prevented the acts that finally led to distress and insolvency.

The ordinary depositor, and this applies equally to the average shareholder, reading the usual reports of condition of the bank in which he maintains his balance, has no possible way of knowing whether or not the bank is being conducted with due regard for the law, in a prudent manner and on sound banking principles. Knowledge of this kind is hard to acquire from the array of figures ordinarily presented, prolific enough to be more confusing than helpful to the average mind. The needs of the public would be far more nearly met if in addition to the reports of the condition of banks now used bank examiners at the time of their examination of a bank's affairs prepared a report to the Comptroller, a copy of which report, to be published in the local papers of the bank's home, showing whether the bank examined had loans in excess of ten per cent. of its capital to one interest, or had loans collateraled by real estate security, or had violated any other provision of the National Bank Act; and with an absolute compliance with the law as the Department's standard of prudence, conservatism and safety, classify for the records of the Comptroller's office the bank's management as first, second or third class accordingly as it complied with the law.

Present or prospective depositors of a bank where affairs had lately been examined could determine much more readily whether the bank was entitled to their patronage after they had read a report similar to the following:

SUNNYSIDE, Indiana, July 29, 1905.

The Comptroller of the Currency, Washington, D. C.

SIR: Supplementary to my report of even date regarding the condition of the First National Bank, of Sunnyside, Indiana, I have the honor to advise you that my examination of the affairs of that bank has disclosed the fact that the National Bank Act is being violated in the following particulars:

1. Loans to one interest are now being carried in excess of one-tenth part of the capital stock, contrary to Section 5200, R. S. U. S.
2. Loans are being collaterated by real estate, contrary to Section 5137, R. S. U. S.
3. Legal reserve is below fifteen per centum of its deposits, contrary to Section 5191, R. S. U. S.

By reason of these facts, I recommend that the First National Bank, of Sunnyside, Indiana, be classified on the public records of your office as to its management as in third-class condition.

Respectfully yours,

I. WILL GETEM, *National Bank Examiner.*

Shareholders themselves, after reading a notice of similar import, would awaken from the lethargy that usually encompasses their interests in the bank except at dividend-paying time, and demand of the officers a strict compliance with the law.

The other bank in the same locality, that had complied strictly with the law, would welcome the coming of the examiner and the publication of his report regarding its condition as follows:

SUNNYSIDE, Indiana, July 29, 1905.

The Comptroller of the Currency, Washington, D. C.

SIR: Supplementary to my report of even date regarding the condition of the Second National Bank, of Sunnyside, Indiana, I have the honor to advise you that my examination of the affairs of that bank has failed to disclose any violation of the provisions of the National Bank Act. That bank has no loans exceeding ten per cent. of its capital stock to one interest, no loans collateraled by real estate security, and no large loans to directors or officers. Its reserve is fully up to the requirements of the law.

By reason of these evidences of prudent, careful and conservative management, I recommend that the Second National Bank, of Sunnyside, Indiana, be classified on the public records of your office, as to its management, as in first-class condition.

Respectfully yours,
I. WILL GETEM, *National Bank Examiner.*

It would be so certain which of the banks would receive the larger share of the deposits of the community that the question in this aspect need not be argued further.

ONLY THE BANKS THAT BREAK THE LAW WOULD FEAR THE PROPOSED PUBLICITY.

It may be contended that action of the character indicated would be too radical, but it will be asserted with equal vigor that it would not be radical at all except to those banks that persistently violate the law. There is really but little difference in some respects between the present method of advising the Department of the facts and the method suggested. The Comptroller is advised of any of these breaches of the law, *but the depositor is not.* By this plan the depositor would simply be in possession of as much knowledge about his own depositary as the Comptroller now is. He would have the privilege that surely his money interest entitles him to have of determining himself whether the bank was all right.

There should be no hesitancy in making public the facts that bankers are violating the law they are sworn to uphold. No other class of malefactors has the protecting arm of secrecy thrown about it. The National banker is a creation of his own handiwork. He is not compelled to operate under the Federal law—he solicits the privilege of being allowed to do that, and he usually comes with full knowledge of its requirements and restrictions. He should not then be permitted wantonly to disobey the law, nor to be screened in his violation of it by a plea that publicity of his acts would be a radical stand against him. When all the facts developed on an examination are thus made public, examinations will be of more direct and practical benefit to the depositor. He can at present form no opinion of his bank's standing that may not be erroneous, because he may not know of the facts that are most essential to a correct conclusion.

Another evidence of the need of furnishing the public with all the information possible regarding the bank's method of doing business, and thereby permitting each individual to determine for himself the merit of the bank's claim for his confidence, is shown in the fact that while the Department has every facility for acquiring full knowledge of the condition of the banks, it is unusual for a Receiver to be placed in charge except on the initiative of the bank's officers. Many associations, struggling along with wearisome burdens, have during the last few months of their unsuccessful careers bolstered up their faith in their ultimate success by the acquiring of new depositors with the so-much-desired cash, not a dollar of which would have been placed on deposit if the depositor could have known the real facts.

So let there be publicity! Let all the facts be known! Let it be remembered that the moving principle of bank supervision is the protection of the outsider—the depositor who furnishes the great bulk of the banking power, and let him be treated with the fairness he deserves!

When all the facts are made public, competition will do the rest. Competition would compel each bank to strive earnestly for a showing as creditable as that made by its competitor, and as it is not denied that there are many banks whose officers in the administration of their affairs comply literally with the law, it naturally follows that in making the effort to secure the highest standing, a favorable report on that basis from the bank examiner being in effect a recommendation for that bank by the Federal Government, banks will adjust their business to a strict compliance with the law, thereby removing the violation of the law as the principal cause of the downfall of banks and the loss of depositors' money. The accomplishment of this result would unquestionably reduce bank failures to a minimum, on which hypothesis the second proposition of this argument is based, namely, the establishment and maintenance of a fund in the custody of the Government, out of which losses that would otherwise accrue to depositors be paid—a question new only to the extent of being founded on new conditions as indicated.

A Plan for Insuring Bank Deposits.

There were on May 29, 1905, in National banks individual deposits to the amount of over three billion, seven hundred and eighty three million dollars. The amount of capital and surplus invested in these banks was over one billion, two hundred million dollars; so that of the total banking power the owners had contributed about one-fourth and the depositors, practically without charge, the remainder. The setting aside by the banks of an infinitesimal part of the earnings from the use of this vast amount of free capital contributed by the depositor, as security for the credit extended to the banks would be sufficient to provide the fund mentioned. Thus the contributing annually by the banks of a per centum graduated in favor of the reserve banks, averaging one-fortieth of one per cent. of the total individual deposits, placed in the custody of the Government, would yield approximately one million dollars yearly, at which rate the fund would soon be beyond any possible danger of impairment by reason of payment of losses, after which the rate of tax could be lessened if desired to a figure sufficient to provide for current losses and no more. It is an authoritative assertion that as the amount of capital employed by banks increases the percentage of loss to proved claims decreases, and also that the amount realized from the assessment of shareholders increases, which shows, as a general proposition, that depositors are more protected from loss in the large banks than in the small ones. But while this is true, depositors of both large and small banks have sustained heavy losses, which disproves the theory advanced by some, that the large banks should be wholly exempt from the provisions of the corrective regulations proposed. Each bank is an integral part of the system, the betterment of which is for the benefit and advantage of all, and should therefore contribute its equitable share toward the attainment of the desired result.

In further support of the correctness of this position, it may be cited that the law bearing on a question of similar import refutes that contention, when it provides in regard to the issue of circulating notes that all banks large and small alike deposit bonds as security for the notes, not conceding the probability that because of the employment of large capital banks are any more likely to maintain the credit of their notes. Thus a tax on individual deposits of country banks ranging from one-tenth to one-twenty-fifth of one per cent., and of reserve banks of from one-fortieth to one-eightieth of one per cent., averaging one-fortieth of one per cent. on all, would not be inequitable.

The creation of a fund as suggested, out of which to reimburse depositors from loss that would otherwise be sustained, would thus, as to them, make banks absolutely safe. The benefit to the banking industry from this fact would be incalculable. Banks expend thousands of dollars annually for fire, burglar and bond insurance, not only for the direct protection from loss that the investments afford, but equally for the influence produced on the public mind that every precaution possible that can add to the safety of the bank is availed of. Many are also employing outside accountants and financial experts to audit and examine the bank's affairs to further strengthen their position in the eyes of the public. The cheapest but the best expenditure banks could make would be the tax they would be required to pay on their individual deposits, securing in return a guarantee behind which the Federal Government stood, to protect their depositors from loss.

A bank with a deposit line of one hundred thousand dollars would welcome the opportunity to pay on that a tax of one-tenth of one per cent.—a hundred dollars, a paltry sum indeed when in return it could solicit deposits based on the impossibility of loss to the depositor, and banks with larger lines would pay their proportion at the lesser rate equally as cheerfully.

Would Bring Hoarded Money into the Banks.

It has been often asserted by bankers conversant with the conditions that in every rural community there is sufficient money hidden away in tin-cans, teapots and old stockings, and buried in the ground, to give to the bank that could attract all that money a deposit line the equal of any of the other banks in the same locality. The hoarding of money in these ways means but one thing—that the owners of it resort to such means to protect their wealth, not because they believe those safe, but because they believe them safer than the banks. Bankers who have stood on the firing-line in the skirmish against ignorance, fear and prejudice will testify to that fact.

When the banking system is so regulated that the possibility of loss to the depositor is eliminated, all this hidden money will come from its retreat and thousands of new depositors, bringing with them countless thousands of mouldy dollars will stand before the windows seeking the privilege of placing the burden of caring for the money on other shoulders. The country bank would probably secure the more direct benefit of this transaction, but the reserve banks would, as is always the case, secure as well their share of the increase of the business of their rural friends.

All Banks Not Placed on a Level.

It may be urged that by thus insuring all depositors against loss the strong banks would be on the same level with the weak ones, or rather the weak banks would be raised to the level of the strong ones; but a moment's reflection that the examiner's reports displaying the weakness of the weak banks and emphasizing the strength of the strong ones is to be published in the local papers of the bank's home, would show that this would be a false assumption.

It is not proposed to alter in the least any of the present safeguards of the system. The affairs of insolvent banks would be managed just as at present, no change being contemplated regarding the liabilities of the shareholders, etc. The proposition is merely this, to attempt to provide by the means suggested a betterment of the system, thereby reducing the number of failures, after which the banks generally could, without being the least burdened, provide a fund to protect depositors of the few remaining cases of insolvent banks from loss.

Many additional reasons could be advanced showing the great advantage that would inure to banks operating under a system affording absolute protection from loss to their depositors, and also many more advanced showing the practibility of the plan outlined here for the bringing of the system to that degree of efficiency as to make that possible.

The subject is certainly an important one, and deserving of the attention of all bankers interested in the improvement of the banking system. The arguments apply equally to banks operating under State laws and supervision to the extent of the character of such laws and supervisions.

Discussion of the matter in bank meetings can do no harm.

W. E. Cook.

Corydon, Indiana, July 29, 1905.

Note.—The Bankers' Magazine will be pleased to publish other concise expressions of opinion relating to the above suggestions.

Gold Production of Australasia in 1904.—The gold production of Australasia in 1904 was 4,194,822 fine ounces, valued at $86,760,000, against 4,296,237 fine ounces of a value of $88,857,500 in 1903. There is thus a decrease of 101,415 fine ounces in quantity and $2,097,500 in value in 1904. The falling off has been principally in western Australia where a decrease of 81,571 ounces occurred, and in Queensland where the decrease was 43,629 ounces.

New Counterfeit $10 National Bank Note.—Check letter B; B. K. Bruce, Register; A. U. Wyman, Treasurer; charter No. 1050; bank No. 678; Treasury No. H556785; on the National Ulster County Bank, of Kingston, N. Y.

This is a very poor photographic reproduction, printed on two pieces of thin soft paper, between which a few black threads have been distributed. The Treasury and bank numbers have had red ink applied to them, apparently with a pen. No effort has been made to color the panel containing the charter number on the back of the note.

This counterfeit should be readily detected.

A CREDIT LEDGER.

The matter embraced in the forms illustrating this article is expected to corroborate to a considerable extent the conclusions reached in the form covering the analysis of a borrower's statement as shown in the August issue of this MAGAZINE.

The Stillbaker Mfg. Co.

REAL ESTATE SCHEDULE.

	Date	No.	Street	Description	Title in Name of	Mortgaged to	Owners Valuation	Assessed for	Amount Mortgages	Net Worth we Allow
1905	April 13		Canal	Vacant lot 30x180 deep opp. factory	Co.	Clear	4500	3800	0	3800
		700 to 800		Factory 3-story brick needs repairing	Co	Dollar Sav. Bank Mabel Devereux, N. Y. City	75000	45000	31000 4000	0
										3800
1906	Jan. 1			Same as above						
1907	Jan.									

Account opened 5-1, 1905, by H. J. Stillbaker. Accepted by 2d V. Pres. [illegible]

Title, The Stillbaker Cabinet Co.

Business, Makers of high grade cabinets and "specials" furniture. Incorporated 7-1—05. Began business 11-1—05.

Address, 700 to 800 Canal street.

Character of Account, Active, covering all financial transactions of the Company

Other Bank Accounts, Has at Second National that account will be closed.

Reason for changing, Refused to increase direct line to [illegible]. Says ad cashier hard fellow to get along with anyway.

Reference. [illegible]   Introduced by himself

Probable Deposit Balance, [illegible] to [illegible]

Probable Direct Line. Must have [illegible] now thinks will gradually reduce it.

Probable Indirect Line. Business paper [illegible] to [illegible]

Checks must be signed by the Company per Treasurer.   Customers Notes must be endorsed by Treasurer.

Notes must be signed by Treasurer. Countersigned by President or Vice-President.

Does applicant discount bills? Says not all.

Date of Annual Meeting, Jan. 20, 1905	Jan. 18, 1906	Jan. 29, 1907	June 5, 1908	19
President, J. H. Stillbaker.	Same	Same	Harold J. Stillbaker	
Vice-President, Harold J. Stillbaker.	"	"	Roland A. Van Etten	
Secretary, Samuel Johnson.	"	"	Henry James	
Treasurer, " "	"	"	Harold J. Stillbaker	
Attorney, Roland A. Van Etten	"	"	Roland A. Van Etten	
Directors, J. H. Stillbaker	Same	Same	H. J. Stillbaker	
Harold J. Stillbaker	"	"	R. A. Van Etten	
Samuel Johnson	"	"	Henry James	
Barbara Stillbaker	"	"	P. T. Lambert	
Frank T. Lambert	"	"	Peter Devereaux	

FIG. 1.

Fig. I. Assessed value of real estate is a fair gauge of its value and is readily obtainable by inspection of the assessment rolls kept for public use in all tax offices. This schedule, in addition to supplying a suitable method of keeping one's eye on this item, embraces a space for noting the facts covering entrance and acceptance of an account. It also contains a schedule for recording annually the changes in the executive or directing forces of a company. A lender should at all times be aware of just who the partners or sponsors for a business are. This knowledge reassures and helpfully assists in selecting those with whom we prefer to confer upon questions governing requirements.

Fig. 2 represents a blank sheet to be used for recording facts pertinent to a customer's credit and financial standing. As illustrated, it is ruled, and comprehends that the information as obtained will be written by hand. In large institutions wherein, in one canvassing of the trade, a considerable amount of material would come to hand, this sheet should be adapted to use in a typewriter. A sheet of this latter sort is now in especial demand for the recording of minutes, meetings, descriptive matter covering mortgages, deeds, trusteeships, bonds, etc. It is found that the information is recorded

The Stillbaker Mfg. Co.

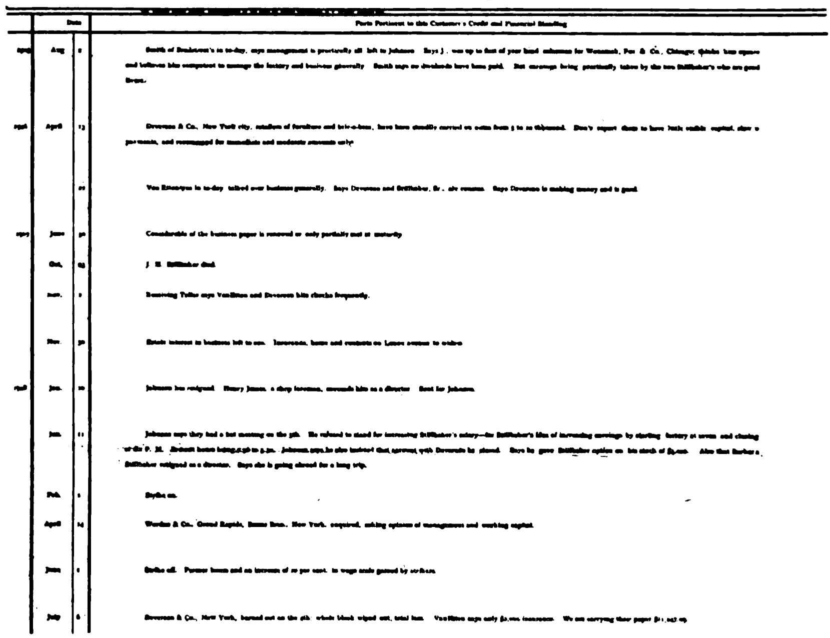


FIG. 2.

and indexed in a credit ledger is immediately accessible and obviates the necessity of hunting up, wading through, or mutilating original papers by constant handling. Assuming the case of a trust fund; a credit ledger would comprehend a uniform, neat, well set up typewritten and readily readable description of the trust inserted ahead of the sheet detailing its mathematical operations.

Fig. 3 represents a ruling analyzing a customer's deposits and loans. In operating the credit ledger the page containing these schedules is situated opposite and confronting the page that embraces the analysis of a borrower's statement. Thus, upon turning to an account in the credit ledger, a lender at one glance may review the balances carried, exchange paid, loans granted and comparative statements of a borrower's condition. This review readily indicates the earning worth of the customer's accounts, it shows the liquidity or fixity of his loans. It takes in, comparatively by months, seasons or years, his minimum or maximum requirements. It may not infrequently nor unseasonably betray the fact when a bank is hazardously approaching or has already assumed towards a borrower the position of a silent partner steadily

The Stillbaker Mfg. Co.

	The Bank Gets Benefit of {Balance / Exchange}					The Customer Gets Benefit of {[illegible]}				
	1905	1906	1907	1908	1909	1905	1906	1907	1908	1909
January		3 391 13					15 20 782			
February		2 794 10					15 22 109			
March		2,562 9					15 27 594			
April		2 195 13					15 26 087			
May	2 203 11	1 947 9				6 9 184	13 22 992			
June	1 996 6	1 026 12				6 4 872	12 16 467			
July	2 407 [illegible]	2 213 17				15 4 609	10 11 629			
August	2 649 [illegible]	7 053 14				[illegible] 10 112	12 13 467			
September	2 117	2 280 9				15 10 032	13 16 729			
October	3 [illegible] 6	2 164 10				15 12 222	14 18 477			
November	3 685 11	2 397 12				15 20 087	[illegible] 29 642			
December	6 099 10	2 089 [illegible]				15 25 765	[illegible] 35 920			
Average Balance / Exchange	2 504 --	2 294 145				12 600 11 318	17 917 22 687			

Date	Remarks in General on Above Analysis
	[illegible]
May 1	No interest on borrowing accounts

FIG. 3.

lending so much or an increasing amount of capital, rather than discounting periodically lines of paper that do mature. Surely a resume of these three schedules, which definitely set forth desirability of an account, facilities required, ability to pay up if called, furnishes as practical and adequate a credit basis as can be had or desired.

It seems singular that banks, the largest distributors of credit, should so generally slight the matter of persistent and thorough analysis of individual lines of credit extended, especially so in these days of sharply competitive 3½ to 4 per cent. on balances, free checks, free collections, and doing everything for nothing, when income can keep but a lap ahead of outgo and net earnings are so small as to make losses intolerable.

As pertinent and persuasively corroborative of the general need of more thorough analysis in banks I quote a prominent Philadelphia bank executive, who in a credit talk a while since delivered before the Philadelphia Chapter of Bank Clerks gave utterance to the following:

"The Comptroller of the Currency tells us that since the National Banking Act first became a law there have been organized 6,476 National banks; that 387 of these have gone into receivers' hands; that 1,411 have voluntarily liquidated. Here you have a total of 1,798 National banks out of a total of 6,476, or thirty-six per cent., forced out of business largely on account of bad or unprofitable investments. If you should add to this number the State institutions compelled to liquidate from like causes during the same period, the total would not be far from three thousand. Of this formidable array of wrecked or partially wrecked or liquidated banks a small proportion may be traced to dishonesty, but the main cause when uncovered would reveal bad investments. Any method or scheme of work, therefore, which leads to a more careful investment of the bank's funds, is in line with progress and with better things."

The above certainly is a proposition demanding reflection in those commercial-lending institutions operating without the use of borrower's statements and otherwise inadequately equipped for gauging credit.

G. L. TICKNER.

SYRACUSE, N. Y.

(Concluded.)

ANGRY BANK DEPOSITORS.—At a recent meeting of depositors representing three-quarters of a million dollars in the defunct National bank at Fredonia, N. Y., which was closed on June 21, a committee to proceed against the bank officers was appointed. The fact that eight weeks previous to the closing of the bank by Comptroller Ridgely, a certificate of renewal of charter was granted and approved, raised a storm of protest against the alleged inefficiency and incompetence of the National bank examination. The following resolution written by Lewis McKinstry was adopted:

"At this meeting of the depositors and stockholders of the defunct Fredonia National Bank, we desire to express our opinions of the value and of the services of the National bank examiners, as the same appears to us at this date. So far as we can learn the examiner acts more as a coroner than as a physician. Bank after bank fails and proves to have been in rotten condition for years, yet it has been passed on as solvent by the bank examiners at least five times each year. In the face of these facts, it seems to us that the National bank examinations as conducted by the Government officials are worse than useless, as they lull the depositors and stockholders with a false sense of security which would not obtain if they were compelled to rely upon their own scrutiny of conditions. The value of the average bank examiner seems to us about the same as the vermiform appendix in the human system, able only to breed inflammation after the patient is past help.

At this time there is violent agitation to protect the interests of the policy holders in life insurance companies, and there is a demand that they be given representation on boards of direction. It seems to us that depositors in National banks are equally entitled to representation on the boards of direction of the banks to which they intrust their money, at least to the extent of getting a little inside information occasionally. It also seems to us that the Government should be responsible for and make good losses caused by the inefficiency of its agents, the official bank examiners, the same as railroad corporations are responsible for the acts of their agents.

We call upon our Representative in Congress to consider this subject, hoping that he may devise an amendment to the National Banking Law, whereby the wrecking of banks by faithless officials may cease to be a healthful pastime, and also providing with heavy penalties for non-observance that examiners shall examine and directors shall direct."

BOOK NOTICE.

EXTENDED BOND TABLES; giving values to the nearest cent on one million dollars. By Chas. Ezra Sprague, A.M., Ph.D., C.P.A. New York: Business Publishing Co. Price, $10.

This is a valuable book for Savings banks, trust companies and all investors, and will commend itself for accuracy in that the computations are much extended beyond those found in similar works.

The tables show the values at half-yearly intervals for all dates of maturity from one-half year up to 50 years, and for five-year intervals after that up to 100 years. The rates of income are given only five one-hundredths of one per cent. apart, namely 2.50, 2.55, 2.60, 2.65, where most tables give them ten one-hundredths apart. Supplementary tables are also furnished, making it easy to compute the four intermediate points—2.51, 2.52, 2.53 and 2.54, etc.

SOME PRACTICAL BANKING HINTS.

THE AUDITING DEPARTMENT.

[From a paper by James D. Garrett, of the Central Savings Bank, Baltimore, Md.; read before the recent Convention of the American Institute of Bank Clerks, at Minneapolis, Minn.]

The auditing department, as a separate and distinct department, is somewhat of an innovation in the banks of this country, but the necessity for the same is becoming more and more apparent and appreciated, and banks all over the United States are now rapidly establishing independent auditing departments.

The auditor should ever remember that he has been appointed "watchdog of the bank," so to speak, and he is (at least theoretically) responsible to the directors only, and his department should be (again theoretically) free from all dictation on the part of the officers of the bank.

He should necessarily be thoroughly familiar with every department of the bank, and make it his first aim to establish such a system as shall be extremely simple and yet leave the records of every transaction full and self-explanatory. In evolving such a system he should endeavor to make every department and every position so independent of each other that the risk of collusion will be reduced to a minimum. He should also be careful to arrange that no one clerk has more than one position; in other words, that his work is such that it would be impossible for him to manipulate the figures of one book in order that he might cover up any possible false entries in another. He should strenuously oppose the employing of two brothers, or other close relations, for obvious reasons.

Every department of the bank should be in a state of continuous audit, so that the final entries of the day's work in the general ledger are known by the auditing department to be correct.

No teller, other than the paying, should be permitted to carry any cash over from one day to another, and any items which may constitute a part of the cash, held for proper indorsement or other reasons, should be carefully scrutinized by the auditor.

Frequent proof of the paying teller's cash should be made at irregular intervals, and also an examination of the securities held as collateral for loans, bills receivable, etc.

The computation of interest on all items discounted should be carefully checked and the total amount credited to "interest and discount" compared with the discount register.

All interest paid on daily balances should be checked by the auditing department, and no charge to that account should be permitted to be posted in the general ledger without bearing the initials of the auditor or his chief assistant. This applies, of course, to all payments of interest, whether it be on open account, certificates of deposit or otherwise.

All debits made against the various accounts on the ledgers should be scrutinized and initialed by the auditor, whether such debits be for the correction of errors or for transfers, etc., ordered by mail or telegram. In fact, all journal entries should go through this department.

The auditor should take all possible pains to obtain a report on all statements of accounts rendered, and see that such reports are signed by an officer of the bank or company, a member of the firm or, in the case of an individual, by the individual himself, or herself, or by his or her attorney.

All bills for the various expenses of the bank should be checked by the auditing department—no payments to be made without such bills having been initialed by the auditor.

All reports and statements should pass through this department.

When making up the bank's statement as of a certain date, the exact earnings to that date, including interest accrued and received, and taxes either paid in advance or reserved, they should be apportioned to that date.

All communication between the bookkeepers and depositors should be through the auditing department as far as practicable.

As regards the individual and bank correspondent's ledgers, the bookkeepers should be transferred from one ledger to another at frequent intervals without notice. The ledgers themselves should be audited regularly, and all pass-books balanced at least once a month. A receipt should be taken for all vouchers returned.

Statements of accounts rendered by other banks should be reconciled by the auditor, and reported upon without delay. This is highly important.

The bills of exchange or items in transit should be checked at frequent intervals. Also all tracers of collection items should pass through this department.

A complete record of all "differences" should be kept by the auditor, and he should see that such differences are checked for and found.

The auditor should be ever on the alert for possible "weak spots"; he should see that his ship is armor-clad below as well as above the water line, for it is below that the deadly torpedo strikes.

Educate your depositors to co-operate with this department for the mutual benefit of bank and depositor.

In a number of banks the auditor has charge of the clerical staff.

The mail is opened and routed in his department.

The entries on the individual ledgers are checked back by different clerks the following day.

For a special examination, all pass-books on a certain ledger should be called in to be balanced at the same time, so as to avoid the manipulation of accounts by the bookkeeper.

Discourage superficial examinations.

We advocate an annual audit by outside experts, who can conduct their examinations entirely independent of the influence of the bank officials, and along lines based upon their broader and more varied experience, a public auditor's certificate being one of the best mediums of advertising and of gaining the public's confidence.

TRANSIT DEPARTMENT.

[From a paper by J. G. McLean, of the Continental National Bank, Chicago; read before the Convention of the American Institute of Bank Clerks.]

In these days when the use of the check is becoming almost universal, the question of handling these checks quickly and economically is of some importance. It has been my privilege to be with one of the largest Chicago banks, which handles in the neighborhood of 10,000 to 12,000 outside country checks a day. I will try to explain briefly the method used in handling and keeping a record of these outside items.

In the first place, in order to handle these chécks to the best advantage in the office, we have requested all our large country correspondents to list separately items on Chicago, items on New York and items outside of Chicago and not on New York. These letters then go to the mail teller, who charges the total amount of outside items to the transit department, checks on Chicago banks to the clearing house department and New York checks to the New York department on one side of his book, and total amount of the credit is charged to the bookkeeper on the other side. The total amount of the checks in each of these packages is listed on the last check in each package. These packages are then taken by a representative of the transit department, and by him handed to the various machine men, who list the checks separately on the arithmometers, to prove the listings and footings of our correspondent banks. At the close of the day, the totals of all these packages are listed and footed together, and this total has to agree with the amount that has been charged to the transit department by the mail department, receiving, note and paying tellers. After these packages of checks are thus proved, they are handed to an assorter, who sorts them to the various men writing what we term "outgoing transit." In this term, outgoing transit, I include all checks drawn on banks outside of Chicago, excepting New York, and including checks on Chicago banks who are not represented in the Chicago clearing-house either directly or indirectly. We have always followed the method of indorsing our checks directly to the bank to whom we wish to send them, preferring not to use the indorsement, "Pay to the order of any bank or banker."

After the assorting, the checks are all indorsed as above stated, when they are passed to a scratcher man, who charges them to the various clerks writing the outgoing transit. The letters to all banks with whom we have accounts, such as Philadelphia, St. Louis, Boston, etc., together with letters to banks for whom we have a large volume of items, are written on the Fisher billing machine. To the banks to whom we send only from one to ten checks a day, we have large registers, on which there are eighteen letters to every page. These pages each have a different letter, starting with "A" and ending with "Z," the letter starting again with "A" and so on through the alphabet. The individual letters on the page are all numbered from "1" to "18," thus giving the first page letter No. A-1, A-2, A-3, to A-18, and on the second page, B-1, B-2, B-3, to B-18, and the third, C-1, C-2, and so on through the alphabet.

The registers all have an original and duplicate sheet, the original sheet perforated, to tear into eighteen letters. The record kept of the checks sent out is simply the indorsers, the bank on whom drawn and the amount. We rely on our indorsers to know from whom they received the items, and trace back in that way in case the items are lost.

The benefit derived from the letter system, as above stated, is, to my mind, three-fold. First, it enables us to have a record of all items sent to one bank a day on one letter-head, and also in one place in the book. Second, it provides an easy way to locate letters when returns are received, inasmuch as we have to turn to the page with that letter, and we know on what part of the page the letter is, as the numbers appear in the same place on every page. Third, it provides a way to keep a record and write the letter with only one writing and one change of a carbon to every eighteen letters. At the side of all these pages are columns with a letter number opposite them, and, at the end of the day, the clerk transfers to these columns amounts of the letters and adds these totals to obtain his balance, which must agree with the amount the scratcher man has charged him with. The average clerk will write from ten to twelve of these pages a day, containing eighteen letters, starting to write at 1 o'clock and finishing about 4.30. As the returns come in, they are assorted to the different register clerks, who first check off the draft sent in payment, listing the exchange charged on the letters and also putting the exchange in small figures in the upper right-hand corner of the check.

After the drafts are checked off, the letters are assorted, first, according to date, then according to letter, and, lastly, according to number. It is, then, an easy matter to mark off the payments of one day, simply marking a date stamp opposite the amount. In taking off a balance, the clerk uses an arithmometer and lists the unpaid items, which must agree with his make-up. This make-up is obtained by taking his balance of the previous day and adding to that his outgoing totals of the previous afternoon, and subtracting from that the amount the transit clerk received as payments during that morning. These checks or drafts, received in payment, are taken by a transit clerk and charged to the various departments—clearing-house, New York, bookkeeper, etc.—listing the exchange in a separate column alongside. The footings of these columns are balanced with the clearing-house department, New York department, bookkeeper's, etc., and the cross-footings of these totals show the total payments which are used as a credit to that particular register. We have a special register for listing items for banks who carry accounts with us. There are three copies made in these books at one writing. The first sheet is for the letter that is sent with the checks, the second is the debit ticket for the bookkeeper, and the third is a copy kept as a record, to be used when acknowledgments are received.

Another matter which seems to me to be of vast importance, and which is not followed out by all banks, is in knowing that all items which are returned to various correspondents unpaid have been received by them. A bank should always endeavor to render the best service possible to their customers, and should follow closely all items deposited with them until they are either paid or returned to their customers. To those who are working in any transit department, it is needless to say that a number of checks are lost in the mails; of course, the number lost in comparison to the number handled is very small. The number of items returned, compared with the total number handled, is also very small, and, therefore, it is only occasionally that we have a returned item lost before it reaches the correspondent. It is, I believe, on account of the small number of returned items lost that a closer check is not kept on them.

I know of a case where an item was sent to a bank for credit and was credited on receipt (subject to payment, of course), and later was returned unpaid and charged back to the account. This was early in the month. About the tenth of the month following the reconcilement of account was received, on which was the following: "July 6: You charge and we do not credit $66.40. Please explain." This is the item that was once credited and charged back, returned and lost in the mails. Now, in this case, there was no trouble in adjusting the matter, and I cite it simply as an example. But supposing that the indorser had in the meantime failed, it can easily be seen that it is of some benefit to also know that returned items reach destination.

To avoid any cases of this kind, we have a book in which three copies of the returned items are made at one writing. First, the debit for the bookkeeper charging the item back; second, the letter to which the item is attached, and third, the record in the book to be used when the acknowledgment is received.

BANK EXAMINATIONS AND RECEIVERSHIPS.

[From a recent address by Lyman D. Baird, Receiver of the First National Bank, Faribault, Minn.]

Bank examiners hold a very important and delicate position: important, in that through the examination of a bank an examiner is acting as a public servant and for the public, and by his examination and supervision of the banks under his charge to guard that public against incompetency and dishonesty in the officers and employees of the banks; delicate, for the reason that in the performance of their duties it matters not what they find amiss or irregular in the institution under examination it is not safe or proper for them to take the public into their confidence, either as to the fault or its remedy, but report of the matter is made by the examiner to the head of his department, either State or National. And even the Comptroller of the Currency or head of the State Banking Department must keep all the facts gained by an examination from the public unless the irregularity in doing business or misconduct of the officers of the bank are sufficient to close its doors, for a careless remark or a criticism, however just, made by an examiner to a customer of the bank under examination might start a run that would ruin the bank.

The public hears at once if a bank fails or closes its doors for any cause, but they never hear of the banks straightened out and put on the high road of success by the timely correction of improper practices or where an incompetent or dishonest clerk or officer has been exposed by thorough and competent examinations and quick and vigorous action by the department. I venture the assertion that there is never a working day but what some bank officer or director gets a good sharp letter growing out of the examiner's work in their bank.

How Banks are Examined.

Now, as to the examination of a bank proper.

The National banks are examined not less than twice a year and State banks are examined, in this State, I believe, not less than once a year. I believe twice a year is none too often, and if examinations could be made more frequently it would be better, and all examinations should be made without any regularity as to time so that every bank would be due for examinations at all times.

It is impossible to set any fixed rule as to conducting an examination. The examiner should always go into a bank with the feeling that the bank and its officers and employees are all right, but at the same time should adopt the motto of the man from Missouri, "They have to show me," as to every item of asset shown on their statements.

The cash, of course, must check to a cent and is practically always the first item checked after the work commences. The loans and discounts should receive a large share of the examiner's time, as it is in this item that the largest part of a bank's resources are invested. Every piece of paper in the bank should be handled by the examiner himself. They should be checked up not only as to whether the totals agree with the statement, but as to their probable worth and the responsibility of the makers and endorsers, especially as to over loans. A list of all the large loans of a bank should be retained by the examiner and compared by him in subsequent examinations of the same bank to see whether they are increased or diminished. If these lists are properly made and arranged the list would show the large loans for several years at a glance. The examiners should look with suspicion at old notes and renewals by interest payments.

The most prevalent irregularity found by examiners is in the notes and discounts by over loans. The National Banking Act positively forbids the loaning of more than ten per cent. of capital to any one firm or individual, and this very matter is the stumbling block of many otherwise good banks and bankers.

Comptroller Ridgley in an address at St. Louis last October put the whole matter in a nutshell when he said: "No National bank whose officers strictly obeyed the National Banking Laws ever failed." He also stated that "The limit on loans is the most useful and valuable of all the restrictions of the National Banking Law."

The Penalty for Excess Loans.

From my own experience as a bank examiner I know that many of the National banks violate to some extent this provision of law and still the penalty provided by statute for violating this law is corporation death; that is, a forfeiture of their charter. This penalty I consider too severe and it has never been enforced to my knowledge. Many bankers who live up to all other laws and rules violate this section habitually. The penalty for this violation should be, in my estimation, changed to a fine of about five hundred dollars, and after a few enforcements of this penalty the practice of making excessive loans would be effectually stopped as then the facts would be published as any other important news item and the rest of the bankers, knowing that punishment would surely come, would hesitate a long time before they loaned over the limit. If no National bank ever failed that lived up to the law in this particular, why not stay on the safe side? I have no doubt the same could be said of State banks.

Not Bank Examiners Enough.

The examiner should certainly be on a salary and not on a fee basis as the National examiners now are, and not have too many banks to look over. There are now but seventy-five examiners for the whole of the National banks of the United States, which exceed to-day 5500 in number. Better results would come from the salary system because an examiner would stay and make a bank clean up many matters and not leave the city until they are fixed up.

The calling in of an outside man from the board of directors to assist in looking over the notes, stocks, bonds and other assets would be an improvement. The trouble with directors generally is that they think that their bank is conducted as well as it should be and does not need looking after. I doubt very much if much can be accomplished along this line unless the law requires directors to certify to an examination with a complete list of notes, stocks, bonds, etc., showing those that in his judgment are good, doubtful and bad, and all excessive loans.

In Minnesota and Wisconsin there are but three National bank examiners having charge of about 350 banks. No trouble has come to any National bank here for the past eight years until one came in each of these States in the past few months. That is a record to be proud of by every one connected with the system.

In banks that employ more than a small amount of help the practice of rotation in clerks should be increased as fast as possible; all the clerks in a bank should be moved often from one kind of work to another. When a clerk goes home at night he should not know for certain that he will be on the same set of books the next morning.

A Menace to Banking.

The greatest menace to banking in the entire world to-day is the dealing in things not in existence; that is, in futures and options. All bankers should refuse to deal in anything of this nature and not encourage it in others by loaning to men engaged in such deals. It cannot be stated too strongly. It has no place in banking. We have the safest currency on the earth; why not finish the job and settle all these questions for ever?

Government Guaranty of Deposits.

I am in favor of the Government guaranteeing deposits, which can be done far easier and at such a small expense that it would surprise you. Nearly everything else is insured these days and fifty cents a thousand yearly on deposits would have paid every loss by bank failure for the past forty years.

All Banks Should Be Under Supervision.

I am firmly of the opinion that all bankers should come under State or National supervision. The average loss to depositors of failed National banks for thirty-nine years is a little over twenty-five per cent. The cost of receiverships in the same time has averaged 8.4 per cent.

Receivers of National banks are appointed by the Comptroller of the Currency. All the cash is sent to the United States Treasurer as fast as it comes into his hands, and dividends are paid in checks similar to those used for pensions and are signed by the Comptroller personally after the checks are prepared by the Receiver.

The Bankruptcy Act.—M. F. Bauer, of the American Exchange National Bank, New York, made an address at the recent convention of bank clerks at Minneapolis, on "The National Bankruptcy Act." After giving a brief history of the several acts passed prior to the enactment of the present law, he said:

"During the long intervals when no law of Congress was in operation, various States passed insolvency laws, while others had mere regulations and changes, of more or less importance, of the law of assignments. These statutes were limited to the boundaries of the several States, and could bind a resident only of that State. The confusion and dangers resulting from the different State enactments, in regard to insolvency, therefore, made it highly desirable that we should have a national bankruptcy law."

Editor Bankers' Magazine: Grand Rapids, Mich., July 6, 1905.

Sir: One of our customers filled out his check for $100, payable to the order of John B. Smith, and mails it to John B. Smith, and we pay John B. Smith the money. Later, our customer says he made a mistake, and intended the check for John A. Smith. Are we liable to our customer for his mistake?

CASHIER.

Answer.—The bank cannot be affected by what the customer *intended* to do, but only by what he actually *did*. The mistake was his own, and not that of the bank, and if loss resulted from it, he must bear that loss. The bank was bound to pay the check to the payee named therein, or to his indorsee, and having done this, it has the right to charge the check to the account of the drawer.

REVIEW OF CANADIAN BANKING, COMMERCE AND MANUFACTURES.

In examining the condition of Canada's finances for the past year, we find an immense growth in expenditure to keep pace with the development of the country and the consequent heavy demands. The revenue did not increase proportionately, but the ordinary revenue exceeded the ordinary expenditure by $9,000,000, though, with the capital expenditure added, there is a deficit of $1,250,000.

For the period covered in the reports of the last eight years there is a total of $278,232 to be added to the public debt, an average of $34,779. To-day we pay scarcely $9,000,000 interest on the public debt, while in 1897 we paid practically $10,700,000. Ordinarily there is cause for alarm when the increase in revenue is small, and expenditures are mounting rapidly. In this case, however, there is no cause for alarm, for there will be ample provision the coming year for this largely increased expenditure, and a surplus besides.

In effect, therefore, the enormous railway and canal building of the past decade and the marvellously successful effort made to attract settlers have added but a little over a million and a half to the debt burden of the Dominion while the population has increased fully a million. The Canadian credit is excellent, too, as will be seen by the reduction in interest paid while there has been an increase in the debt.

The tariff policy of the Government has been more clearly defined with the delivery of the last budget. The intention is again reiterated to adopt a system of maximum and minimum duties, retaining the British preference as a sort of "family concession" below the minimum rate of duty at which foreign goods will be entered. A commission of the Cabinet was appointed to inquire into trade conditions throughout the country and frame the new tariff in time for presentation to Parliament next year.

In view of the coming investigation by a tariff commission, only urgent changes were made, as follows:—

Rolled oats: This article was not mentioned specially, but had been included in a general classification. The result worked out that the duty on the raw material exceeded that on the finished article. The change imposes a duty of sixty cents per 100 pounds.

Dry white lead: The duty on this had been five per cent. for years, and not even the establishment of factories to manufacture this had been able to change this duty. The change imposes a duty of thirty per cent. on dry white and raises that on white lead ground in oil from twenty-five to thirty-five per cent.

Cement: The duty on this article has been levied per one hundred pounds, the weight of the packages to be included in the weight for duty. British cement, Belgian and other foreign cements are brought in in casks and barrels, the weight of which is considerable. To remove the discrimination, therefore, between this and cement imported in bags, a duty of twenty-five per cent. ad valorem has been placed on the bags which contain cement.

Wines: We are sending a considerable quantity of goods to South Africa, but so far South Africa has not been able to send very much to us. She has given us the advantage of preferential trade with her, which so far has not been very useful on her side. The articles she has to sell are not purchased to any great extent in Canada. She could send us, however, light wines, which are somewhat heavier than the French light wines and consequently subject to a higher duty. To encourage this trade, therefore, these wines will be admitted at the same rate as the French, twenty-five cents per gallon.

Settler's Effects: We provide that settler's effects should be admitted free. The contention has been raised that a contractor with a large amount of apparatus for construction purposes and his construction plant is entitled to bring that in as settler's effects. To avoid this difficulty this item will specify what articles are considered to be settler's effects, so that articles for sale or for manufacturing plants will be excluded.

In the last budget molasses from British West India was placed on the free list with the condition that importations must come by direct vessel. This has worked out as a hardship on Newfoundland, which sends out to the West Indies fish-laden ships that bring back molasses destined for use in Newfoundland and Canada. This has not been treated as direct importation. An extension, therefore, is made to admit this as direct importation so long as it remains in the original package.

General Condition of Business.

Reports of the present condition of crops in all parts of the Dominion are most encouraging. From East to West the prospects are even more than usually favorable. Taking the past ten years as a basis the average yield has been 18.44 bushels per acre in Manitoba, and 18.79 in the Territories, and from present indications, this year's crop will, at the very least, be an average one, which will make the total yield of wheat in Manitoba and the Territories about 75,000,000 bushels. In this connection it will be interesting to note the actual crop for a number of years past, the acreage, yield per acre, and the estimated yield this year.

MANITOBA.

Year.	Acreage.	Yield per acre.	Total yield.
1895	1,140,276	27.86	31,775,038
1896	999,598	14.33	14,371,806
1897	1,290,882	14.14	18,761,950
1898	1,488,232	17.01	25,313,745
1899	1,629,995	17.13	27,923,230
1900	1,457,396	8.90	13,025,252
1901	2,011,835	25.10	50,502,085
1902	2,039,940	26.00	53,077,267
1903	2,442,873	16.42	40,116,878
1904	2,412,345	16.60	40,000,000
1905	2,643,588	*19.00	*50,228,172

Ten year average, 18.44.

NORTHWEST TERRITORIES.

Year.	Acreage.	Yield per acre.	Total yield.
1898	307,580	18.01	5,542,478
1899	363,523	19.02	6,915,623
1900	412,864	9.75	4,028,294
1901	504,697	25.37	12,808,447
1902	625,758	22.30	13,956,850
1903	837,234	19.14	16,029,149
1904	965,459	17.40	16,875,537
1905	1,108,272	*19.00	*21,057,168

Five year average, 18.79.
*Estimated.

Not only wheat but barley, oats and hay are record crops this year. In older Canada conditions are good, though probably not much better than in the past years.

Turning now to financial conditions we find lately that the ease in money in the United States has created a market for the best class of our securities, and many millions of bonds, which otherwise might have had to await an improvement of conditions in England have been sold in the United States. In addition to this, large sales of Canadian securities have been made to international banking houses who have the command of European money centres, as well as of New York. Not only are these facts of great significance to the general credit of Canada, but they are a sufficient warrant of our ability to press with unusual vigor the many important enterprises in transportation now being carried on or about to be put in operation. Our outlook was never before so large in scope or so hopeful. Nevertheless, there are many minor features which are not in themselves favorable to rapid progress, and the effect of these may be partially seen in our exports and imports—to the extent that a decline in exports represents a decline in purchasing power, and an increase in imports represents an expansion in the scale of living.

In the five years from 1890 to 1894 inclusive, years mostly of expansion, the excess of imports was $76,500,000. In the next five years, 1895 to 1899, inclusive—three of which were years of economy, the excess of exports was $44,500,000, the last year showing a slight excess of imports.

In the five years from 1900-1904, inclusive, the excess of imports was $53,300,000, the first two years showing a small excess of exports. Of this $53,300,000, however, $45,600,000 is for 1904 alone, and it was by the concurrence of unusually large imports and unusually small exports that such a wide difference was possible. There was a loss in exports of wheat of about $10,000,000, in dairy products and eggs of $3,000,000, in fisheries $1,000,000, in lumber and kindred products $3,000,000; and in cattle, bacon, and other products, after some individual increases, a net decrease of about $3,000,000. It is true these were partially offset by large gains in the net results from the products of mining, and by gains in many minor classes of agricultural products, but even after having regard to a largely increased consumption at home, there was clearly a serious loss of purchasing power as compared with the previous years. And except in the very important article of wheat, the year 1905 is a repetition.

One might have expected to see this loss of purchasing power reflected in the imports, but it cannot be traced there. Of the $18,000,000 increase in imports almost $5,000,000 is for coal, and while some of this may represent increase of business, much is doubtless part of the permanent loss arising from the unusual winter. Under about thirty headings, of which twenty-five are manufactured goods, large increases are found. Of these one of the largest is for lumber, $2,000,000, on account of certain conditions in the United States. Of the decreases represented under twenty headings, eight are for products of iron and steel, and agricultural implements, $2,500,000.

The fiscal year just closed shows an excess of imports of $71,356,589. In examining into this there appears to be a rapid growth in the amount under the heading, "articles of voluntary use, luxuries, etc.," being $17,292,744 for 1904, and only $8,641,884 in the preceding two-year period.

Another unfavorable feature of the trade statement is the heavy falling off in the exports of agricultural products, such as grain and flour. It is largely to this class of exports that we must trust to overcome the adverse trade balance, and turn the tide again in our favor. In other words, we must meet our enormous debit balance abroad with exchange created by a heavy outward movement of agricultural products.

Last year we had a small crop and high prices, with the resultant paralysis of our export trade, the figures showing a decrease in the value of the imports of $7,144,725 from the total of the previous year, the aggregate movement constituting the smallest volume since 1901, when exports of this class were valued at $24,781,486 against $29,994,150 the past year. The only redeeming feature of the entire exhibit is in the item of exports of manufactures, which increased by $1,327,292, or approximately seven per cent. during the year. During the same time there was an increase of $6,000,000 in free goods, and as these are regarded as largely raw material for manufacture, the item is also construed as favorable, the tendency of the importation of raw materials to increase and of manufactured goods to diminish relatively being regarded as a favorable indication, so long as there is no evidence of reduced consumption, and especially if it is accompanied by an increase in exports of manufactures. On the whole, therefore, the condition of our foreign trade appears to be stationary and not particularly encouraging, but with the increase in manufactures continued and good crops the trade of Canada should show improvement, not only in volume, but in kind.

Trade with South Africa.

In the development of this colony Canada is securing an ever-increasing share of business. To a slight extent this growth is being effected at the expense of the British manufacturer, but to a greater extent the encroachment is being made upon the province of the United States. Canada's total exports to South Africa last year aggregated £476,000, just double the value for 1900, and more than ten times that of 1899. Of course this trade is facilitated now by the preference extended by South Africa, and by the direct steamship connection now established more regularly.

Trade with Great Britain.

The bulk of Canada's exports go to the British Isles—ninety-three per cent. of our butter, ninety per cent. of our cheese, ninety-eight per cent. of our eggs, seventy-six per cent. of our poultry, ninety-nine per cent. of our bacon. These figures are taken from 1904 statistics. But, with the exception of cheese, Canada's present contributions to the British market form an insignificant proportion of Great Britain's enormous purchases. Out of $584,000,000 worth of food products, only $78,000,000 worth, or thirteen per cent., came from Canada. It is obvious, therefore, how important this market is to Canada.

Progress of Canada's Railways.

The total Government expenditure on railway construction prior to and since Confederation, up to July 1, 1904, amounts, on capital account, to $142,648,039, which includes the sum of $25,000,000 granted to the Canadian Pacific for its main line. In addition there has been spent from the consolidated fund a total of $139,556,724, including $31,341,933 paid as subsidies to railways other than the Canadian Pacific, and $107,110,755 for working expenses of the Government railways, making a total expenditure of $282,204,763. Of this amount the sum of $13,881,460 was expended on construction works prior to Confederation, on portions of what is now the Intercolonial Railway System. The total revenue received from the Government railways from July 1, 1867, to July 1, 1904, amounts to $97,569,608.

The mileage of steam railways on June 30, 1904, was 19,611—an increase of 534 miles, besides 3,327 miles of sidings. The number of miles in operation was 19,431, the principal lines being: Canadian Pacific, 8,062; Grand Trunk, 3,158; Intercolonial, 1,342; Canada Atlantic, 458; Canadian Northern, 1,349. Up to date the earnings of this year surpass those of a year ago quite considerably.

The Canadian Northern is now attracting some attention. Gradually it has extended until it bids fair to become a second transcontinental. Already boasting of 1,579 miles of rail, it is adding this season some 600 miles more. Besides the main line it has branch lines reaching out to the wide farming areas of Manitoba, and all centreing in Winnipeg. The bulk of the road's traffic thus far has consisted of grain, cattle and lumber, to which must be added general merchandise. The prospects for this road are exceedingly bright, and with the increased mileage contemplated, which will connect Edmonton, under the lea of the Rocky Mountains, with Toronto, Montreal, and Quebec, a corresponding increase in its business is expected.

Canadian Failures.

Canadian insolvencies for the second quarter of 1905 compare favorably with the same months last year, liabilities decreasing over fifty per cent. As to number, the decrease from last year's manufacturing record was largest in leather and clothing, while liabilities made the best record in woollens, lumber, leather and miscellaneous. Trading insolvencies were more numerous in general stores, clothing and miscellaneous, while a decrease of ten occurred in groceries and meats. Exactly half of the trading branches of business reported smaller liabilities and seven were less satisfactory. The widest difference was a decrease of $150,000 in general stores, while in groceries and meats the improvement amounted to about $100,000. The largest adverse balances were about $100,000 each in clothing and dry goods. Taking the figures for the first six months of this year the total number of failures is found to be 674, involving $7,239,384 of liabilities. This is an increase of twenty per cent. in number as compared with the first half of 1904, and an increase of nearly forty per cent. in liabilities.

Canadian Banking Prospects.

The higher level attained by bank shares recently has led investors to examine into the outlook for banking profits in the Dominion. Evidently this is regarded as favorable, for the buyers seem to be more insistent in their demands than the sellers. So far as the immediate future is concerned, it seems to promise that in 1906 the banks will be able to transact considerably more business than ever before. There is apparently no check to the increase in deposits, and none is to be anticipated, while well-to-do immigrants are coming in at the present rate, while the farmers of the East are receiving such satisfactory returns for their dairy and other produce, and while the Northwest is yielding such enormous wheat crops to be sold at such remunerative prices. Having regard for the improvement in general conditions as compared with what was in evidence last year it seems certain then, if no untoward event happens to destroy public confidence, that the business that will fall to the share of the banks will be very large indeed. If they could transact it at the same rates they got last year, or two years ago, and if their losses are not increased, profits will assuredly reach a new high record.

The Canadian chartered banks have passed through another prosperous year, as shown by the net earnings reported. The total reserve fund has grown considerably. A year ago it was sixty-four per cent. of the total paid-up capital. It is now sixty-seven per cent. Foreign deposits in Canadian banks also considerably increased. Call loans in Canada increased slightly. The note circulation is limited by law to the amount of paid-up capital, and it has very nearly reached that limit, rendering it necessary that capital be increased in order to allow of a circulation large enough to carry on the business of the country.

Liabilities.	July 31, '05.	June 30, '05.	July 31, '04.	July 31, '03.
Capital authorized	$100,246,666	$100,746,666	$100,546,666	$96,326,666
Capital subscribed	83,432,776	82,912,176	80,029,679	78,522,165
Capital paid-up	82,756,410	82,199,900	79,267,773	77,093,666
Reserve fund	56,781,223	56,408,680	52,318,691	48,122,212
Circulation	61,277,593	61,587,560	59,979,830	57,563,666
Bal. due Dominion Govt.	1,740,787	4,373,694	2,627,728	....
Bal. due Provincial Govt.	7,872,368	6,898,463	5,890,275	....
Deposits, demand	137,597,485	134,804,501	118,331,939	110,542,900
Deposits, notice	336,505,877	333,767,147	312,713,823	271,597,201
Deposits elsewhere	48,477,265	44,039,320	32,643,571	36,349,191
Due other banks	4,724,411	4,959,445	4,676,353	....
Due to U. K.	6,570,835	6,905,066	7,635,558	5,270,959
Due elsewhere	1,462,661	1,372,686	1,562,375	1,561,076
Other liabilities	11,857,190	10,228,488	9,247,331	....
Total liabilities	$618,588,963	$609,989,375	$556,126,135	$505,280,624
Assets.				
Specie	$18,929,896	$17,190,791	$17,303,333	$14,073,865
Dominion notes	36,598,662	36,595,713	32,049,188	29,742,431
Deposit with Govt.	3,405,213	3,359,472	3,327,618	....
Notes on other banks	23,197,622	24,488,773	17,161,541	....
Loans to other banks	502,120	960,281	817,756	....
Due from other banks	6,455,043	6,382,138	5,617,022	....
Bal. due from U. K.	5,455,340	11,787,907	9,395,427	3,711,374
Bal. due from elsewhere	21,339,923	19,982,891	19,213,193	17,197,142
Government securities	8,770,087	8,479,903	10,855,878	11,840,264
Municipal securities	18,933,767	19,272,601	14,904,813	14,928,234
Other securities	40,534,605	39,976,503	38,552,517	37,218,858
Call loans, Canada	43,620,194	41,746,702	36,711,597	41,881,085
Call loans, elsewhere	51,254,965	43,067,558	34,924,405	36,382,605
Current loans, Canada	438,069,270	437,470,445	414,096,802	363,586,174
Current loans, elsewhere	24,482,533	23,793,189	19,821,390	22,226,350
Loans to Provincial Govt.	1,731,801	2,044,825	2,094,659	....
Overdue debts	1,699,544	1,689,487	2,133,146	2,199,555
Real estate	767,767	656,946	758,962	....
Mortgages	530,195	601,366	748,128	....
Bank premises	10,577,223	10,499,682	9,783,402	8,420,051
Other assets	9,443,007	8,941,110	6,128,566	....
Total assets	$766,318,465	$757,988,531	$696,409,519	$641,985,699
Loans to directors	$8,680,204	$8,708,649	$10,642,121	$11,209,805
Average amount specie	17,845,364	17,345,744	16,108,626	14,257,291
Average amt. Dom. notes	36,213,133	37,115,816	30,858,721	29,667,961
Greatest amt. note cir.	63,516,010	62,183,720	60,876,184	60,640,098

One of the most striking features of the Canadian chartered bank statement for July 31 is the large expansion in call loans here and abroad. An increase in this item is rather unusual at this time of the year when the banks are preparing to meet the largely augmented demands at home for crop moving purposes. However, the chartered institutions are now arranging in order to meet the fall demands from the agricultural districts and are prepared to move the harvest with the minimum disturbance to rates characteristic of the Canadian banking system. The total loans are now $557,426,962, against $545,507,894, an increase of approximately $12,000,000 over June, of which an $8,000,000 expansion was contributed by "call loans elsewhere." A year ago total loans were $505,554,194. Note circulation decreased a trifle during the month, but still exceeds the total a year ago by $1,300,000. Deposits reflected a substantial increase over the previous month, being $522,560,767, compared with $512,600,767 on June 30, and $463,689,383 a year ago. The statement in detail is given on the preceding page.

BOOK NOTICE.

THE BANK AND THE TREASURY. By Frederick A. Cleveland, Ph.D., Professor of Finance in the School of Commerce, Accounts and Finance, New York University. New York: Longmans, Green & Co.

Professor Cleveland has so thoroughly considered many of the present banking and currency problems that it is to be hoped every student of these problems will read what he has to say. To attempt to summarize an important work like this, or to analyze its deductions, would only result in giving an imperfect idea of what is really one of the most valuable of recent contributions to American financial literature.

Concerning elasticity, Professor Cleveland says that this is not a question of note issues—and he deprecates the present tendency to make the National bank notes a permanent circulation—but that it is a matter which each bank can settle for itself through adequate capitalization and adequate redemption equipment. An amendment of the reserve provision of the National Bank Act is favored, prohibiting the redeposit of reserves—virtually a loan from one bank to another—and authorizing banks to invest their surplus capital resources in first-class marketable securities, to be considered as a part of the redemption equipment. It is claimed that the adoption of this provision would at once add over $400,000,000 to the assets of the National banks "available to procure money by sale or by rehypothecation without disturbing the credit relations of other institutions."

How this would work in practice is not clearly shown. If, for example, the banks of the West had, let us say, $100,000,000 invested as above; desiring to procure the money for these securities, they would order them sold on the New York Stock Exchange. But how could they be sold unless fresh loans were negotiated by the buyers, and would not New York still be compelled to find the cash to remit to the Western banks?

It is contended that the present arrangement ties the National banks to speculators. But the speculator who in dull times employs money for which there is no demand in the localities where the money primarily belongs, may not be an entirely useless part of the financial machinery. There is danger of the hobgoblin of speculation being used for more than it is worth. As a matter of fact the funds of our country banks that find their way to the speculative centres are generally among the best-secured loans these banks have. First, between the country bank and the speculator stands the large and strong city bank; second, the latter bank almost invariably requires practically absolute security for such loans. But the whole question is a larger one than that of mere security.

The banker who desires to make the most effective use of the resources of his institution ought to study Professor Cleveland's book. It is far more than a theoretical consideration of banking problems, and will be found of great practical benefit to those who heed the lessons it conveys.

MODERN BANKING FIXTURES AND FURNITURE.

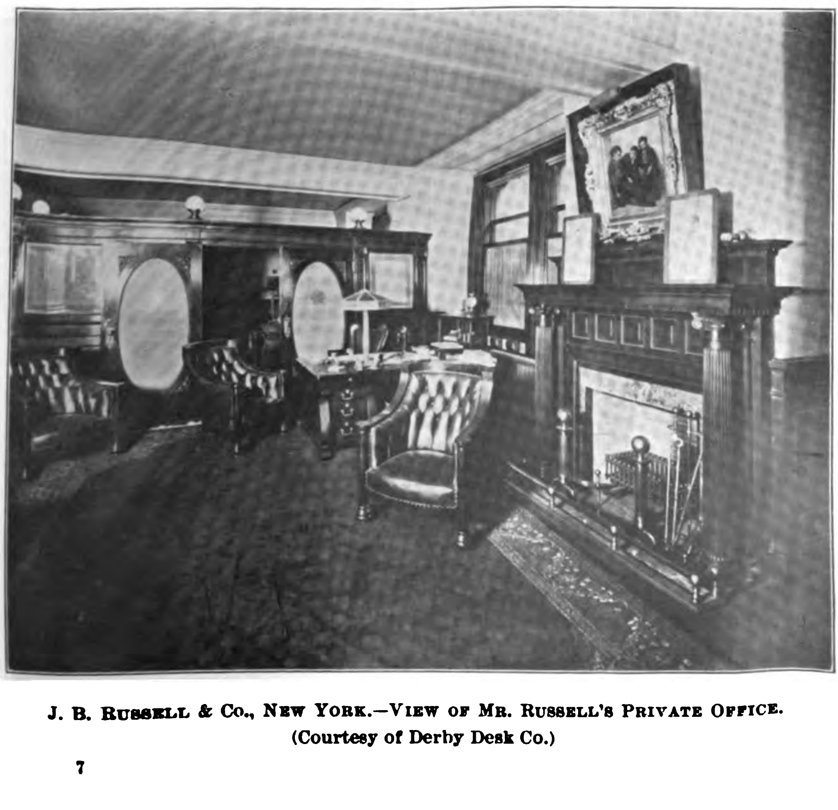
By Paul L. Barrett.

PART I.

One has only to step inside any of our modern banking institutions to note the change which has gradually been taking place during the past few years in regard to the comfort and convenience of those whose patronage forms the backbone of their strength.

Having devoted years to the building up of an organization capable of husbanding the wealth and resources they now handle, the banks of the country are now facing the keen competition of their neighbors for new business as well as striving in every way to hold their own accounts. Even the world's best-known woman financier, Mrs. Hetty Green, who is so well known by her simplicity and frugal life, has just recently availed herself of the use of the privileges of one of New York's greatest and most elaborately fitted out banks. Within these inviting walls she spends much of her time, where there is every attention paid to a lady's convenience and comfort.

One of the principal factors in planning new buildings or banking rooms is the general scheme of the interior fitting and furniture. The writer of this article wishes merely to call attention to some of the work that has



J. B. Russell & Co., New York.—View of Mr. Russell's Private Office.
(Courtesy of Derby Desk Co.)

LADIES' ROOM, J. B. RUSSELL & CO., NEW YORK.
(Courtesy of Derby Desk Co.)

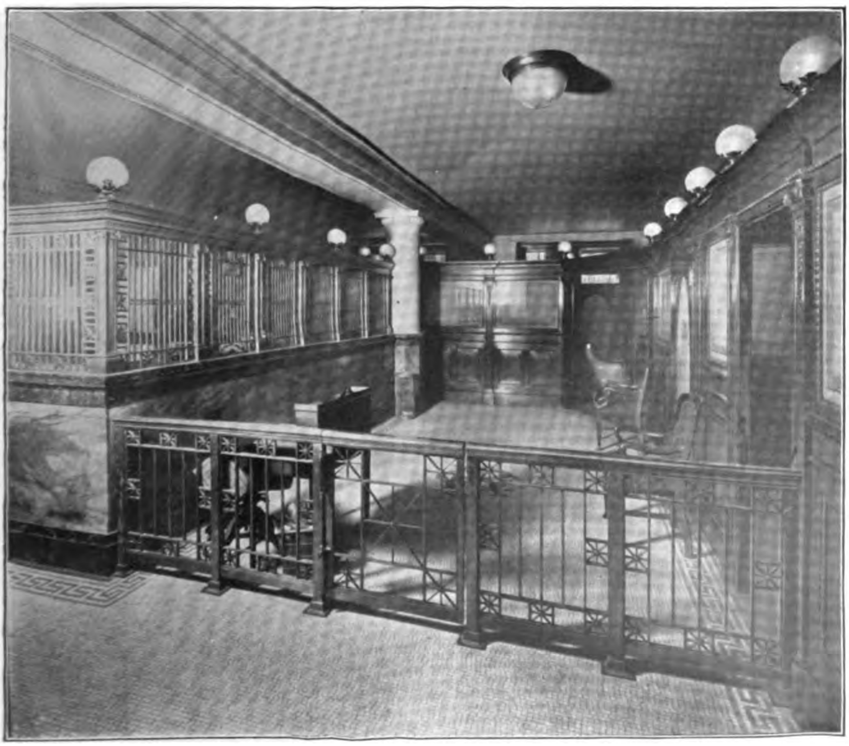
been accomplished along this line, and give a few hints to those who contemplate building or furnishing new offices or renovating old ones.

As electricity seeks its course through paths of the least resistance, so the general public seek those places where their business will be done with the greatest amount of despatch and comfort to themselves. In arriving at a definite conclusion as to plans, etc., much depends upon the general physical condition of the building as well as the nature of the business it transacts. However, one or two points should always be considered: the convenience of those who have business to transact, and the general light and ventilation for the employees. Nothing so lames the efficiency of the working staff of any institution as poor ventilation and light, which produce a certain dullness that no amount of exertion can overcome. A trip through the new quarters of the International Banking Corporation, and the National Park Bank of New York, and the First National Bank of Chicago, three of the largest institutions of their kind in America, illustrates what has been done recently to produce the best results.

The demand for this class of work has been so great during the past few years that some of the largest firms manufacturing commercial furniture have added to their business departments under the direction of architects skilled in every detail of this line of work, who furnish, in many instances free of any cost, plans and ideas of banking interiors, the composite result of the best that has been produced to date. In this connection attention is called to the illustrations accompanying this article: the ideas for this whole floor were framed and executed by one of these specialists. It may be said in behalf of this arrangement that the firm thus commissioned makes itself responsible not only for the faithful performance of the work, but also for the general results thus obtained.

In the selection of designs, care should be taken that they should not be more elaborate than the environment demands, as well as that they should fully come up to what it requires. The idea of extravagance and ostentation should be avoided for that which produces an air of dignity and business refinement. In this connection the best results are to be obtained by using rich material with plain designs. The Windsor Trust Company of New York impresses one particularly in this respect. Circassian walnut is used throughout; a very expensive wood, but wrought in such a plain but really artistic character of architecture as to give the impression of dignity and character.

Much can be accomplished by the proper selection of materials: those which blend with one another conveying the impression of a perfect unity. The office of J. B. Russell & Company, the financial agents of the new Illinois Tunnel Company, illustrated herein and considered among the finest on Wall Street, are an example of what can be done by careful planning in this respect. As one enters from the corridor of the Bank of America building, the banking screen with its marble base and cap of Westfield or dark green and its body or dado of the lighter serpentine form a fitting base for the wrought bronze work, which surmounts it. At the right of the entrance and extending down the private corridor is the partition work which divides the offices. Hand carved and made from the finest South African mahogany with an antique finish, the heavy pilasters surmounted by bronze electric fixtures of a plain design, this woodwork forms a fitting complement to the work as a whole. The hardware for all doors, the fittings for the grate, and the electric fixtures are all made from solid bronze and to match in design and finish the banking screen and the rail. The light statuary finish is used on all metal work.



OFFICES OF J. B. RUSSELL & CO., NEW YORK.—GENERAL VIEW OF CORRIDOR AND BANKING SCREEN.

(Courtesy of Derby Desk Co.)

VIEW OF CORRIDOR AND PRIVATE OFFICES OF J. B. RUSSELL & CO., NEW YORK.
(Courtesy of Derby Desk Co.)

In passing, one of the illustrations shown here of the ladies' room should be noted. A few years ago such a thing was unheard of, but now a bank is not complete without one. So many ladies of the present day transact their own business, and its volume has become so great that the competition for the patronage of the fairer sex has become very keen, and many banks now advertise as having a maid in attendance. However, it has become such an important factor that the details of the ladies' department should not be overlooked. Perhaps some of the members of our own family have often had the disagreeable experience of standing in a line of men waiting for an uncivil or overworked teller merely to have a small check cashed.

In the October issue of this MAGAZINE the matter of furniture will be taken up and illustrations will be shown of some of the most recent productions in this line.

BOOK NOTICE.

THE FINANCIAL RED BOOK OF AMERICA, 1905 Edition. Price, $10. New York: Orlando C. Lewis & Co.

This is a list of about 18,000 names of wealthy people of the United States, arranged alphabetically by States, towns and names of individuals, together with office and residence addresses, and business connections.

It is not stated in the preface what standard has been employed in determining the admissibility of names to the list, so that we do not know just what constitutes a person of wealth.

There must be, of course, more than 18,000 people in the United States, who, judged by any reasonable standard, would be considered wealthy. But the difficulty of getting the names of all these people must be so great as to render the task practically impossible. What the publishers have done, however, is to make what appears to be an accurate list of the wealthier inhabitants of each of the States, classifying the names in a way that makes them easily accessible; and no doubt the list is as complete as it could well be made. People of large wealth, or many of them at least, are not proclaiming the fact from the house-tops, particularly if there is a tax assessor within hearing distance.

Besides the list of names, the book also contains a complete list of all stock exchange members in the United States and Canada.

The compilation will be found exceedingly valuable to banks, trust companies, bond houses, and all others desiring to reach the wealthier classes of the country.

A TYPICAL BOSTON BANKING HOUSE.

Among the firms that have long and worthily sustained the high reputation that has characterized the leading American banking-houses, Messrs. Harvey Fisk & Sons, of New York and Boston, deservedly hold an eminent place. The present firm was established March 26, 1885, by Harvey Fisk and his three sons, Harvey Edward, Charles J. and Pliny Fisk. Harvey Fisk was head of the old and well-known house of Fisk & Hatch, of New York city, which in 1862 did such a large business in Government bonds. At this time Jay Cooke & Co. were the fiscal agents of the Government, but as a matter

OFFICES OF HARVEY FISK & SONS, BOSTON.

of fact, however, the bulk of the securities passed through the hands of Mr. Fisk's firm.

In 1885 Mr. Fisk withdrew from Fisk & Hatch and established the present house. Since that time many changes have taken place in the personnel of the firm. Mr. Harvey Fisk died in November, 1890, and in July of that year Mr. Alexander G. Fisk was admitted to partnership. Subsequently Mr. H. E. Fisk retired, and Messrs. Wilbur C. Fisk, Wm. M. Barnum, Theodore H. Banks, Herbert L. Denny, R. H. Higgins, Albert A. Tilney and Wm. S. Fanshawe were admitted.

The Boston house was established in 1894, by Mr. Tilney, who came from New York for that purpose. The local business grew rapidly, and in one year had become so extensive that it was deemed essential to have a resident

HARVEY FISK

(Founder of the Firm of Harvey Fisk & Sons.)

member of the firm located in Boston. Alexander G. Fisk came on from New York, and made his headquarters in Boston, and with the assistance of Mr. Tilney took control of the office in that city. On account of his valuable services in building up the business, Mr. Tilney was, at the suggestion of Mr. Alexander G. Fisk, made a member of the firm.

The Boston house began business at 75 State Street, and from there removed to 13 Congress Street; then to 19 Congress, and later to Post Office Square. On March 26, 1905, on the twentieth anniversary of the founding of the house, it again moved into the Monks Building, at 35 Congress Street, where it now occupies the major portion of the ground floor of this modern business building, in the heart of the financial district. The new quarters are as handsome and commodious as those of any similar firm in the city.

A broad table-topped rail separates the public from the office staff. Near the entrance at the front of the office are the desks of Mr. Fisk and Mr. Tilney, and the remainder of the front is enclosed as a private office. In the rear of this are the desks of the bond men, and further back are the delivery department, with separate entrance for messengers, the stock department, and the telegraph and telephone rooms.

All the interior woodwork and office furnishings are of selected mahogany, from the workshops of Irving & Casson, polished to a dull finish, with beautiful hand carvings. The Cashier's window is protected by a heavy grille of antique bronze and the electric fixtures are of special design to harmonize with the other appointments.

The new offices, both in equipment and convenience of arrangement, are in keeping with the importance of the house itself.

Harvey Fisk & Sons deal only in the very highest class of securities; such as high-grade railroad bonds, municipal bonds of the large cities, and Government bonds. One of the important issues floated by the firm was that of the American Locomotive Co., whose capital stock of fifty million—twenty-

OFFICES OF HARVEY FISK & SONS, BOSTON.

OFFICES OF HARVEY FISK & SONS, BOSTON.

five million common and twenty-five million preferred—was brought out at 110 for one share preferred and one share common as a bonus.

The stock is now selling at 114 for the preferred and fifty-three for the common.

The firm are members of the New York and Boston Stock Exchanges, but do only a cash business in stocks.

Banks, trust companies, Savings banks, and investors generally will find the specialized experience of Messrs. Harvey Fisk & Sons of great assistance in arriving at a correct estimate of the value of investments.

BOOK NOTICES.

WILLIAM SEWARD BURROUGHS. Detroit, Mich.: Burroughs Adding Machine Co.

Mr. Burroughs was the inventor of the Burroughs Adding Machine, and his biographer has briefly sketched the story of his life—the struggles and final success. A man who did so much to lighten the drudgery of bank and office work is certainly entitled to grateful remembrance. Besides this worthy achievement, Mr. Burroughs was a man of remarkable perseverance and force of character, and his career gives an example of what these qualities, joined to natural ability, can accomplish.

FOREIGN COMMERCIAL GUIDE: Panama. Edited by Edward James Cattell; published by the Philadelphia Commercial Museum.

This is a full and excellent description of the new Republic of Panama, with a full-page map of the country. The subjects treated of are: the physical features, form of government, climate, banking, trade centers, customs regulations, commercial travellers' licenses, patents and trademarks, shipping and railway communication, roads, telegraphs and telephones, imports, and the country's resources.

THE PHENIX NATIONAL BANK OF NEW YORK.

This institution is one of the oldest banks in the United States, having been organized in 1812. As it approaches the end of its first century, it is taking on fresh energy for a continued existence under conditions promising the same dignified and honorable record that has marked its entire history, and with the certainty of a still greater measure of prosperity. New and important interests—among the strongest in the country—have recently become affiliated with the Phenix National, and with the present strong foundations to build on, it may be positively asserted that the future career of the bank will be one of great growth and success. Indeed, the first statement issued after the new interests came into the bank showed that from March 14, 1905, to May 29, 1905, deposits gained $2,124,299.70. Following is a comparison of the condition of the bank on August 25, 1904, and on August 25, 1905:

Assets—	Aug. 25, 1904	Aug. 25, 1905
Loans and discounts	$2,978,078.89	$4,401,356.52
U. S. Bonds to secure circulation	50,000.00	1,000,000.00
Other stocks and bonds	354,475.69	502,623.82
Real estate	8,532.47	8,356.76
Cash and sight exchange	3,069,931.63	4,983,431.07
Total	$6,461,018.68	$10,895,768.17
Liabilities—		
Capital stock	$1,000,000.00	$1,000,000.00
Surplus and undivided profits	252,263.76	223,804.88
Circulation	49,400.00	1,000,000.00
Deposits	5,159,354.92	8,671,963.29
Total	$6,461,018.68	$10,895,768.17

The Phenix National Bank was established in 1812, and continued as a State institution until 1865, when it entered the National banking system.

Since entering the National system the charter of the bank has been twice extended for a period of twenty years—on June 22, 1885, and June 22, 1905.

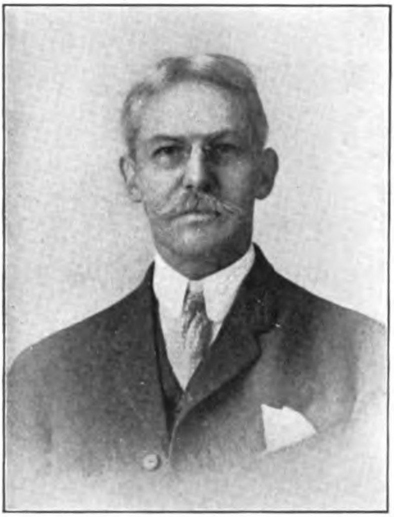
A career of enlarged usefulness was assured for the Phenix National Bank when in April of the present year a controlling interest in the stock was purchased by a sydnicate composed of Messrs. J. P. Morgan & Co., August Belmont & Co., of New York, F. E. Marshall and associates, the National Bank of Commerce in St. Louis, and E. F. Swinney, President of the First National Bank, Kansas City, Mo. As a result of this change of control the active management of the bank passed into the hands of F. E. Marshall, who came to New York from St. Louis, where he was Vice-President of the National Bank of Commerce. A brief sketch of Mr. Marshall's business life will be found interesting and instructive.

He was born at Unionville, Mo., July 15, 1860, of Virginia and Kentucky ancestry. His father, Hugh D. Marshall, is a well-known lawyer and banker, being President of the Marshall National Bank of Unionville, Mo.

The son was educated in the local schools of his birthplace and at the Missouri State University, Columbia, Mo. At the age of eighteen he became bookkeeper and Cashier in his father's bank. In 1888 he was appointed National Bank Examiner for Missouri and Kansas, his territory also embracing portions of Louisiana, Kentucky, Texas, and other States. He served in this capacity for four years, resigning to accept the position of Vice-President of the National Bank of Commerce, Kansas City, Mo. Later he became Cashier of the Continental National Bank, St. Louis, and his promotion to the Presidency of this institution followed. Under his management the bank was so successful that in six years it increased its deposits from $3,000,000 to $15,000,000. The Continental National Bank was subsequently

AUGUST BELMONT,

Vice-President Phenix National Bank.



GEO. M. COFFIN,
Vice-President Phenix National Bank.

ALFRED M. BULL,
Cashier Phenix National Bank.

merged with the National Bank of Commerce, one of the largest and most successful banks in the West, and Mr. Marshall was elected Vice-President, resigning in April last to become President of the Phenix National Bank, of New York.

The results achieved by Mr. Marshall in the various responsible banking positions he has held, his energy and capacity, and his wide acquaintance among the bankers of the country, assure a repetition of the same success for him in the New York financial field that he has won elsewhere.

The Vice-Presidents of the bank are August Belmont and Geo. M. Coffin. Mr. Coffin entered the office of the Comptroller of the Currency in 1886, and from 1888 to 1896 was in charge of the Division of Reports in the Comptroller's Bureau. He was made Deputy Comptroller on the recommendation of Comptroller Eckels. In September, 1898, he resigned and came to New York to accept his present position.

Mr. Coffin is the author of a treatise on the National Bank Act, and is in demand as a speaker at bankers' conventions.

Alfred M. Bull, Cashier, has been in the service of the Phenix National Bank for forty-three years, rising to his present office from a messenger.

Leonard B. Mallaby is the efficient Assistant Cashier.

The directors of the Phenix National are: August Belmont, of August Belmont & Co.; E. W. Bloomingdale, of Bloomingdale Bros.; Alfred M. Bull, Cashier; D. Crawford Clark, of Clark, Dodge & Co.; Geo. M. Coffin, Vice-President; Henry W. Eaton, Manager Liverpool & London & Globe Ins. Co.; Elbert H. Gary, chairman board, U. S. Steel Corporation; R. H. Higgins, Jr., of Harvey Fisk & Sons; Lewis Cass Ledyard, of Carter, Ledyard & Milburn; Henry K. Pomroy, of Pomroy Bros.; J. C. Van Blarcom, Vice-President National Bank of Commerce, St. Louis; George Coffing Warner, attorney; Irving A. Stearns, President Coxe Bros. & Co.; Frederick D. Underwood, President Erie Railroad Co.; Robert P. Perkins, President Hartford Carpet Corporation; Finis E. Marshall, President.

NEW BUILDING OF THE UNITED STATES FIDELITY AND GUARANTY COMPANY, BALTIMORE.

With that progressive and enterprising spirit which has always characterized its management, the United States Fidelity and Guaranty Company is erecting one of the most architecturally beautiful buildings in Baltimore.

This company was particularly unfortunate as the result of the great fire, because the building which it then occupied, and which during the preceding year had been remodeled and beautified, at a cost of about $80,000, was among those destroyed.

New Building of the United States Fidelity and Guaranty Co., Baltimore.

Notwithstanding this misfortune, the company points with pride to the fact that within three days after the fire had started it not only had obtained temporary quarters, but had resumed the transaction of business.

Substantial progress has already been made on the new building, and it is confidently expected that the company's large force of employees will be comfortably housed in the new structure before the first of the year.

The building is being erected at the southwest corner of German and Calvert streets, the site of the company's former home office building. It will cover a lot south sixty-eight feet four inches on Calvert street and ninety-two feet nine inches west on German street, which is considerably larger than the lot upon which the old building stood.

Designed in the spirit of the modern French school, adapted to present American requirements, the new building will be a striking addition to the group of imposing structures now being erected in this, the heart of Baltimore's financial district.

Though the plans provide for as much window area as possible, so as to admit light, the building nevertheless will be perfect in its proportions, with a strong and pleasing tout-ensemble, and representing in its noble appearance the purpose for which it is being erected. The building when completed, including its site, will represent a capital at $300,000. The first and second floors forming the base are being treated with heavy rustification, denoting strength and durability. The shaft from the third to the seventh floor, framed by substantial stone piers and arches, is crowned by the seventh story, with an ornamental cornice and plain parapet. The first or ground floor will have three banking rooms, each with separate entrances, fireproof vaults and toilets. The office entrance proper will be on German street, leading through a vestibule into the stair hall and elevator lobby. The second and third floors are to be subdivided into spacious, well-lighted offices and toilets, ante-rooms, etc., and are for renting purposes. The fourth, fifth and sixth floors will be used by the various departments of the company, and in order to admit light and air from the three street fronts, these floors will not be subdivided. The executive offices and reception rooms will be on the seventh floor.

Each floor will have fireproof vaults, ample toilet facilities and high speed electric elevator service. The building will be heated by steam and illuminated by electric and gas lighting. It will have the most approved sanitary plumbing system, water filters, mail chute and other features peculiar to a modern, well-equipped office building.

The finish throughout will be of quartered oak and the floors of terrazzo, marble or hardwood. The construction will be fireproof throughout, with steel columns, girders and beams and terra cotta arches. The street fronts will be faced with granite and Indiana limestone; in fact, only the best materials and of the best quality have been selected by Messrs. Simonson & Pietsch, the architects. The contractors are Messrs. Cramp & Co. of Philadelphia.

The United States Fidelity and Guaranty Company began business in 1896 with a capital of $250,000 and no surplus. By its enterprising and up-to-date methods, however, it soon outstripped all competitors and for three years past has written more business than any other surety company. The capital has since been increased to $1,700,000, and notwithstanding the fact that it has paid seven per cent. in dividends during the past three years and six per cent. and five per cent. during the two years preceding that time, it has accumulated a surplus and reserves of $1,721,398.55, which added to its capital makes the total resources of the company $3,421,398.55. It has one of the best organized agency plants in the world, having representatives in every county of every State and Territory in the United States, except Oklahoma (from which it withdrew a short time ago), Canada, Hawaii and Porto Rico. In all it has about 3400 agents and 3000 attorneys representing its bonding department, besides upwards of 10,000 guaranteed attorneys.

The officers of the company are: President, John R. Bland; First Vice-President, J. Kemp Bartlett; Second Vice-President, George R. Callis, also Secretary-Treasurer; Third Vice-President, Richard D. Lang; Fourth Vice-President, Chas. O. Scull; Auditor, W. George Hynson; General Counsel, Isidor Rayner; First Assistant Secretary, W. W. Symington; Second Assistant Secretary, J. Frank Supplee; Third Assistant Secretary, Albert H. Buck.

DEPOSIT INSURANCE WITHOUT ADDITIONAL COST.

Experience of nearly a year and a half entirely devoted and hopefully sacrificed to the promotion of deposit insurance has taught me that by a very simple and sensible arrangement depositors in National banks can be fully secured against loss without cost to the banks; that almost all National banks would like to see all National bank deposits absolutely secure; and that Congress, instead of being an impediment, as some fear, would pass the necessary legislation, if any large number of National banks asked for it and even a few were ready to share the comparatively small expense of ascertaining the wishes of the American people and bringing the subject to the attention of their Representatives.

Faith in the success of this movement is based on the consciousness of having succeeded in another. When THE BANKERS' MAGAZINE, in July, 1898, published my article on "The Practicability of a Clearing-House for Country Items," scarcely any one but myself expected to see New England checks cleared within a year at Boston, whither I went a stranger with a letter of introduction from a New York bank President. Some Boston bankers thought I was attempting an impossibility. It took longer than I supposed it would, but was brought about on June 3, 1899, and New England checks have now been cleared at the Boston Clearing-House for over six years. Bankers again tell me I am attempting the impossible. I will only concede that it might be impossible without my aid, as it was in Boston. With me determined to succeed, it is practically impossible to fail, if I live.

After the bank failure in Oberlin it was the most natural thing in the world for me to go into Ohio and find out at first hand how citizens there liked suddenly losing or being deprived of their deposits. I went, uninvited, at my own expense and neither asked for nor received a stiver of compensation. Indeed, in the hurry of my leaving Oberlin by an early train, the ticket-agent making change shoved on me a Mexican half-dollar, which I kept some time as a souvenir and then sold for eighteen cents. But there was cause to be satisfied with that pilgrimage. I returned with petitions to Congress. The Oberlin Board of Commerce, at my suggestion, adopted what seemed to be the best plan then known, not as advocates of any particular plan, but as firm believers in making National bank deposits perfectly safe, if possible.

Once more, in Washington, I drew up a bill in conformity with the Oberlin petition, and it was introduced in the House of Representatives by the Oberlin member, Judge A. R. Webber, near the close of the last Congress, too late for action of any kind, but in time to arouse public discussion of the matter, which was the real object of its introduction.

The Webber bill to secure depositors in National banks was announced to the country in a too condensed telegraphic dispatch as a proposal to tax National bank deposits $1 per thousand. This brought out the criticism of bankers, who had been encouraging me for ten months, that deposit insurance would be an "expensive luxury" for banks having large deposits. I tried to explain that a dollar was the maximum tax, and would not be annual. The average tax would be twenty cents per thousand dollars. They could only think of it as a yearly tax of $10,000 on their ten millions of deposits. To meet this objection I at once proposed that the whole expense should be defrayed out of the present tax on circulation, which is ample for the purpose. The bill had thrown too much cold water on them. They could not be interested again. After that I decided not to ask banks to pay any additional tax at all to secure depositors against loss. The banks could not get rid of the tax on the circulation of National banks if they wanted to. At present it specially provides for the expense of the office of the Comptroller of the Currency, which is $500,000 annually. But the whole tax goes into the general fund of the Treasury, and the Comptroller's office expenses are paid out of that fund. The tax paid in the fiscal year 1904 was $1,928,837, or $1,400,000 more than the average expense of the Comptroller's office. In the forty years from 1865 to 1904, when the tax paid was $94,000,000, depositors lost $40,000,000 by failures of National banks. The average annual deficiency ($1,000,000) in the assets of failed National banks is much less than the disposable part of the tax. Whenever the losses exceeded the available proceeds of the tax, more funds could be very conveniently raised by temporary assessments, equally and ratably, on the deposits of all National banks. Such assessments could be easily repaid out of the tax on circulation, even though the losses considerably surpassed the present average. In this way, every contingency known in the past experience of depositors under the National banking system, or to be apprehended in the future, can be met and every loss made good without additional cost to the banks.

On my proposing this absolute security of all National bank deposits to a large bank, the Cashier exclaimed: "We have $3,000,000 of capital with $5,000,000 of surplus and you would make deposits in another bank as safe as ours!" Yes, safer; as safe in every National bank as if the capital of the smallest was hundreds of millions. More than that; if a bank lost $1,500,000 by embezzlement, like the First National of Milwaukee, it would be spared the humiliation of a run and its depositors the distress of a moment's doubt as to the safety of their money. When the Government discovered that a bank was insolvent, like the First National of Topeka, the Comptroller of the Currency would, as provided in the Webber bill, arrange with another bank in town to take over the deposits with the remaining assets, the Government agreeing to supply any cash necessary to pay the deposits in full on demand as usual. If the deposits of the Topeka bank had been removed to another bank next door or across the street, neither the State of Kansas with its half-million in the failed bank, nor any depositor, would have had any apprehension or inconvenience. The deposits, guaranteed by the Government, would have been paid whenever demanded. Whereas, money not required for use would have remained in bank undrawn.

Practically, under the proposed system, so far as depositors are concerned, there would be no more failures of National banks, nothing but a change of the deposits from one bank to another. Every dollar due from National banks, whether reserve agents or collecting banks, would be safe and available. Therefore, it is no wonder that nearly all the National banks I have seen would like to have all National bank deposits secured against loss by a Government guarantee.

In Washington the only objection I could learn of among Congressmen was the supposed opposition of the large cities. I studied particularly this opposition among National banks in Philadelphia, and found it confined to three or four. Nearly all favor deposit insurance as now proposed without additional cost to the banks. Large banks are loth to express any desire lest it be taken as a confession of weakness. They would like to have deposit insurance pressed upon them without the asking. City bankers are apt to think it will be impossible to obtain favorable action from Congress. Thus, in my observation, so far as there is any opposition in Washington, Congress fears that the large cities do not want deposit insurance, while the National banks in the large cities, for the most part, fear that Congress would not grant them this boon.

Deposit insurance with the cost paid out of the tax on circulation raises an interesting point in legislation. Shall Congress take from the public revenues annually, on the average, one million dollars now disbursed in ordinary expenditures and use it to insure deposits in National banks? The money is collected from National banks. It is now employed for no banking purpose. That is very much in favor of the project. But suppose that after Congress had enacted a law for the United States to guarantee all National bank deposits, unprecedented failures occurred, with deficiencies of assets several times worse than ever before. Would that be any objection to the plan? By no means. If such extraordinary losses ever befell depositors without insurance, it might ruin many and involve the whole country in a great financial disturbance that might react upon the Government and curtail its revenues embarrassingly. With insurance of deposits no depositor would be ruined by the failure of a National bank or cause the ruin of others on that account. No disturbance of business could arise from such failures, and no reaction upon the Government or curtailment of its revenues result. Whatever the deficiency in the assets of the failed banks it could be supplied by temporary assessments on all National banks and gradually repaid. It would be a great reform.

JAMES C. HALLOCK.

24 Seventh Avenue, Brooklyn, N. Y.

FORMS FOR SAVINGS BANKS.

We, the undersigned, declare that we are the joint owners, as joint tenants, of the money deposited this day in the PRODUCERS SAVINGS BANK, of Bakersfield, Cal., in the name of ____________

____

____________ *account No.* ____________, *or such other name or title as said bank may designate; and we further declare that any further deposits made by us, or either of us, to said account, or any interest accrued or credited thereto, shall be and is our joint property as aforesaid, and that either of us may sign checks, drafts or orders on said account, and receive the money thereon, before or after the death of the other, and at the death of either of us the survivor shall be the absolute owner of the balance then due the account, as surviving joint tenant, and is hereby authorized to receive the same from said bank on his individual check or receipt therefor.*

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JOINT ACCOUNT.

NO. ____________ NAME ________________________

DATE ____________

In consideration of the receipt by the PRODUCERS SAVINGS BANK, of Bakersfield, Cal., of the deposits now made, or which may hereafter be made, with said corporation by the undersigned, we, and each of us, hereby covenant and agree to be in all respects governed by the articles relating to deposits and withdrawals as printed in my pass book and contained in the By-Laws of said Corporation, the contents of which articles are known to the undersigned.

____

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ADDRESS ________________________

ASSENT TO BY-LAWS AND RULES.

NOTICES OF NEW BOOKS.

[All books mentioned in the following notices will be supplied at the publishers' lowest rates on application to THE BANKERS PUBLISHING CO., 87 Maiden Lane, New York.]

THE ITALIAN IN AMERICA. By Eliot Lord, A. M., Special Agent U. S. Tenth Census—Social Statistics; John J. D. Trenor, Chairman of Immigration Committee, National Board of Trade, Annual Session, 1904; and Samuel J. Barrows, Secretary of the Prison Association of New York. New York: B. F. Buck & Co.

Although the Italian immigration into the United States has been rapidly increasing in recent years, rising from 43,967 in 1894 to 230,662 in 1903, yet, owing to the large number who have returned to their native country, it is estimated that the existing addition to our population through Italian immigration is not likely to exceed one per cent. of the present population of this country—hardly sufficient to have any material effect upon the dominant racial character of our population.

It seems rather remarkable that most Italians coming to this country remain in the North Atlantic States (72.7 of the total), while only a comparative few (2.2 of the total) go to the warmer South Atlantic States. A somewhat better showing is made for California and Colorado, and Louisiana and Texas also appear to be attracting the attention of Italians coming to this country.

While there is a strong tendency toward concentration in the larger cities, many of the Italian immigrants are going to the country, where, as a rule, they are succeeding; principally as producers of fruits and vegetables.

The volume reviews in a general way the progress made by the Italians in this country, their assimilative capacity, education, etc.

MOODY'S MANUAL OF RAILROAD AND CORPORATION SECURITIES. New York: Moody Publishing Co.

The new edition of Moody's Manual of Railroads and Corporation Securities is comprehensive and complete in every department. This year's edition comprises 2,600 pages. It covers the entire field of corporation investments. There are ten sections to the volume and each section has been prepared by its own special experts, who have made it their entire work to make the book complete and up-to-date. The increases in information over the 1904 edition are about as follows: In steam railroads, eighty per cent. increase; in electric traction companies, fifty-six per cent.; in gas and electric light company statements, forty-nine per cent.; in water supply companies, eighty per cent.; in telephone, telegraph and cable companies, thirty-two per cent.; in industrials, twenty-one per cent.; in mines, forty-eight per cent.; in banks and financial institutions, ninety per cent.

The Manual is an accurate and complete steam railroad reference book, and also covers the field of information relating to electric traction companies, gas, electric light, water supply, telephone and telegraph companies, industrial and miscellaneous corporations, as well as mines and oil corporations; banks and financial institutions, and members of the twenty-five stock exchanges in the United States.

Such a comprehensive work will be found highly useful to bankers and brokers.

OHIO BANKERS' ASSOCIATION.—The fifteenth annual convention of the Ohio Bankers' Association will be held in Cleveland, September 27 and 28. S. B. Rankin, President of the Bank of South Charleston, is Secretary of the association.

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 Merchants' Bank of Brooklyn has been merged with the Union Bank of Brooklyn.

—An international bank with a capital of $1,000,000 is being formed for the purpose of carrying on banking operations between the United States and Hungary and to handle the accounts of emigrants to this country from the Balkan Peninsula. The new bank is being organized by interests identified with the Hungarian General Credit Bank of Budapest in cooperation with a number of prominent New York banking houses including Kuhn, Loeb & Co., Ladenburg, Thalmann & Co., August Belmont & Co., and J. & W. Seligman & Co.

—Messrs. Fisk & Robinson's "Monthly Bulletin of Investments" for September says:

The market for investment issues of railroad bonds during August was quiet, such activity as was shown being largely confined to semi-speculative issues which were more directly affected by the course of the stock market. Some of the more strictly investment bonds appear especially attractive, and we believe this class of securities should advance with the fall demand.

The crops are now practically assured, the general yield will undoubtedly be far above the average, and an exceptionally heavy business is anticipated by the railroads.

The local money market was easy throughout the month, rates on call ranging from 1¾ per cent. to 2¼ per cent., averaging two per cent., with rates for four to six months ruling about four per cent. per annum."

—Robert Bayles, who up to a few years ago had served the Market and Fulton National Bank for forty-three years as Cashier, Vice-President and President, has resigned both as an officer and director and has been elected to the honorary place of President emeritus. Mr. Bayles is eighty-three years old. His successor as President of the bank was Alexander Gilbert, the present incumbent.

Robert A. Parker, credit man for the National City Bank and Vice-President of the Second National Bank, was recently elected a Vice-President and director of the Market and Fulton Bank, and has given up his place with the National City Bank.

—The employees of the New York National Exchange Bank are the publishers of "Our Neighborhood," devoted to the business interests of the immediate locality of the bank. It is an interesting and attractive publication.

—Members of Group VII of the New York State Bankers' Association had their annual outing on August 15, going to Far Rockaway, where they had a banquet and an automobile ride.

—The Oriental Bank now has deposits in excess of $11,000,000. This bank has adopted the plan of having its cash and securities examined by a firm of expert auditors, whose certificate is appended to the published statements.

—The Morton Trust Company has issued an interesting and instructive booklet on "Functions of Trust Companies." As officially reported on September 5 this company has deposits amounting to $58,365,554.22, and total resources, $67,354,211.75.

MIDDLE STATES.

Buffalo, N. Y.—The Union Stock Yards Bank, which was organized and opened for business November 10, 1904, is showing a continuous and gratifying growth, the deposits increasing from $187,784 on March 1 to $518,470 on July 1.

New Jersey Trust Companies.—The report of the sixty-two trust companies in New Jersey at the close of business on June 30 showed resources of $163,426,984; capital and surplus, $23,617,920; due depositors, $120,058,497.

Gouverneur, N. Y.—The First National Bank has issued an attractive booklet giving a brief history of the bank and describing and illustrating its modern fire and burglar-proof vault. From January 1, 1882, to January 1, 1905, deposits of the bank increased from $94,798 to $343,908.

Appointed Commissioner of Banking.—John A. Berkey was recently appointed Banking Commissioner for Pennsylvania, succeeding Robert McAfee, who has been appointed Secretary of the Commonwealth.

SOUTHERN STATES.

Texas Reserve Cities.—At the last annual convention of the Texas Bankers' Association, a resolution was introduced by B. H. Walker, of Lockhart, and amended by J. E. Longmoor, of Rockdale, favoring making Galveston a reserve city for National banks. Resolutions were also passed requesting all cities in the State to apply to the Comptroller for designation as reserve cities as soon as they have the required population—25,000.

Bristol, Tenn.—Va.—The First National Bank, on August 22, took possession of its new and modern banking-house at the corner of State and Fifth streets, marking the occasion by a reception to the patrons and friends of the bank. This institution reports $100,000 capital, $30,783 surplus and profits, and $606,402 deposits.

WESTERN STATES.

Omaha, Nebr.—The Omaha National Bank has issued a pamphlet giving a concise history of the progress made by the bank in the past thirty-nine years. When the first statement was made, October 1, 1866, the capital and surplus amounted to $54,221, and the deposits $120,669. On July 1, 1905, the capital was $1,000,000 surplus and profits $230,370, and deposits $9,310,514.

Oklahoma Bank Reports.—Through the courtesy of Bank Commissioner Paul F. Cooper, the Magazine has received reports showing the condition of the Territorial banks of Oklahoma at the close of business June 1. Their aggregate capital was $2,491,200; surplus, $293,701; undivided profits, $494,-448; deposits, $8,393,110. Total number of banks in the Territory reporting, 257; average reserve held, fifty-two per cent.; legal reserve required, twenty-five per cent.; average amount of capital employed, $9,685; average amount of surplus and undivided profits, $3,066; average amount of deposits held by each bank, $32,658; percentage of capital, surplus and profits to deposits, thirty-seven per cent.

There are also ninety-five National banks doing business in Oklahoma, with a capital stock aggregating $3,705,000; surplus, $460,800.78; undivided profits, $497,202.94; deposits, $14,521,149.32. The average capital stock of the National banks of Oklahoma is $39,000; the average surplus and profits, $10,084, and average deposits, $152,853.

It will thus be seen that the aggregate deposits of Oklahoma Territory is nearly $23,000,000, an increase of $4,500,000 for the year from June, 1904 to June, 1905.

Fort Wayne, Ind.—The White National Bank has been consolidated with the First National Bank, the title of the latter being retained. This will give the First National $500,000 capital, $250,000 surplus, and about $4,000,000 assets. There is no change in the officers, except that H. A. Keplinger, Cashier of the White National since its organization, becomes Second Vice-President of the First National.

—The new German American National Bank, which opened for business May 29, 1905, has very fine banking quarters. Counters and floors are of white marble, and the furniture of mahogany, making a very pleasing contrast. The stock of the bank is well distributed among nearly 200 leading farmers and business men. A savings department will be an important feature. A statement issued on May 29—nine days after opening—showed: capital, $155,623; deposits, $149,230.

Chicago.—President James H. Eckels, of the Commercial National Bank, has issued his valuable annual Crop Summary for the Mississippi Valley, based on letters from eleven hundred correspondent banks. These reports indicate that compared with last year the following increases in production may be expected: wheat, twenty-three per cent.; corn, thirteen per cent.; oats, nineteen per cent.; rye, fourteen per cent.; barley, thirteen per cent., and cotton twenty-eight per cent. less than last year.

Nearly all reports relating to general business conditions show that the position of the banks is better than in any previous year, and that they are well prepared to finance the crops.

Evanston, Ill.—The State Bank recently added $25,000 to its surplus, making the total $100,000—the same as the capital, with $4,324 undivided profits. Deposits are $1,350,000.

The bank was established in 1874 and incorporated as a State Bank in 1892 and has stood for progressive but conservative banking throughout its career, which accounts for its very material success.

Sioux City, Iowa.—On July 25 and 26 the bankers associated with the Farmers' Loan and Trust Company, of this city, held their annual convention here. Representatives of a number of banks were present, and the exercises were both interesting and enjoyable, a banquet and addresses on topics of practical concern being prominent features of the convention. One hundred and thirty people were at the banquet, James F. Toy, President of the company, acting as toastmaster.

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.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Citizens' National Bank, Whitney, Texas; by Mark Wheeler, et al.
National City Bank, Washington, D. C.; by P. A. Drury, et al.
Farmers' National Bank, Goodland, Kan.; by B. F. Brown, et al.
First National Bank, Glen Ullin, N. D.; by P. B. Wickham, et al.
Lincoln National Bank, Hamlin, W. Va.; by Louis R. Sweetland, et al.
First National Bank, Solomons, Md.; by W. H. Crockett, et al.
National Bank of Montgomery, Montgomery, N. Y.; by J. Harvey Harris, et al.
Monroe National Bank, Monroe, Ohio; by J. W. Kitchen, et al.
First National Bank, Cape May C. H., N. J.; by Wm. H. Bright, et al.
People's National Bank, Pemberton, N. J.; by Wm. H. Smith, et al.
Central National Bank, Anderson, Ind.; by M. P. Hubbard, et al.
First National Bank, Rising Star, Texas; by Wm. Bohning, et al.
First National Bank, Wilmington, Cal.; by Harry Barndollar, et al.
First National Bank, McHenry, N. D.; by W. G. Tubbs, et al.
Farmers & Merchants' National Bank; Santa Ana, Cal.; by J. A. Turner, et al.
Trinity National Bank, Dallas, Texas; by W. H. Moser, et al.
First National Bank, Waynesboro, Ga.; by P. L. Corker, et al.
Grundy Center National Bank, Grundy Center, Iowa; by H. S. Beckman, et al.
Capitol National Bank, Topeka, Kas.; by A. H. Bates, et al.
People's National Bank, Honesdale, Pa.; by E. C. Mumford, et al.
First National Bank, Kingston, I. T.; by J. R. McKinney, et al.
First National Bank, Mayo, N. D.; by Bert Winter, et al.
First National Bank, Foley, Minn.; by S. S. Petterson, et al.
Farmers' National Bank, Sterling, Colo.; by H. S. Reed, et al.
First National Bank, Lenapah, I. T.; by Wm. K. Swartz, et al.
German National Bank, Shakopee, Minn.; by D. C. Smutz, et al.
Edgartown National Bank, Edgartown, Mass.; by Beriah T. Hillman, et al.
Dearborn National Bank, Lawrenceburg, Ind.; by Ambrose E. Nowlin, et al.
Citizens' National Bank, Orleans, Neb.; by M. B. Holland, et al.
First National Bank, Shoshone, Wyo.; by C. H. King, et al.
First National Bank, Overton, Neb.; by A. U. Dann, et al.
First National Bank, Hansboro, N. D.; by D. F. McLaughlin, et al.
Farmers' National Bank, Stephenville, Texas; by W. A. Hyatt, et al.
First National Bank, Shelby, Neb.; by Alfred P. Anderson, et al.
First National Bank, Martinsburg, Pa.; by C. A. Patterson, et al.
Millburn National Bank, Millburn, N. J.; by Wm. Flemer, et al.
First National Bank, Carthage, Tenn.; by T. J. Fisher, et al.
Southern National Bank, Wilmington, N. C.; by Matt J. Heyer, et al.
First National Bank, Heyburn, Idaho; by A. K. Steunenberg, et al.
Ladysmith National Bank, Ladysmith, Wis.; by W. S. Manning, et al.
First National Bank, Stratford, Texas; by T. J. Noland, et al.
First National Bank, Adrian, Minn.; by A. G. Lindgren, et al.
Cicero National Bank, Morton Park, Ill.; by W. J. Atkinson, et al.
Federal National Bank, Chicago, Ill.; by Isaac N. Perry, et al.
First National Bank, Hopkins, Minn.; by J. G. Lund, et al.
First National Bank, Ravia, I. T.; by Robert T. Wilkinson, et al.
First National Bank, Anamoose, N. D.; by Henry Bartz, et al.
Christopher National Bank, Christopher, Ill.; by Henry Horn, Jr., et al.
H. Y. Davis National Bank, Cave City, Ky.; by S. B. Davis, et al.
American National Bank, Sparta, Tenn.; by J. T. Anderson, et al.
First National Bank, South Pasadena, Cal.; by H. L. Lunt, et al.

National Banks Organized.

7850—First National Bank, Whitesville, N. Y.; capital, $25,000; Pres., Giles H. Chapin; Vice-Pres., Daniel M. Rollins; Cashier, Fred R. Mather.
7851—First National Bank, New Bremen, Ohio; capital, $40,000; Pres., Julius Boesel; Vice-Pres., Otto J. Boesel; Cashier, Adolph Boesel.
7852—First National Bank, Sarles (Adams, P. O.) N. D.; capital, $25,000; Pres., C. D. Lord, Vice-Pres., Karl J. Farup; Cashier, C. A. Jeglum.
7853—First National Bank, Linn Creek, Mo.; capital, $25,000; Pres., Andrew J. Watson; Cashier, Jno. M. Farmer.
7854—Lincoln National Bank, Avella, Pa.; capital, $25,000; Pres., J. A.

Ray; Vice-Pres., J. B. Wilson and S. S. Campbell; Cashier, Don J. Hill.

7855—First National Bank, Antler, N. D.; capital, $25,000; Pres., P. O. Heide; Vice-Pres., F. O. Gold; Cashier, A. N. Newhouse.

7856—First National Bank, York Springs, Pa.; capital, $25,000; Pres., Anthony Deardorff; Vice-Pres., Abner B. Mummert; Cashier, W. R. Faust.

7857—First National Bank, Mylo, N. D.; capital, $25,000; Pres., C. J. Lord; Vice-Pres., J. D. Simpson; Cashier, T. G. Simpson; Asst. Cashier, W. L. Simpson.

7858—First National Bank, Lancaster, S. C.; capital, $25,000; Pres., Charles D. Jones; Vice-Pres., R. E. Wylie; Cashier, E. M. Croxton.

7859—First National Bank, Hancock, Md.; capital, $30,000; Pres., U. B. McCandlish; Vice-Pres., Edmund P. Cohill; Cashier, R. J. McCandlish.

7860—First National Bank, Frackville, Pa.; capital, $50,000; Pres., J. C. McGinnis; Vice-Pres., C. A. Bleiler; Cashier, G. N. Postlethwaite.

7861—First National Bank, Wilcox, Neb.; capital, $25,000; Pres., E. L. Lindsay; Vice-Pres., J. T. Petteys; Cashier, C. W. Price.

7862—Citizens' National Bank, Sidney, Ohio; capital, $100,000; Pres., H. W. Thompson; Vice-Pres., W. P. Metcalf; Cashier, Wm. A. Graham; Asst. Cashier, J. C. Cummins.

7863—First National Bank, Goodland, Ind.; capital, $25,000; Pres., Benjamin W. Pratt; Vice-Pres., Ziba F. Little; Cashier, Morton Kilgore.

7864—First National Bank, Leland, Ill.; capital, $30,000; Pres., Stephen Hum; Vice-Pres., Willis C. Farley; Cashier, A. H. Karn; Asst. Cashier, N. G. Klove.

7865—First National Bank, Perry, Fla.; capital, $25,000; Pres., S. H. Peacock; Vice-Pres., G. R. Battle; Cashier, W. L. Weaver.

7866—First National Bank, Rolette, N. D.; capital, $25,000; Pres., Clarence C. Dinehart; Vice-Pres., A. Egeland; Cashier, Marion Edwards.

7867—First National Bank, Corona, Cal.; capital, $25,000; Pres., Ernest H. May; Vice-Pres., William E. Hibbard; Cashier, John P. Key.

7868—First National Bank, Huntington Beach, Cal.; capital, $25,000; Pres., S. Townsend; Vice-Presidents, H. S. Hazeltine and C. P. Webster; Cashier, J. F. Heartwell; Asst. Cashier, W. C. Brandon.

7869—First National Bank, Clear Lake, Iowa; capital, $35,000; Pres., F. M. Rogers; Vice-Pres., J. K. Hill; Cashier, F. L. Rogers; Asst. Cashier, R. R. Rogers.

7870—Phoenix National Bank, Columbia, Tenn.; capital, $125,000; Pres., John L. Hutton; Vice-Pres., W. A. Dale; Cashier, H. O. Fulton.

7871—First National Bank, Slocomb, Ala.; capital, $25,000; Pres., G. H. Malone; Cashier, W. W. Beall.

7872—First National Bank, Egeland, N. D.; capital, $25,000; Pres., F. D. Week; Vice-Pres., A. Egeland; Cashier, Geo. F. Elsberry.

7873—Sharpsville National Bank, Sharpsville, Pa.; capital, $50,000; Pres., Sam. H. Hughes; Vice-Pres., W. T. Craig; Vice-Pres. and Cashier, J. R. Hum, Asst. Cashiers, F. B. Hum and Lee Minner.

7874—First National Bank, Shippenville, Pa.; capital, $25,000; Pres., R. R. Snyder; Vice-Pres., John Gibson and D. A. Bryner.

7875—First National Bank, Whitney, Texas; capital, $30,000; Pres., A. G. McMahan; Cashier, E. K. McMahan.

7876 — German - American National Bank, New Orleans, La.; capital, $1,200,000; Pres., W. R. Irby; Vice-Pres., Wm. P. Burke, A. Breton and S. E. Worms; Cashier, W. W. Bouden; Asst. Cashier, F. Dietze, Jr.

7877—Union National Bank; San Luis Obispo, Cal.; capital, $100,000; Pres., W. T. Summers; Vice-Pres., J. W. Smith; Cashier, T. W. Dibblee.

7878—First National Bank, Downsville, N. Y.; capital, $25,000; Pres., C. E. Hulbert; Vice-Pres., F. F. Searing; Cashier, E. B. Guild.

7879—Bottineau National Bank, Bottineau, N. D.; capital, $25,000; Pres., H. A. Batie; Vice-Pres., John Smithson; Cashier, W. E. Adams.

7880—Sheldon National Bank, Sheldon, Iowa; capital, $50,000; Pres., James F. Toy; Vice-Pres., P. W. Hall; Cashier, E. E. Springer; Asst. Cashier, E. B. Myers.

7881—Atkinson National Bank, Atkinson, Neb.; capital, $25,000; Pres., M. Dowling; Vice-Pres., C. H. Walrath; Cashier, P. J. O'Donnell.

7882—Farmers' National Bank, Goodland, Kas.; capital, $25,000; Pres., Joseph S. Hutchison; Vice-Pres., H. S. Brown; Cashier, B. F. Brown.

7883—Citizens' National Bank, Pawhuska, Okla.; capital, $25,000; Pres., W. S. Mathews; Vice-Pres., R. E. Trammell; Cashier, D. H. Spruill.

7884—First National Bank, Polo, Mo.; capital, $30,000; Pres., J. W. Houston; Vice-Pres., James B. McVeigh and W. M. Estes; Cashier, J. B. Bathgate.

7885—First National Bank, Groton, S. D.; capital, $25,000; Pres., A. M. Neff; Vice-Pres., L. K. Neff; Cashier, W. B. Miller; Asst. Cashier, F. E. Bandimere.

7886—First National Bank, Sanger, Texas; capital, $25,000; Pres., A. J. Nance; Vice-Pres., B. L. Spencer and J. H. Hughes; Cashier, E. L. Berry; Asst. Cashier, A. J. Nicholson.

7887—First National Bank, Plumville, Pa.; capital, $30,000; Pres., M. C. Wynkoop; Vice-Pres., D. W. Raraigh; Cashier, D. W. Douds.

7888—Commercial National Bank, Salida, Colo.; capital, $50,000; Pres., J. W. Calhoun; Vice-Pres., S. W. Sandusky; Cashier, C. W. Erdlen.

7889—First National Bank, Carterville, Ill.; capital, $50,000; Pres., A. K. Elles.

7890—National Bank of London, London, Ky.; capital, $25,000; Pres., D. C. Edwards; Vice-Pres., E. H. Hackney; Cashier, D. F. Brown.

7891—Morgan County National Bank, Cannel City, Ky.; capital, $25,000; Pres., M. L. Conley; Vice-Pres., Joe C. Stamper; Cashier, Luke Powell.

7892—Pauls Valley National Bank, Pauls Valley, I. T.; capital, $25,000; Pres., T. A. Vaughn; Vice-Pres., J. F. Myers; Cashier, A. R. Hickam.

7893—First National Bank, Kingston, I. T.; capital, $25,000; Pres., A. B. Scarborough; Vice-Pres., J. Hamp

Willis and James R. McKinney; Cashier, Barlow Roberts.
7894—National Bank of the Pacific, San Francisco, Cal.; capital, $300,000; Pres., Zoeth S. Eldredge; Vice-Pres., Walter J. Bartnett and Allen Griffiths; Cashier, M. J. Hynes; Asst. Cashier, R. S. Heaton.
7895—Farmers & Merchants' National Bank, Redondo, Cal.; capital, $50,000; Pres., J. A. Graves; Vice-Pres., F. H. Seymour; Cashier, Alfred H. Klein.
7896—Spring Valley National Bank, Spring Valley, Ohio; capital, $25,000; Pres., Fremont Miars; Vice-Pres., J. Leight Harper; Cashier, W. W. Whiteker.

NEW STATE BANKS, BANKERS, ETC.

ALASKA.

Fairbanks—Washington-Alaska Bank; capital, $50,000; Pres., John Schram; Vice-Pres., Falcon Joslin; Cashier, Frank E. Barbour; Manager, William H. Parsons.

ARKANSAS.

Little Rock—Southern Trust Co.; capital, $300,000; Pres., W. M. Kavanaugh; Vice-Pres., Sam. M. Powell; Sec., W. S. McCarroll; Treas., J. J. Prather.

CONNECTICUT.

Seymour—Seymour Trust Co. (successor to Valley National Bank); Pres., Edmund Day; Vice-Pres., W. L. Ward; Cashier, C. S. Boies.

DELAWARE.

Newark—Newark Trust & S. D. Co.; capital, $30,000; Pres., S. J. Wright; Vice-Pres., H. G. M. Kollock; Treas., H. M. Bottomley.

GEORGIA.

Canon—Canon Bank; capital, $15,000; Pres., J. O. Norris; Vice-Pres., A. J. Owens; Cashier, J. H. McLendon.
Fitzgerald—Citizens' Bank; capital, $25,000; Pres., Drew W. Paulk; Vice-Pres., J. A. Justice; Cashier, W. F. Rudisill.
Helena—Citizens' Bank; capital, $25,000; Pres., L. O. Benton; Vice-Pres., S. J. Meadows; Cashier, J. B. McCrory.

IDAHO.

Denver—Denver State Bank; capital, $10,800; Pres., Henry Kuthes; Vice-Pres., Herman Von Bargen; Cashier, Lewis Wylde.
Orofino—Fidelity State Bank; capital, $10,000; Pres., J. W. Blake; Cashier, P. H. Blake.

ILLINOIS.

Bismarck—Farmers & Merchants Bank; capital, $5,500; Pres., F. M. Gundy; Vice-Pres., Zac Starr; Cashier, D. L. Ogdon; Asst. Cashier, F. M. Gundy.
Princeville—Farmers' State Bank; capital, $25,000; Pres., J. C. Friedman; Vice-Pres., A. B. Debard; Cashier, W. C. Annegers.
Toluca— Toluca Bank; Pres., James Shields; Vice-Pres., Joseph Pickard and Martin Herr; Cashier, J. T. Pickard.

INDIANA.

Anderson—People's State Bank; capital, $100,000; Pres., Stephen Markt; Vice-Pres., John R. Page; Cashier, Joseph I. Schumacher.
Elberfield—Elberfield State Bank; Pres., John H. Smith; Cashier, C. H. Ayer.
Leavenworth — Leavenworth State Bank; capital, $25,000; Pres., Josiah Shaw; Vice-Pres., A. Mack; Cashier, M. R. Shrewsbury.

INDIAN TERRITORY.

Bartlesville—Citizens' Bank & Trust Co.; capital, $50,000; Pres., Frank Phillips; Sec., D. L. Owsley; Treas., L. E. Phillips.
Boynton—Bank of Boynton; capital, $15,000; Pres., O. R. Rohrer; Vice-Pres., A. C. Moffet; Cashier, H. L. Wineland.
Braggs—Bank of Braggs; capital, $7,500; Pres., F. A. Castanieu; Vice-Pres., C. G. Castanieu; Cashier, P. M. Castanieu.
Melvin—Bank of Melvin; Pres., Chas. L. Burns; Vice-Pres., Jennie C. Taylor; Cashier, O. D. Peters.
Morris—Farmers' State Bank; capital, $25,000; Pres., E. A. Hippen; Vice-Pres., L. R. Kershaw; Cashier, W. J. Anicker.

IOWA.

Bridgewater — Bridgewater Savings Bank; capital, $10,000; Pres., E. S. Harlan; Cashier, Clarence B. Cassill; Asst. Cashier, F. M. Scarr.
Hampton—Franklin County State Bank (successor to Franklin County Bank and Bank of Hampton); capital, $75,000; Pres., A. W. Beed; Vice-Pres., G. F. Beed; Cashier, H. L. Harrison; Asst. Cashier, N. A. Inglis.
Logan—B. F. Freeman; Asst. Cashier, B. V. Freeman.
Odebolt—German Savings Bank (successor to German Bank); capital, $25,000; Pres., A. J. N. Schmitz; Vice-Pres., F. P. Motie; Cashier, A. F. P. Schmitz.

KANSAS.

Alma—Commercial State Bank; capital, $12,800; Pres., J. N. Dolley; Vice-Pres., Geo. Casey; Cashier, L. Palenske.
Burr Oak—Burr Oak State Bank; capital, $25,000; Pres., J. P. Farr; Cashier, F. M. Horn.
Liberal—Security State Bank; capital, $10,000; Pres., Wm. C. Smith; Vice-Pres., B. F. Johnson; Cashier, L. D. Weidensaul.
Topeka—State Bank; capital, $10,000; Pres., T. P. Babst; Vice-Pres., John R. Thomson; Cashier, H. M. Philips.
Tribune—First State Bank; capital, $10,000; Pres., Chas. E. Lobdell; Vice-Pres., Geo. L. Reid; Cashier, A. N. Rochester.
Vesper—Vesper State Bank; capital, $10,000; Pres., W. B. Middlekauff; Cashier, A. F. Morgenson.

MICHIGAN.

Vicksburg—First State Bank; capital, $25,000; Pres., W. F. Notley; Vice-

Pres., Dudley E. Waters; Cashier, A. T. Slaght.

MINNESOTA.

Beardsley—Citizens' State Bank; capital, $15,000; Pres., P. W. Jordan; Vice-Pres., W. J. Toner; Cashier, Ole J. Lofthus.

Oslo—Citizens' State Bank; capital, $20,000; Pres., H. L. Melgaard; Vice-Pres., O. H. Taralseth; Cashier, J. C. Figenskau.

White Bear Lake—First State Bank (successor to Bank of White Bear); capital, $15,000; Pres., J. H. Spink; Vice-Pres., T. E. Fellows; Cashier, H. A. Warner.

MISSISSIPPI.

Decatur—Bank of Decatur (Branch of Bank of Hickory).

Mathiston—Bank of Mathiston; capital, $10,000; Pres., H. O. McMain, Vice-Pres., J. A. Pierce; Cashier, J. A. Harrison.

MISSOURI.

Ellington—Ellington Bank; capital, $10,000; Pres., James H. Buford; Vice-Pres., W. A. Copeland; Cashier, W. G. Barnes.

New Hamburg—Bank of New Hamburg; capital, $6,000; Pres., M. Helmbacher; Vice-Pres., C. Moenig; Cashier, P. Schoen; Asst. Cashier, Aug. Schulte.

Pleasant Hope—Pleasant Hope Bank; capital, $10,000; Pres., M. H. Cochran; Vice-Pres., T. L. Burns; Cashier, S. O. Whaley.

Shelbina — Farmers & Merchants' Bank; capital, $20,000; Pres., John Munch; Vice-Pres., W. L. Shouse; Cashier, E. J. King.

South Greenfield — Farmers' State Bank; capital, $5,000; Pres., B. J. J. Marsh; Vice-Pres., T. J. Bishop; Cashier, H. E. Woolf.

NEBRASKA.

Clarkson—Farmers' State Bank; capital, $15,000; Pres., F. J. Pete; Vice-Pres., John Noh; Cashier, J. D. Wolf.

Cozad—Cozad State Bank; capital, $15,000; Pres., Chas. E. Allen; Vice-Pres., L. G. Lowe; Cashier, Elmer E. Cook.

Gothenburg—Farmers & Merchants' Bank; capital, $10,000; Pres., H. L. Carlson; Cashier, Bruce Carlson.

Harbine—State Bank; capital, $10,000; Pres., Chas. Sandman; Vice-Pres., J. S. Hale; Cashier, James Wrigley; Asst. Cashier, Bertha Wrigley.

Pool Siding—Pool Siding State Bank; capital, $5,000; Pres., C. N. Davenport; Vice-Pres., S. N. Bentley; Cashier, W. F. Richardson.

Rockville—Rockville State Bank; capital, $5,000; Pres., P. Jensen; Vice-Pres., J. A. Woten; Cashier, Geo. W. Woten.

Sumner—Farmers & Merchants' Bank; capital, $11,000; Pres., W. L. Grant; Vice-Pres., Geo. P. Rowell; Cashier, T. H. Cheney.

NORTH CAROLINA.

Bakersville—Bank of Mitchell; capital, $10,000; Pres., Isaac H. Bailey; Cashier, J. Milton Bailey.

Durham—Merchants' Bank; capital, $25,000; Pres., C. C. Thomas; Vice-Pres., W. M. Yearley and J. B. Warren; Cashier, P. S. Leutchins.

Raleigh—Raleigh Banking & Trust Co.; capital, $100,000; Pres., Chas. H. Belvin; Vice-Pres., Charles E. Johnson; Cashier, F. H. Briggs; Asst. Cashier, J. B. Timberlake, Jr.

NORTH DAKOTA.

Fairdale—Farmers' State Bank; capital, $10,000; Pres., F. H. Wellcome; Vice-Pres., Robert Arnot; Cashier, W. G. Robertson; Asst. Cashier, E. G. Arnot.

La Moure—Farmers' State Bank; capital, $25,000; Pres., A. B. Hutchinson; Vice-Pres., Henry Neversman; Cashier, F. P. Bennett.

McCluskey—Merchants' State Bank; capital, $10,000; Pres., J. A. Beck; Cashier, E. B. Robertson.

Ray—Farmers' Bank; capital, $10,000; Pres., Adam Hannah; Cashier, H. S. Belgum.

Ross—State Bank; capital, $10,000; Pres., F. H. Gaulke; Vice-Pres., P. E. Thompson; Cashier, S. H. Saunders.

OHIO.

Ironton—Iron City Savings & Banking Co.; capital, $30,000; Pres., D. C. Davies; Vice-Pres., T. J. Gilbert; Cashier, C. B. Egerton.

OKLAHOMA.

Harrah—Harrah State Bank; capital, $10,000; Pres., H. C. Stahl; Vice-Pres., M. A. Younkman; Cashier, A. G. Hollis.

Ponca—Ponca State Bank; capital, $15,000; Pres., T. B. Stratford; Vice-Pres., David Story; Cashier, A. A. Stratford.

OREGON.

Cornelius—Cornelius State Bank; capital, $15,000; Pres., T. H. Adams; Vice-Pres., J. C. Woods; Sec., Nellie Woods Adams.

St. John—Peninsula Bank; capital, $25,000; Pres., J. W. Fordney; Vice-Pres., R. T. Platt; Cashier, C. A. Wood.

Wallowa—Stockgrowers & Farmers' Bank; capital, $25,000; Pres, A. K. Steunenberg; Vice-Pres., J. C. Rice; Cashier, C. T. McDaniel.

PENNSYLVANIA.

Elizabethville—Lykens Valley Bank; capital, $50,000; Pres., David Snyder; Vice-Pres., W. P. Zartman; Cashier, A. H. Smith.

SOUTH DAKOTA.

Carlock—Bank of Carlock; capital, 5,000; Pres., H. F. Slaughter; Cashier, Leo E. Liegerot.

Herreid—State Bank (successor to Campbell County State Bank); capital, $10,000; Pres., S. O. Overby; Vice-Pres., F. C. Brummond; Cashier, C. E. Eckert; Asst. Cashier, H. C. Chaffee.

TENNESSEE.

Lobelville—Bank of Lobelville; capital, $10,000; Pres., J. H. Twilla; Vice-Pres., W. O. Britt; Cashier, Jno. R. Butter.

TEXAS.

Ballinger—Ballinger State Bank & Trust Co.; capital, $60,000; Pres., C. S. Miller; Vice-Pres., R. A. Smith; Cashier, E. D. Walker.

Canton—Canton State Bank; capital,

$10,000; Pres., Otho S. Houston; Cashier, Harry H. Houston.

Carrizo Springs—Dimitt County State Bank; capital, $10,000; Pres., J. L. McCaleb; Vice-Pres., Asher Richardson; Cashier, W. F. McCaleb.

Gatesville—Farmers' State Bank; capital, $10,000; Pres., O. S. Houston; Cashier, D. C. Stone.

Irene—Bank of Irene; capital, $10,000; Pres., T. E. Tomlinson; Vice-Pres., G. L. White; Cashier, John A. Christie.

Josephine—Josephine State Bank; capital, $14,000; Pres., W. E. Swanson; Vice-Pres., J. L. Chapman; Cashier, L. Coffman.

San Antonio—West Texas Bank & Trust Co.; capital, $200,000; Pres., G. Bedell Moore; Vice-Pres., J. H. Savage; Cashier, Leon N. Walthall.

WASHINGTON.

Granger—Union Bank; capital, $15,000; Pres., F. H. Gloyd; Vice-Pres., J. T. Redenau; Cashier, A. C. Snowden.

Odessa—German-American Bank; capital, $25,000; Pres., C. H. Clodius; Vice-Pres., Joe Kriegle; Cashier, H. E. Christian; Asst. Cashier, Geo. Waldschmidt.

WEST VIRGINIA.

Barboursville—First State Bank; Pres., G. E. Thornburg; Vice-Pres., D. Blain Shaw; Cashier, P. A. Vallandingham.

Gassaway—Bank of Gassaway; capital, $25,000; Pres., C. M. Hendley; Vice-Pres., Alfred Walker; Cashier, C. M. Ritchie.

WYOMING.

Garland—Garland State Bank; capital, $10,000; Pres., H. J. Thompson; Cashier, C. B. King.

CANADA.

ONTARIO.

Cobalt—Canadian Bank of Commerce; R. T. Mussen, Acting Manager.

Welland—Bank of Toronto; H. F. Holland, Manager.

BRITISH COLUMBIA.

Princeton—Canadian Bank of Commerce; W. H. Switzer, Actg. Mgr.

South Vancouver—Canadian Bank of Commerce; T. R. Futcher; Acting Mgr.

QUEBEC.

St. Francois du Lac—Banque Nationale; Jos. Dallaire, Mgr.

MANITOBA.

Belmont—Bank of British North America; J. R. Moyle, Acting Mgr.

NORTH WEST TERRITORY.

High River—Canadian Bank of Commerce; P. H. Jory, Mgr.

North Battleford—Canadian Bank of Commerce.

Pincher Creek—Canadian Bank of Commerce; W. G. Lynch, Mgr.

CUBA.

Matanzas—Royal Bank of Canada.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Enterprise—First National Bank; W. E. Law, President in place of G. H. Malone.

Florence—First National Bank; Turner Rice, Asst. Cashier in place of J. Fred Johnson.

ARKANSAS.

Altus—German-American Bank; J. N. Adams, Cashier in place of E. S. Rodman.

Little Rock—Exchange National Bank; Allen N. Johnson, Pres., deceased; also Vice-President Union Trust Co.

CALIFORNIA.

Downey—Los Nietos Valley Bank; D. P. Smythe, Pres. in place of F. W. Blythe, deceased; Clinton Blythe, Vice-Pres.

San Francisco—California Safe Deposit & Trust Co.; David T. Walker, Pres. in place of R. D. Fry; R. D. Fry, Vice-Pres.

COLORADO.

Denver—Capitol National Bank; H. J. Alexander, Vice-President; Geo. E. Armstrong, Cashier in place of H. J. Alexander; Emerson E. Ellitt, Asst. Cashier.

Fort Collins—Poudre Valley National Bank; Chas. B. Andrews, Vice-Pres. in place of James B. Arthur, deceased.

Greeley—First National Bank; capital increased from $50,000 to $100,000.

CONNECTICUT.

Bridgeport—First National Bank; William E. Seeley, Pres., deceased.

New Haven—National New Haven Bank; Wilbur F. Day, Pres., deceased.

Stafford Springs—Stafford Savings Bank and Savings Bank of Stafford Springs; consolidated under former title.

GEORGIA.

Ashburn—Ashburn Bank; T. T. Williams, Cashier, resigned.

Columbus—Merchants & Mechanics' Bank; Geo. C. Bates, Cashier in place of R. H. Norman, resigned.—Third National Bank; A. W. Hale, Cashier in place of Geo. C. Bates.

Waynesboro—Bank of Waynesboro; T. T. Williams, Cashier.

IDAHO.

St. Anthony—First National Bank; T. M. Hodgens, Pres. in place of A. K. Steunenberg.

ILLINOIS.

Atlanta—Atlanta National Bank; John F. Adams, Vice-Pres. in place of B. F. Gardner, deceased.

Aurora—First National Bank; F. B. Watson, Asst. Cashier.

Rockford—Forest City National Bank; Ella E. Brumbaugh, Cashier pro tem. in place of Paul F. Schuster; Thomas L. Sizer, Asst. Cashier.

INDIANA.

Lawrenceburg — People's National Bank; William H. O'Brien, Pres. in place of William Probasco; A. D. Cook, Vice-Pres. in place of Harry S. Probasco.

Mitchell—First National Bank; H. C. Trueblood, Pres. in place of Wm. A. Holland, deceased; W. H. Burton, Vice-Pres. in place of H. C. Trueblood.

Owensville—First National Bank; Chas. N. Emerson, Cashier in place of David Wallace; C. E. Kimball, Asst. Cashier, in place of Chas. N. Emerson.

INDIAN TERRITORY.

Broken Arrow — Arkansas Valley National Bank; K. M. Rowe, Asst. Cashier.

Caddo—Choctaw National Bank; H. Edwards, Cashier in place of Barlow Roberts; Henry W. Wells, Asst. Cashier in place of H. Edwards.

Durant—Choctaw-Chickasaw National Bank; A. C. Risner, Pres. in place of F. M. Pirtle; T. J. Perkins, Vice-Pres. in place of Jas. Yarbrough; C. H. Hardin Smith, Cashier in place of I. B. Walker.

Lindsay—Lindsay National Bank; J. E. Brooks, Vice-Pres. in place of T. D. Wagner; Luther M. Dozier, Cashier in place of J. H. Knox; no Asst. Cashier in place of John G. Long.

IOWA.

Garner—First National Bank; F. M. Hanson, Cashier in place of C. W. Knoop; no Asst. Cashier in place of C. B. Cassill.

Grundy Center—Grundy County National Bank; H. S. Beckman, Pres. in place of S. R. Raymond; W. D. Wilson, Vice-Pres.; Geo. M. Rea, Cashier in place of H. S. Beckman; no Asst. Cashier in place of Geo. M. Rea.

Harlan—Shelby County State Bank; G. H. Messenger, President; Geo. B. Frazier, Vice-President.

Harris—First National Bank; G. W. Lister, Vice-Pres. in place of Geo. W. Burnside.

Waterloo—Black Hawk National Bank; Chas. W. Knoop, Cashier.

KANSAS.

Kansas City—State Bank; O. D. Burt, Pres., deceased.

Wichita—National Bank of Wichita; V. H. Branch, Cashier in place of Geo. W. Robinson.

KENTUCKY.

Campbellsville—Bank of Campbellsville; J. N. Turner, Cashier, deceased.

Olive Hill—Olive Hill National Bank; M. E. Armstrong, Pres. in place of Claude Wilson; J. W. Shumate, Vice-Pres. in place of M. W. Armstrong; E. D. Gray, Asst. Cashier.

LOUISIANA.

New Orleans—Merchants' National Bank; Jos. L. Quealy, Asst. Cashier in place of Henry T. Strong.

MAINE.

Belfast—Belfast Savings Bank; Wilmer J. Dorman, Treas., in place of William H. Quimby.

Portland—Portland Trust Co. and Merchants' National Bank; consolidated under former title.

MARYLAND.

Baltimore—Maryland National Bank; J. A. McKellip, Cashier, resigned.

Westminster—First National Bank; Samuel Roop, Pres. in place of John L. Reifsnider, deceased; Jacob J. Weaver, Jr., Vice-Pres. in place of Samuel Roop.

MASSACHUSETTS.

Boston—Mount Vernon National Bank; John H. Allen, Pres. in place of H. L. Hull.

Greenfield—Franklin Savings Institution; Henry F. Nash, President in place of William Henry Allen, deceased.

Wrentham—National Bank of Wrentham; J. E. Carpenter, Cashier in place of F. N. Plimpton.

MICHIGAN.

First National Bank; Elias B. Rorick, Pres., deceased.

MINNESOTA.

Luverne—First National Bank; William Jacobson, Pres., deceased.

Stewartville—First National Bank; C. E. Fawcett, Asst. Cashier.

MISSOURI.

Butler—Farmer's Bank of Bates County; W. F. Duvall, Cashier in place of Geo. W. Newberry.

Cape Girardeau—First National Bank; H. J. Coerver, Asst. Cashier in place of Thomas M. Williams.

Kansas City—National Bank of Commerce; W. H. Glaskin and P. F. Covington, Asst. Cashiers.

Rolla—National Bank of Rolla; L. F. Parker, Vice-Pres. in place of L. H. Thompson.

St. Louis—Washington National Bank; James Wilson, Pres. in place of David Rosenstreter; Isaac A. Hedges, Vice-Pres.; Pope Sturgeon, Cashier in place of W. Frank Street.

NEBRASKA.

Chadron—First National Bank; C. F. Coffee, Pres. in place of E. C. Harris; F. W. Clarke, Vice-Pres. in place of C. F. Coffee.

Hastings—German National Bank; J. P. A. Black, Pres. in place of C. H. Dietrich; Henry Siekmann, Vice-Pres. in place of Jacob Bernhard.

Holdrege—City National Bank; F. A. Dean, Asst. Cashier.

Osceola—First National Bank; N. L. Nelson, Asst. Cashier.

NEW HAMPSHIRE.

Lancaster—Lancaster National Bank; W. H. McCarten, Cashier in place of F. D. Hutchings, deceased.

Somersworth—First National Bank; William S. Tibbets, Pres. in place of S. Augustus Seavey.

NEW JERSEY.

Paterson—Silk City Safe Deposit & Trust Co.; William H. Belcher, Vice-Pres., resigned.

NEW YORK.

Albany—Albany Savings Bank; Benjamin W. Johnson, Treas. in place of Theodore Townsend, deceased.

Brooklyn—Merchants' Bank; consolidated with Union Bank and will be known as Merchants' Branch of Union Bank.
Franklinville—Union National Bank; F. C. Fay, Cashier in place of J. X. Williams.
Ilion—Ilion National Bank; John Hoefler, Vice-Pres., deceased.
Long Island City—Long Island City Savings Bank; Hugh M. Thomas, Vice-Pres., deceased.
New York—Market & Fulton National Bank; R. A. Parker, Vice-Pres.
Oswego—First National Bank; J. W. D. Chase, Vice-Pres., deceased.
Plattsburgh—City National Bank; C. E. Inman, Cashier in place of H. G. Baker.
Port Jervis—National Bank of Port Jervis; Francis Marvin, Vice-Pres., deceased.
Stapleton—Richmond Borough National Bank; Wm. K. Swartz, Cashier in place of T. F. Brinsmaid.

NORTH CAROLINA.

Charlotte—Merchants & Farmers' National Bank; W. C. Wilkinson, Cashier in place of Charles N. Evans, resigned.

NORTH DAKOTA.

Enderlin—First National Bank; Geo. S. Matteson, Cashier in place of H. E. Blair.

OHIO.

Bedford—Cleveland Trust Co.; C. J. Wheeler, Manager in place of F. S. Lamson, deceased.
Chillicothe—First National Bank; Edward R. McKee, Vice-Pres.
Coshocton—Commercial National Bank; Robert B. Caldwell, Cashier in place of Henry C. Herbig.
Portage—Munn Bank; G. F. Munn, deceased.
Tiffin—City National Bank; T. A. Miller, Second Vice-Pres.; E. E. Hershberger, Cashier in place of T. A. Miller.
Toledo—Holcomb National Bank; title changed to National Bank of Toledo.
Warren—Western Reserve National Bank; S. W. Park, Pres. in place of Albert Wheeler; Chas. Fillius, Vice-Pres. in place of S. W. Park.

OKLAHOMA.

Kingfisher—Farmers' National Bank; M. S. Runyan, Cashier.
Okeene—Farmers & Merchants' Bank; Cyrus Houser, Pres.; David Schmidt, Vice-Pres.; J. H. Seybert, Cashier; Dora Hamilton, Asst. Cashier.

PENNSYLVANIA.

Berwyn—Berwyn National Bank; Wm. H. Fritz, Vice-Pres. in place of W. H. Walker.
Boswell—First National Bank; H. L. McVicker, Cashier in place of J. K. Hite.
Chambersburg—National Bank of Chambersburg; no Pres. in place of S. M. Linn, deceased.
Freeport—Farmers' National Bank; F. K. Weaver, Cashier in place of D. H. Core.
Hickory—Farmers' National Bank; W. F. Caldwell, Vice-Pres. in place of James Caldwell, deceased.
Knox—Clarion County National Bank; G. E. Gibson, Cashier.
New Castle—National Bank of Lawrence County; William Patterson, Pres., deceased.
Pottstown—Tri-County Banking Co.; John D. Stauffer, Cashier in place of J. W. Grater.
Tamaqua—First National Bank; W. Harry Johns, Asst. Cashier.
Tarentum—People's National Bank; John P. Crawford, Cashier in place of Thomas W. Pomeroy; no Asst. Cashier in place of John P. Crawford.
Turtle Creek—First National Bank; P. W. Boli, Vice-Pres.
Watsontown—Farmers' National Bank; Hiram Dunkel, Cashier, deceased.

SOUTH CAROLINA.

Gaffney—National Bank of Gaffney; J. A. Carroll, Vice-Pres. in place of J. G. Wardlaw.

TENNESSEE.

Columbia—Maury National Bank; W. P. Ridley, Vice-Pres. in place of W. M. Cheairs.
Memphis—Memphis National Bank; Felix T. Pope, Pres. in place of G. W. Macrae; E. B. McHenry, Vice-Pres., in place of H. M. Neely; Wm. H. Kyle, Cashier in place of E. B. McHenry; no Asst. Cashier in place of E. L. Menager.—Memphis National Bank and American Bank & Trust Co.; reported absorbed by Merchants' Trust Co.

TEXAS.

Austin—City National Bank; absorbed by Austin National Bank.
Cleburne—Citizens' National Bank; sold out to National Bank of Cleburne.
Jefferson—Rogers National Bank; H. A. Spellings, Cashier in place of B. F. Rogers.
Houston—South Texas National Bank; Maurice McAshan, Second Asst. Cashier.
Lockhart—Lockhart National Bank; Geo. W. Baker, Cashier in place of B. H. Walker; E. E. Shropshire, Asst. Cashier in place of Geo. W. Baker.
Mesquite—First National Bank; no Vice-Pres. in place of L. S. Darling, deceased.
Moulton—W. L. Tooley & Co.; J. Y. Hicks, senior member, deceased.
Rusk—First National Bank; A. H. McCord, Vice-Pres. in place of B. Miller, deceased.
Throckmorton—First National Bank; B. F. Reynolds, Cashier in place of W. R. King.

UTAH.

Nephi—First National Bank; Eugene Giles, Asst. Cashier, resigned.
Park City—First National Bank; Eugene Giles, Asst. Cashier in place of Charles Heath.

VERMONT.

Montpelier—First National Bank; capital reduced to $200,000.

VIRGINIA.

Pocahontas—First National Bank; A. St. Clair, Vice-Pres.

WASHINGTON.

Colfax—Colfax National Bank; Edwin T. Coman, Vice-Pres. in place of Aaron Kuhn.

Port Townsend—First National Bank; N. H. Latimer, Pres. in place of Henry Landes; W. W. Felger, Vice-Pres. in place of N. D. Hill; H. D. Hopkins, Cashier in place of R. C. Hill.

WISCONSIN.

Oshkosh—National Union Bank; J. R. Morgan, Vice-Pres. in place of R. T. Morgan, deceased.

HAWAII.

Honolulu—First National Bank of Hawaii; L. L. Peck, Cashier in place of W. G. Cooper.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

COLORADO.

Canon City—Canon City Savings Bank; assigned to Lafe Combs, August 7.

Denver—Denver Savings Bank; in hands of Receiver.—Western Bank; assigned to Henry M. Beatty, August 9.

CONNECTICUT.

Seymour—Valley National Bank; in voluntary liquidation August 12; consolidated with Seymour Trust Co.

INDIANA.

Denver—Bank of Denver.

Fort Wayne—White National Bank; in voluntary liquidation August 26; consolidated with First National Bank.

INDIAN TERRITORY.

South McAlester—Union Exchange Bank.

KENTUCKY.

Louisville—Western National Bank; in hands of Receiver, August 21.

Paintsville—Citizens' National Bank; in voluntary liquidation August 2; consolidated with Paintsville National Bank.

West Liberty—Bank of West Liberty.

OHIO.

Barberton—American National Bank; in voluntary liquidation August 22; consolidated with Barberton Savings Bank Co.

PENNSYLVANIA.

Lebanon—Farmers' National Bank, in voluntary liquidation September 1; absorbed by Farmers' Savings & Trust Co.

TEXAS.

Crowell—First National Bank; in voluntary liquidation August 1.

Dallas—Texas National Bank; in voluntary liquidation July 31; absorbed by the American Exchange National Bank.

Fort Worth—Bank of Commerce.

Waxahachie—First National Bank; in voluntary liquidation August 3; consolidated with Citizens' National Bank.

QUALITIES CONDUCIVE TO SUCCESS.—In an informal talk recently before the New York University School of Commerce, Accounts and Finance, Jacob H. Schiff, the well-known New York city banker, said: "I am a simple man of affairs and shall speak to you of some of the facts and qualities which make for success in life. I shall speak, first, of moral character. You young men who start in business life, do not forget that the highest success a man can achieve is to be right, always right, always just. Never suffer an injustice. Never accept the smallest success if it is to be achieved by doing wrong. Your conscience must lead you, and if you will allow it to judge for you, you will do right and maintain a clear conscience. Always consider your word once given as something sacred; never violate a promise made; it is the only way to achieve lasting success and satisfaction."

THE MANUAL OF STATISTICS, 1905. The twenty-seventh annual issue of this standard publication has just appeared, and, as in the past, presents in the fullest but at the same time the most compact form, information in regard to railroad and industrial corporations, quotations for securities in the New York, Boston, Chicago, Philadelphia and other markets, and complete statistics relative to cotton and grain, together with a comprehensive directory of banks at leading cities. The work in short, affords in one convenient volume all the information constantly demanded by those interested in the financial markets and fulfills its purpose of serving as the standard reference book of its kind. The volume is brought up to date in every respect and is distinguished by its accurate and handsome typography, which adds greatly to its usefulness. Price, $5. The Manual of Statistics Company, 25 West Broadway, New York.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, September 4, 1905.

THE PEACE CONFERENCE AT PORTSMOUTH, N. H. was the governing influence of the month, at least to the extent of commanding general attention. The outcome was a universal surprise. The envoys from Japan and Russia first met on August 5, and the first meeting of the Conference was held on the 9th. The following day Japan presented her terms, and on the 12th Russia made her reply. The terms were discussed until the 18th, when a deadlock occurred and an adjournment was taken for a week. President Roosevelt urged a compromise, and on August 29 the announcement came that an agreement had been reached.

It is not easy to trace any relation between the Peace Conference and the course of the stock market. During most of the time there was little hope that the Conference would end in peace, yet the stock market advanced with only an occasional setback. As soon, however, as the favorable result of the Conference was known there came a decline in the stock market. In Wall Street it is the unexpected that happens, and it is not unusual for the stock market to decline on good news or to advance on bad news.

As regards the general situation there is no doubt that the sentiment for some time has been bullish. This sentiment has carried the prices of many securities to a level higher than would have been conceived possible a few years ago. Reading last month touched 125¾ and not very long ago was considered dear at 30. Union Pacific, once in a Receiver's hands, sold at 138⅝. Lackawanna, which sold at 230 two years ago, touched 470 last month, and Jersey Central and Delaware and Hudson, which once were considered high-priced at 150, sold at 220 and 225 respectively. Some seventy-five stocks dealt in at the New York Stock Exchange are quoted at above par. There was scarcely a baker's dozen back in 1896.

It is difficult to make any comparison of present prices with those ruling at other periods without finding the query presenting itself, "Are prices too high?" Comparatively they seem so, yet men of the widest knowledge and most practical experience speak most hopefully of the conditions that affect the value of securities. The evidences of good times seem to abound in every direction. The enormous increase in real estate values here in New York, the advance in rents and the scarcity of apartments for rent, are a near-by evidence of the situation.

While the iron trade has shown more contraction in production recently, still the reports of increased orders for iron and steel products, for part of which the railroads are responsible, give promise of greater activity in the future.

If good crops are an assurance of prosperity the August report of the Department of Agriculture is a guarantee of another prosperous year. The condition of all the grain crops on August 1 was better than on the corresponding date a year ago and there is promise of very large yield of each cereal. Wheat this year, it is estimated, will aggregate 709,000,000 bushels, a total exceeded only once, in 1901. Corn promises to be a record crop, being estimated at 2,698,000,000 bushels. Oats will approximate 949,000,000 bushels, which exceeds every other year excepting 1902. The estimate for barley is 141,000,000 bushels, beating the record made in 1904 by 1,500,000 bushels. Rye will aggregate almost 31,000,000 bushels, falling below only the two years 1891 and 1902.

In the table below are shown the nine years highest records for wheat, corn and oats with the estimated yield this year.

Wheat. Year.	Bushels.	Corn. Year.	Bushels.	Oats. Year.	Bushels.
1901	748,460,218	1902	2,523,648,312	1902	987,842,712
1898	675,148,705	1904	2,467,480,934	1904	894,595,552
1902	670,063,008	1896	2,283,875,165	1895	824,443,537
1903	637,821,835	1903	2,244,176,925	1900	809,125,989
1891	611,780,000	1895	2,151,138,580	1899	796,177,713
1904	552,399,517	1889	2,112,892,000	1903	784,094,199
1899	547,303,846	1900	2,105,102,516	1889	751,515,000
1897	530,149,168	1899	2,078,143,933	1891	738,394,009
1900	522,229,505	1891	2,060,154,000	1901	736,808,724
1905	709,000,000	1905	2,698,000,000	1905	949,000,000

Of the ten largest wheat crops all except one, 1891, were in the last ten years, while six of the largest corn crops, including 1905, were harvested in the last seven years, and seven of the largest oat crops in the last seven years.

It is not always the size of the crop, however, that makes for the prosperity of the grain-producer or of the country. Much depends upon price. Until last year the average farm price of wheat on December 1 was about sixty cents a bushel for six years. It went above ninety-two cents in 1904. Corn averaged above forty cents in the last three years, was sixty cents in 1901 and ranged from twenty to thirty-five cents in the previous six years. It has frequently happened that a large crop has yielded the producer less than a small crop, but this has been true more frequently of corn than of wheat. In the following table the production of wheat, total farm value and value per bushel on December 1 for various years, comparing large and small crops, are shown:

WHEAT.

Year.	Bushels produced.	Farm value, Dec. 1.	Value per bushel, Dec. 1. Cents.
1874	308,102,700	$265,881,167	86.3
1876	289,356,500	278,697,238	96.3
1880	498,549,868	474,201,850	95.1
1881	383,280,090	456,880,427	119.2
1882	504,185,470	445,602,125	88.4
1883	421,086,160	383,649,272	91.1
1884	512,765,000	330,862,260	64.5
1885	357,112,000	275,320,390	77.1
1889	490,560,000	342,491,707	69.8
1890	399,262,000	334,773,678	83.8
1891	611,780,000	513,472,711	83.9
1893	396,131,725	213,171,381	53.8
1898	675,148,705	392,770,320	58.2
1900	522,229,505	323,525,177	61.9
1901	748,460,218	467,350,156	62.4
1904	552,399,517	510,489,874	92.4

In only one instance is the average price of wheat for a small crop seen to have been less than for the large crop which preceded it. The big crop of 1891 commanded 93.9 cents a bushel, while the small crop of two years later averaged only 53.8 cents, a decline of thirty cents a bushel. The loss to the wheat-grower aggregated $300,000,000. The difference in price has rarely been sufficient to make the aggregate value of a small wheat crop exceed that of a large crop. As regards corn the same is not true. Here it is frequently the case that the producers get more for a small crop than for a large crop. The following table compares the production, value and price of large and small corn crops.

CORN.

Year.	Bushels produced.	Farm value, Dec. 1.	Value per bushel, Dec. 1. Cents.
1872	1,092,719,000	$385,736,210	35.3
1874	850,148,500	496,271,255	58.4
1880	1,717,434,543	679,714,499	39.6
1881	1,194,916,000	759,482,170	63.6
1885	1,936,176,000	635,674,630	32.8
1887	1,456,161,000	646,106,770	44.4
1889	2,112,892,000	597,918,829	28.3
1890	1,489,970,000	754,433,451	50.6
1891	2,060,154,000	836,439,228	40.6
1894	1,212,770,052	554,719,162	45.7
1896	2,283,875,165	491,006,967	21.5
1897	1,902,967,933	501,072,952	26.3
1900	2,105,102,516	751,220,034	35.7
1901	1,522,519,891	921,555,768	60.5
1902	2,523,648,312	1,017,017,349	40.3
1903	2,244,176,925	952,868,801	42.5

In the case of corn the price seems to have been influenced by the amount produced without a single variation. The 1896 crop exceeded that of 1894 by more than 1,000,000,000 bushels, yet its aggregate value was $63,000,000 smaller. In 1901 the yield of corn was nearly 600,000,000 bushels less than in 1900, yet the value was $170,000,000 greater.

The railroads of course have the assurance of a large traffic whether grain is high or low in price, when the supply is large. Whether the railroads will profit by the increased traffic depends upon what they charge for the haul. The Great Northern caused considerable surprise by announcing last month a reduction in grain rates, which has been figured to be a gift to the farmer of $2,000,000 to $3,000,000. There has been some talk about philanthropy being at the bottom of it all, but railroads are not usually operated with that sort of motive power. Railroad rate-cutting happens very frequently when no substantial reason for it appears to the outsider, and railroads only too often have thrown away profits that were just ready to drop into their laps. If the enormous crops of 1905 are only to be an incentive to rate wars among the railroads, it is not easy to see where prosperity and investors will connect. While the railroads are now reporting increases in earnings as compared with a year ago, it should be remembered that the earnings in the first half of 1904 were smaller than in the previous year. In the first six months gross earnings showed a loss from 1903 of $13,000,000 and net earnings a loss of $25,000,000. The gross earnings for the corresponding period of this year show a gain over 1904 of $57,000,000 and net earnings a gain of less than $19,000,000. These results are far from assuring to stockholders looking for increased dividends. The fact is that on $200,000,000 less gross earnings four years ago the railroads were earning net about as much as they are now. In the table following are shown the gross and net earnings of some of the principal railroad systems in the first six months of the years 1903 and 1905. The changes in the two years are of considerable significance.

Six months ended June 30.	Gross earnings.			Net earnings.		
	1903.	*1905.*	*Increase.*	*1903.*	*1905.*	*Decrease.*
Baltimore & Ohio	$31,789,211	$33,145,264	$1,356,053	$11,682,891	$10,079,286	$1,603,605
New York Central	38,699,996	39,235,700	535,704	11,276,078	11,061,800	214,878
Pennsylvania	92,935,276	98,127,404	5,192,128	25,407,867	25,337,272	70,595
Illinois Central	23,129,091	23,638,047	508,956	6,969,245	5,612,240	1,357,005
Canadian Pacific	21,442,468	23,329,858	1,887,390	7,040,661	6,330,342	710,319
Chic. Mil. & St. Paul	22,481,770	23,262,728	777,958	6,456,766	7,086,076	†629,310
Chic. & Northwestern	25,156,281	26,151,946	995,665	7,660,725	6,580,400	1,080,325
Union Pacific	23,552,233	27,791,579	4,239,346	9,198,117	12,247,522	†3,049,405
Atchison	30,655,344	33,760,748	3,105,404	10,987,064	10,278,090	708,974
Missouri Pacific	20,123,480	19,830,387	*293,093	6,174,462	4,518,711	1,660,751
Rock Island	20,770,121	20,611,432	*158,689	5,634,670	3,635,188	1,999,582
Louisville & Nashville	17,961,183	18,977,706	1,016,523	5,623,237	5,408,487	214,750
Southern	21,064,848	23,215,271	2,150,423	5,005,717	5,452,047	†446,330

* Decrease. † Increase.

Of the thirteen railroads named all except two show gains in gross earnings in the first half of 1905 as compared with two years ago, while only three show a gain in net earnings. Since the gross earnings of the railroads began to increase several years ago there has been a very large advance in the cost of operation. Railroad employees are commanding higher wages while material used in every kind of construction has increased in cost. It may well be doubted whether the railroads are receiving their just share of the profits which prosperity has created, in spite of the individual examples of great increase of wealth to be found among the railroads.

Cotton has commanded no little attention in the past month. During the greater part of the month there has been an upward movement in the price which, however, seems to have inspired a selling movement toward the end of the month. Much anxiety is felt regarding the coming report of the Government on the condition of the crop. The most impartial estimates of the new crop seem to make 10,500,000 bales as the reasonable yield to be expected. The final figures on the crop of 1904-05 show 13,654,000 bales to have been marketed, and the total crop approximated 14,000,000 bales. The previous high record was 11,274,000 bales in 1899. Should the new crop fall to 10,000,000 bales the total for the two years will exceed by 1,500,000 bales the largest total for any previous two years.

THE MONEY MARKET.—The local money market was affected by the expected demand for money to move the crops and also by the increase in activity in Stock Exchange dealings. Rates for call and time money have advanced since August 1. At the close of the month call money ruled at 2 @ 3 per cent., averaging about 2¼ per cent. Banks and trust companies loaned at 2¼ per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 3¼ @ 3½ per cent. for 60 days, 3½ @ 3¾ per cent. for 90 days, and 4 @ 4¼ per cent. for 4 to 6 months on good mixed collateral. For commercial paper the rates are 4¼ @ 4½ per cent. for 60 to 90 days' endorsed bills receivable, 4½ @ 4¾ per cent. for first-class 4 to 6 months' single names, and 5 @ 5½ per cent. for good paper having the same length of time to run.

MONEY RATES IN NEW YORK CITY.

	Apr. 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	3½–4½	2¾–3¼	2¼–4	3 – 6	1¾–2	2 –3
Call loans, banks and trust companies	3½–	3 –	2¼–	2 –	2 –	2¼–
Brokers' loans on collateral, 30 to 60 days	3¼– ½	3¼–	2¾–3	2¾ - 3	2¾–3	3¼– ½
Brokers' loans on collateral, 90 days to 4 months	3½– ¾	3¼– ½	3 –3¼	3 – ¼	3 – ¼	3½–4
Brokers' loans on collateral, 5 to 7 months	3½– ¾	3½– ¾	3¼– ½	3½–4	3¾–4	4 – ¼
Commercial paper, endorsed bills receivable, 60 to 90 days	3¾–4¼	3¾–4	3¾–4	3½–4	4 – ¼	4¼– ½
Commercial paper prime single names, 4 to 6 months	4 –4½	4 –4½	3¾–4	3¾–4¼	4 – ¼	4½– ¾
Commercial paper, good single names, 4 to 6 months	4½–5	4½–5	4½–5	4½–5	4½–5	5 – ½

NEW YORK CITY BANKS.—Since the first week of August there has been a steady reduction in the deposits and reserves of the clearing-house banks.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Aug. 5...	$1,146,163,700	$222,104,300	$89,340,800	$1,197,126,300	$12,163,525	$49,490,800	$1,585,648,500
" 12...	1,139,891,400	221,391,000	88,120,600	1,186,659,200	12,846,800	50,467,500	1,365,940,700
" 19...	1,146,101,500	221,194,800	85,298,700	1,188,531,300	9,355,675	51,592,100	1,631,644,700
" 26...	1,144,607,900	219,450,300	84,799,000	1,181,084,500	8,978,175	52,310,700	1,574,202,000
Sept. 2...	1,136,920,800	213,787,200	83,358,600	1,166,587,200	5,498,785	53,095,500	1,660,177,500

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1903.		1904.		1905.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$873,115,000	$10,193,850	$866,178,900	$9,541,850	$1,104,049,100	$13,683,425
February	931,778,900	27,880,775	1,023,943,800	25,129,050	1,189,828,600	26,979,550
March	956,206,400	5,951,900	1,027,920,400	32,150,200	1,179,824,900	14,646,975
April	894,260,000	6,280,900	1,069,369,400	27,755,050	1,138,661,300	8,664,575
May	905,760,200	11,181,850	1,114,367,800	33,144,250	1,146,528,600	16,665,250
June	913,081,800	9,645,150	1,098,953,500	29,692,325	1,136,477,700	6,050,275
July	903,719,800	12,923,850	1,152,988,800	36,105,300	1,166,038,900	11,658,875
August	908,864,500	24,060,075	1,204,965,600	55,989,600	1,190,744,900	15,305,975
September	920,123,900	20,677,925	1,207,302,800	57,375,400	1,166,587,200	5,498,785
October	897,214,400	13,937,500	1,212,977,100	19,913,425	....	....
November	885,616,600	10,274,150	1,204,434,200	16,793,650	....	....
December	841,552,000	6,125,200	1,127,878,100	8,539,075	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,146,163,700 on August 5, 1905, and the surplus reserve $111,623,000 on Feb. 3, 1894.

The deposits were reduced $30,000,000 since August 5 and loans only about $9,000,000. Compared with the close of July specie reserves have fallen off $11,000,000 and legal tenders $7,000,000, making the loss in reserve $18,000,000. The surplus reserve has fallen from $15,300,000 to less than $5,500,00 and is now lower than at any previous time since November, 1903, except on March 18 last. A year ago the surplus exceeded $57,000,000. The banks hold $54,000,000 less cash than they did at the beginning of September last year. The deposits are $50,000,000 less than at that time while loans shows an increase of nearly $20,000,000. On August 5 loans reached the highest point ever touched.

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 Reserve.*
July 29....	$123,189,800	$139,205,100	$5,655,900	$7,225,300	$14,753,600	$9,008,600	$1,842,125
Aug. 5..	123,999,800	138,796,700	5,766,900	6,584,900	14,685,700	8,515,700	804,025
" 12....	124,157,300	137,524,700	5,532,200	6,945,700	14,144,500	7,690,900	*67,875
" 19....	124,174,700	139,266,400	5,560,300	6,588,000	15,839,500	8,166,100	837,800
" 26....	123,946,200	137,735,100	5,616,400	6,698,600	13,907,200	8,083,100	*133,475

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
July 29........	$193,084,000	$223,052,000	$18,453,000	$7,058,000	$7,707,000	$131,438,400
Aug. 5........	192,309,000	223,645,000	16,913,000	6,895,000	7,753,000	144,969,000
" 12........	192,358,000	222,088,000	16,588,000	6,659,000	7,798,000	131,147,700
" 19........	192,041,000	223,075,000	17,327,000	6,788,000	7,726,000	130,249,000
" 26........	142,852,000	217,787,000	17,372,000	6,617,000	7,752,000	114,488,700

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
July 29..................	$220,895,000	$263,566,000	$67,597,000	$12,775,000	$121,011,925
Aug. 5..................	221,439,000	262,307,000	66,990,000	12,848,000	132,609,500
" 12..................	220,865,000	261,082,000	67,129,000	12,828,000	110,355,300
" 29..................	220,033,000	264,784,000	69,897,000	12,368,000	133,7[illegible]3,900
" 26..................	220,700,000	264,346,000	70,017,000	12,907,000	129,885,800

FOREIGN EXCHANGE.—Rates for sterling exchange fluctuated upward and downward during the month. At times bills against purchases of American securities for European account came upon the market. As rates declined, however, the demand for bills for transfer of Japanese funds to London manifested itself. At the close of the month rates were lower than they were a month ago.

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.*
Aug. 5...........	4.8480 @ 4.8490	4.8655 @ 4.8660	4.8680 @ 4.8690	4.84½ @ 4.84⅝	4.83¾ @ 4.84⅞
" 12...........	4.8480 @ 4.8490	4.8670 @ 4.8680	4.8700 @ 4.8710	4.84½ @ 4.84⅝	4.83⅞ @ 4.84⅞
" 19...........	4.8475 @ 4.8485	4.8665 @ 4.8675	4.8700 @ 4.8710	4.84½ @ 4.84⅝	4.83¾ @ 4.84⅞
" 26...........	4.8470 @ 4.8480	4.8650 @ 4.8655	4.8675 @ 4.8685	4.84⅜ @ 4.84½	4.83¾ @ 4.84¾
Sept. 2...........	4.8440 @ 4.8450	4.8630 @ 4.8635	4.8660 @ 4.8665	4.84⅛ @ 4.84¼	4.83⅜ @ 4.84½

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	May 1.	June 1.	July 1.	Aug. 1.	Sept. 1.
Sterling Bankers—60 days	4.84⅛— ⅝	4.85 — ⅛	4.85¼— ⅜	4.84⅝— ¾	4.84⅜— ½
" " Sight	4.86⅛— ⅝	4.87 — ⅛	4.86⅞—87	4.86⅜— ½	4.86¼— ⅜
" " Cables	4.86¾— ⅞	4.87¼— ⅜	4.87¼— ⅜	4.86⅝— ¾	4.86⅝— ¾
" Commercial long	4.84 — ¼	4.84½— ¾	4.84⅞—85	4.84⅛— ⅝	4.84⅛— ¼
" Docu'tary for paym't.	4.83⅛— 4¼	4.84¼— 5⅛	4.84¼— 5¼	4.84 — ⅝	4.83¼— 4¼
Paris—Cable transfers	5.16¼—	5.16⅞— ¼	5.15⅝—	5.16¼—	5.16⅞— ¼
" Bankers' 60 days	5.18⅛— ¾	5.18⅛—	5.15⅛—	5.18¾—	5.18¾— ⅛
" Bankers' sight	5.16¼— ⅞	5.16⅞—	5.16¼—	5.16⅞—	5.16⅞—
Swiss—Bankers' sight	5.17½—	5.16⅞—	5.16⅞—	5.16⅞—	5.16⅞— ¼
Berlin—Bankers' 60 days	94 11/16— ⅝	94¾— 13/16	94 11/16— ¾	94 11/16— ¾	94 11/16— ¾
" Bankers' sight	95 1/16—95	95¼— 5/16	95⅛— 3/16	95 1/16— ⅛	95 1/16— ⅛
Belgium—Bankers' sight	5.17½—	5.16⅞—17⅛	5.16⅞—	5.17½—	5.17½—
Amsterdam—Bankers' sight	40¼— 5/16	40 5/16— ¼	40¼— 5/16	40¼— 5/16	40¼—
Kronors—Bankers' sight	26¾— ⅞	26 13/16— 15/16	26 13/16— 15/16	26 13/16— 15/16	26.80— .82
Italian lire—sight	5.16⅞—17½	5.16⅞— ¼	5.15 1/16— ⅝	5.15⅝—	5.16⅞— ¼

FOREIGN BANKS.—The Bank of France gained $7,000,000 gold last month and the Bank of Russia $17,000,000 while the other leading banks reduced their holdings. The Bank of England lost nearly $7,000,000 but has about the same amount as it reported a year ago.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	July 1, 1905.		Aug. 1, 1905.		Sept. 1, 1905.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
England	£39,048,782	....	£38,021,410	....	£36,651,047	....
France	113,785,158	£44,432,185	117,335,024	£44,252,446	118,844,612	£44,127,671
Germany	40,763,000	13,588,000	37,701,000	12,567,000	37,102,000	12,367,000
Russia	105,667,000	6,291,000	109,532,000	5,909,000	113,069,000	5,708,000
Austria-Hungary	47,458,000	13,129,000	47,237,000	12,971,000	46,844,000	12,712,000
Spain	14,833,000	22,390,000	14,873,000	22,395,000	14,915,000	22,595,000
Italy	22,329,000	3,651,000	24,108,000	3,327,400	24,551,000	3,268,700
Netherlands	6,793,500	6,278,500	6,382,800	6,249,200	6,598,100	6,208,000
Nat. Belgium	3,224,667	1,612,333	3,192,000	1,596,000	3,188,667	1,594,333
Totals	£393,902,107	£111,372,018	£398,382,234	£109,267,046	£401,763,426	£108,580,704

MONEY RATES ABROAD.—There was no change in the posted rate of discount of any of the principal foreign banks last month. The money market was firmer at London and Berlin and easier at Paris than a month ago. The Bank of England rate of discount is unchanged at 2½ per cent. Discounts of 60 to 90 day bills in London at the close of the month were 2 per cent., against 1¾ @ 1⅞ per cent. a month ago. The open market rate at Paris was 1⅜ per cent., against 1½ @ 1⅝ per cent. a month ago, and at Berlin and Frankfort 2⅝ @ 2¾ per cent., against 2⅛ @ 2¼ per cent., a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	May 31, 1905.	June 30, 1905.	July 31, 1905.	Aug. 31, 1905.
Circulation (exc. b'k post bills)	£29,500,000	£30,132,000	£30,073,000	£29,663,000
Public deposits	11,608,000	14,456,000	9,791,000	12,493,000
Other deposits	41,613,000	44,697,000	43,357,000	42,471,000
Government securities	15,750,000	16,171,000	16,752,000	18,676,000
Other securities	28,417,000	33,396,000	29,186,000	28,877,000
Reserve of notes and coin	24,897,000	27,367,000	25,261,000	25,437,000
Coin and bullion	37,886,406	39,049,682	36,884,155	36,651,047
Reserve to liabilities	50.32%	46.19%	47.45%	46.22%
Bank rate of discount	2½%	2½%	2½%	2½%
Price of Consols (2½ per cents.)	91⅛	90 3/16	90¼	91⅛
Price of silver per ounce	26 13/16d.	26 13/16d.	27 5/16d.	28d.

SILVER.—There was a sharp advance in the price of silver in August which carried it to 28¾d. on the 28th. This is higher than it has been in the last three years. The closing price was 28d.

MONTHLY RANGE OF SILVER IN LONDON—1903, 1904, 1905.

MONTH.	1903.		1904.		1905.		MONTH.	1903.		1904.		1905.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January..	22 5/8	21 11/16	27 3/16	25 1/8	28 3/8	27 9/16	July......	25 5/8	24 1/4	27	26 3/8	27 5/16	26 7/8
February	22 1/16	21 7/8	27 1/8	25 5/8	28 1/16	27 5/8	August ..	26 3/4	25 1/16	27	26 1/16	28 3/4	27 1/8
March....	22 13/16	22 1/8	26 13/16	25 1/8	27 11/16	25 13/16	Septemb'r	26 7/16	26 3/16	26 1/8	26	....	....
April.....	25 1/16	22 5/8	25 1/8	24 7/16	26 5/8	25 7/16	October..	28 1/8	27 7/16	26 13/16	26 1/8	....	....
May......	25 1/4	24 1/16	25 13/16	25 1/8	27 3/16	26 1/2	Novemb'r	27 5/8	26 1/4	27 1/16	26 3/4	....	....
June.....	24 1/16	24 1/8	26 1/8	25 1/16	27 1/8	26 3/4	Decemb'r	26 1/8	25	28 9/16	27 1/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	Asked.		Bid.	Asked.
Sovereigns	$4.86	$4.89	Mexican doubloons............	$15.55	$15.65
Bank of England notes........	4.86	4.89	Mexican 20 pesos............	19.55	19.65
Twenty francs..................	3.87	3.90	Ten guilders.....................	3.95	4.00
Twenty marks..................	4.76	4.80	Mexican dollars................	.46	.48 1/4
Twenty-five pesetas...........	4.78	4.82	Peruvian soles..................	.43	.45
Spanish doubloons.............	15.55	15.65	Chilian pesos....................	.43	.45

Fine gold bars on the first of this month were at par to 1/4 per cent. premium on the Mint value. Bar silver in London, 28d. per ounce. New York market for large commercial silver bars, 60 5/8 @ 62 1/4c. Fine silver (Government assay), 60 3/4 @ 62 3/4c. The official price was 60 1/2c.

NATIONAL BANK CIRCULATION.—A further increase of more than $8,000,000 last month brings the volume of bank circulation up to $512,220,367, making an increase in the last twelve months of nearly $60,000,000, almost one-half of which has been since April 30. About $4,000,000 of two per cent. bonds deposited to secure Government deposits were withdrawn last month and apparently have been used to secure circulation. More than $36,000,000 of these bonds are still held to secure public deposits.

NATIONAL BANK CIRCULATION.

	May 31, 1905.	June 30, 1905.	July 31, 1905.	Aug. 31, 1905.
Total amount outstanding...............	$488,327,516	$495,719,806	$503,971,395	$512,220,367
Circulation based on U. S. bonds	456,239,096	462,669,414	471,615,771	478,786,165
Circulation secured by lawful money....	32,088,420	33,050,392	32,355,624	33,434,202
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent........	10,754,050	12,907,550	14,197,100	14,931,850
Four per cents. of 1895..................	4,091,500	4,091,500	4,394,000	4,124,000
Three per cents. of 1898..................	2,941,940	3,374,440	4,257,440	4,465,940
Two per cents. of 1900...................	443,362,800	447,693,450	454,089,750	458,676,300
Total	$461,150,290	$468,066,940	$476,938,290	$482,198,090

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,906,900; 4 per cents. of 1895, $5,394,700: 3 per cents. of 1898, $5,856,300; 2 per cents. of 1930, $36,579,900; District of Columbia 3.65's, 1924, $1,332,000; Hawaiian Islands bonds, $1,033,000; Philippine loan, $5,560,000; railroad and other bonds, $2,434,500; a total of $67,097,300.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The receipts of the Government in August were $2,500,000 more than in the same months last year and the expenditures were less than $1,000,000 more. This is an improvement over a year ago of $1,500,000; still there is a deficit for the month of

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	August, 1905.	Since July 1, 1905.
Customs..................	$26,181,282	$47,771,431
Internal revenue.....	19,556,477	40,645,112
Miscellaneous	1,752,673	8,347,023
Total................	$47,490,432	$96,763,566
Excess receipts.......	*4,660,061	*18,515,724

EXPENDITURES.

Source.	August, 1905.	Since July 1, 1905.
Civil and mis..........	$9,737,592	$25,396,237
War.....................	8,933,399	21,618,954
Navy....................	10,042,326	20,797,451
Indians..................	1,574,407	3,222,613
Pensions.................	14,102,052	26,203,089
Public works.........	6,129,603	12,380,635
Interest.................	1,631,114	5,660,361
Total..............	$52,150,493	$115,279,290

* Excess expenditures.

$4,660,000, making for the first two months of the new fiscal year a deficit of $18,500,000. Since July 1 the civil and miscellaneous expenses show an increase of nearly $2,000,000 as compared with last year and public works $2,500,000. War and navy expenditures decreased $6,000,000.

UNITED STATES PUBLIC DEBT.—The net public debt increased nearly $3,500,000 in August and is now in excess of $1,005,500,000 of which $895,000,000 is bonded debt bearing interest. The gross debt is $2,286,000,000, of which $1,002,000,000 consists of gold and silver certificates and Treasury notes offset by an equal amount of cash held in the Treasury. There was an increase of nearly $4,000,000 in gold certificates and of $5,500,000 in silver certificates last month.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1905.	*July 1, 1905.*	*Aug. 1, 1905.*	*Sept. 1, 1905.*
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,650	156,595,600	156,596,400	156,596,400
Refunding certificates, 4 per cent	28,610	27,530	27,110	27,020
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt	$895,157,470	$895,158,840	$895,158,720	$895,158,700
Debt on which interest has ceased	1,447,260	1,370,245	1,264,735	1,256,535
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,298	346,734,298	346,734,298
National bank note redemption acct.	31,933,951	32,227,102	31,889,869	33,105,296
Fractional currency	6,868,465	6,867,109	6,867,109	6,867,109
Total non-interest bearing debt	$385,537,279	$385,828,509	$385,491,276	$386,706,704
Total interest and non-interest debt	1,282,142,010	1,282,857,094	1,281,914,731	1,283,121,939
Certificates and notes offset by cash in the Treasury:				
Gold certificates	524,684,969	517,579,969	518,411,969	522,202,969
Silver "	477,102,000	465,265,000	466,150,000	471,735,000
Treasury notes of 1890	11,019,000	9,413,000	9,165,000	8,984,000
Total certificates and notes	$1,012,805,969	$992,257,969	$993,726,969	$1,002,921,969
Aggregate debt	2,294,947,979	2,274,615,063	2,275,641,700	2,286,043,908
Cash in the Treasury:				
Total cash assets	1,402,124,509	1,365,467,439	1,364,449,019	1,375,240,443
Demand liabilities	1,105,531,820	1,072,977,116	1,084,583,288	1,097,643,099
Balance	$296,592,689	$292,490,322	$279,865,730	$277,597,344
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	146,592,689	142,490,332	129,865,730	127,597,344
Total	$296,592,689	$292,490,332	$279,865,730	$277,597,344
Total debt, less cash in the Treasury	985,549,821	989,866,762	1,002,049,001	1,005,524,595

UNITED STATES FOREIGN TRADE.—The exports of merchandise in July aggregated nearly $108,000,000, an increase over July, 1904, of $22,000,000. Imports were nearly $84,000,000, an increase of $12,000,000. The net exports

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF JULY.	MERCHANDISE.						
	Exports.	*Imports.*	*Balance.*		*Gold Balance.*		*Silver Balance.*
1900	$100,452,807	$63,659,692	Exp., $36,793,115	Imp.,	$7,990,593	Exp.,	$1 569,565
1901	109,452,510	73,082,435	" 36,370,075	"	1,200,993	"	1,276,674
1902	88,790,627	79,147,874	" 9,642,753	Exp.,	6,289,918	"	1,395,334
1903	91,813,265	82,187,823	" 9,625,442	"	4,486,551	"	426,209
1904	85,223,479	71,193,943	" 14,029,536	Imp.,	7,842,169	"	3,153,497
1905	107,934,424	83,856,714	" 24,077,710	"	3,788,844	"	1,333,411
SEVEN MONTHS.							
1900	812,486,551	503,078,345	Exp., 309,408,206	Exp.	5,824,212	Exp.,	13,090,963
1901	831,305,132	506,523,539	" 324,781,593	"	12,362,263	"	14,575,410
1902	726,986,790	535,490,016	" 191,496,774	"	13,378,811	"	11,702,630
1903	789,465,174	594,932,332	" 194,532,842	"	21,846,738	"	7,950,254
1904	758,949,576	579,531,496	" 179,418,080	"	12,843,498	"	15,745,596
1905	848,903,447	673,798,148	" 175,105,299	"	19,433,293	"	11,241,254

were $24,000,000 the largest reported for July since 1901. The export movement this year is conforming pretty closely to the movement of 1901 in which year the monthly exports at no time fell below $100,000,000. So far this year the lowest month's record has been $106,000,000 in February, and not since August, 1904, has the amount fallen below $100,000,000. July was the low month for exports in 1902 and 1904, when they fell to $88,000,000 and $85,000,000 respectively. In 1903 August was the low month with $89,000,000. There were net imports of gold in July of nearly $3,800,000.

MONEY IN CIRCULATION IN THE UNITED STATES.—Nearly $17,000,000 was added to the volume of money in circulation last month, causing an increase in the circulation per capita from $31.29 to $31.40. Silver dollars increased $2,000,000, silver certificates $6,000,000, subsidiary silver $1,400,000, United States notes $2,000,000 and National bank notes $5,000,000.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1905.	*July 1, 1905.*	*Aug. 1, 1905.*	*Sept 1, 1905.*
Gold coin	$649,548,528	$655,976,787	$650,616,580	$653,003,548
Silver dollars	80,089,895	73,680,659	73,586,898	75,581,915
Subsidiary silver	102,891,327	100,748,873	101,437,759	102,820,021
Gold certificates	466,739,689	487,661,449	493,437,879	491,835,239
Silver certificates	468,017,227	456,142,715	458,518,951	464,389,041
Treasury notes, Act July 14, 1890	10,940,054	9,842,341	9,123,575	8,920,258
United States notes	342,287,627	332,601,811	331,431,775	333,589,111
National bank notes	449,157,278	480,472,336	486,784,884	492,119,926
Total	$2,569,621,125	$2,596,716,471	$2,604,902,301	$2,621,659,054
Population of United States	82,562,000	83,259,000	83,259,000	83,493,000
Circulation per capita	$31.12	$31.19	$31.29	$31.40

SUPPLY OF MONEY IN THE UNITED STATES.—The stock of money in the country increased $19,600,000 in August, nearly $11,400,000 being gold and $8,200,000 National bank notes. The stock of silver dollars now remains stationary at $568,204,217 and legal tender notes at $346,681,016.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1905.	*July 1, 1905.*	*Aug. 1, 1905.*	*Sept. 1, 1905.*
Gold coin and bullion	$1,345,952,535	$1,360,273,787	$1,368,427,343	$1,379,804,814
Silver dollars	567,795,889	568,204,217	568,204,217	568,204,217
Silver bullion	1,708,079	....	....	....
Subsidiary silver	112,171,494	114,200,403	114,507,936	114,484,171
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	464,794,156	495,719,806	503,971,395	512,220,367
Total	$2,839,103,169	$2,885,079,229	$2,901,791,907	$2,921,394,085

MONEY IN THE UNITED STATES TREASURY.—Although there was a deficit of nearly $5,000,000 reported by the Treasurer for July, the actual net cash on hand increased nearly $3,000,000. The Treasury gained about $11,000,000 net gold and nearly $3,000,000 National bank notes. It lost $9,000,000 silver and $2,000,000 United States notes.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1905.	*July 1, 1905.*	*Aug. 1, 1905.*	*Sept. 1, 1905.*
Gold coin and bullion	$696,404,007	$704,297,000	$717,810,763	$726,800,766
Silver dollars	487,756,494	494,523,558	494,617,819	492,622,302
Silver bullion	1,708,079	....	....	....
Subsidiary silver	9,280,167	13,451,530	13,070,177	11,664,150
United States notes	4,393,389	13,989,705	15,249,241	18,141,905
National bank notes	15,636,878	15,247,470	17,222,511	20,100,441
Total	$1,215,179,014	$1,241,509,263	$1,257,970,011	$1,264,329,564
Certificates and Treasury notes, 1890, outstanding	945,696,970	953,146,505	961,080,405	964,594,533
Net cash in Treasury	$269,482,044	$288,362,758	$296,889,606	$299,735,031

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 lowest during the year 1905, by dates, and also, for comparison, the range of prices in 1904:

	Year 1904.		Highest and Lowest in 1905.		August, 1905.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	89¼	64	93⅝—Mar. 9	77⅝—May 22	91⅝	86¼	90½
" preferred	104⅛	87⅝	105⅝—Aug. 31	99 —Jan. 25	105⅝	102½	105¼
Baltimore & Ohio	105¼	72⅞	117 —Aug. 14	100⅛—Jan. 25	117	111⅞	112
Baltimore & Ohio, pref	96½	87⅝	100 —Aug. 10	95¾—Jan. 12	100	97	98
Brooklyn Rapid Transit	70½	38	73½—July 13	56⅞—May 23	71⅝	68⅜	69
Canadian Pacific	135¾	109½	165⅝—Aug. 10	130¾—Jan. 25	165⅝	154½	163¼
Canada Southern	72	64	74⅞—Aug. 14	67½—Jan. 11	74⅞	69¾	71
Central of New Jersey	194¾	154½	220 —Aug. 10	190 —May 23	220	202½	216
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	58¾	54	55
Chicago & Alton	47¼	33	44½—Mar. 15	31 —May 22	42⅜	35½	40
" preferred	85¼	75	83¾—Apr. 7	77¼—June 26	81¾	80¾	81
Chicago, Great Western	26¼	12⅞	25½—Mar. 16	17½—May 22	22¾	20	21¼
Chic., Milwaukee & St. Paul	177⅝	137⅛	187½—Apr. 17	168⅛—May 4	187	179	179⅜
" preferred	185⅞	173	192½—Apr. 17	182½—Jan. 13	191½	186	188¾
Chicago & Northwestern	214½	161½	249 —Jan. 31	190⅛—June 9	224¾	212	217½
" preferred	237	207	265½—Feb. 1	234 —Jan. 13	249	240	245
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾—Jan. 5	19¼	17	19½
" preferred	27¾	11½	42½—July 5	17½—Jan. 4	41⅝	37⅛	40⅞
Clev., Cin., Chic. & St. Louis	93⅜	68½	111 —Mar. 21	90 —Jan. 14	104½	97	100⅞
Col. Fuel & Iron Co	58⅜	25½	59 —Mar. 24	38 —May 22	47¾	44¼	44½
Colorado Southern	24⅜	13½	30½—Apr. 26	22¼—Jan. 20	29¾	27¾	28
" 1st preferred	63	48	64½—Feb. 10	52 —May 23	64	61½	61½
" 2d preferred	37½	17⅞	44¾—Aug. 29	32½—May 23	44¾	39⅜	42½
Consolidated Gas Co	220	185	214 —Mar. 13	184½—May 15	193	185	185
Delaware & Hud. Canal Co	190½	149	225 —Aug. 22	178½—May 22	225	193	216½
Delaware, Lack. & Western	359¾	250½	470 —Aug. 11	335 —Jan. 25	470	424½	455
Denver & Rio Grande	35⅞	18	36½—Mar. 14	27¼—June 8	36½	31¾	35½
" preferred	89	64½	91 —Mar. 15	83¼—May 1	90	86¼	88⅜
Detroit Southern tr. ctfs	14¾	1½	11½—July 1	8 —June 20	10½	9½	10
" preferred tr. ctfs	33½	2¾	42 —June 16	39 —July 22	42	41	41⅞
Duluth So. S. & Atl., pref	28½	9¼	37 —Jan. 21	21 —May 22	36¼	30½	33¼
Erie	41⅝	21½	52¾—Aug. 29	37½—May 22	52¾	45⅞	51
" 1st pref	77	55⅝	85½—Aug. 15	74⅞—May 22	85½	83	83¼
" 2d pref	58½	33	78⅜—Aug. 24	55½—Jan. 3	78⅜	73¾	77
Evansville & Terre Haute	83	54	75 —Aug. 11	63 —July 6	75	65	74
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	249	245	249
" American	219	180	246 —Feb. 27	209½—Jan. 4	235	230	230
" United States	126	100	134 —Feb. 8	120 —Jan. 9	126	125	126
" Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	245	239¾	240
Hocking Valley	94	60	99 —Mar. 11	86⅝—Jan. 18	94	92	92½
" preferred	95	77	96⅞—Mar. 13	90 —Jan. 18	94¼	91½	93⅜
Illinois Central	159	125¾	180¾—Aug. 10	152¾—Jan. 25	180¾	170¼	176½
Iowa Central	33	14	32 —Feb. 3	24 —May 24	29⅝	27⅝	29
" preferred	59¾	32	58½—Aug. 14	50 —May 10	58½	53	57½
Kansas City Southern	31⅞	16½	34 —Feb. 14	22½—May 22	28½	27	27
" preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	60¼	57	56¾
Kans. City Ft. S. & Mem. pref	83½	64½	85¾—Aug. 30	81⅝—June 19	85¼	82¼	85
Louisville & Nashville	148¾	101	156¼—Apr. 26	134½—Jan. 25	152⅞	145	148¾
Manhattan consol	169½	139¾	175 —Feb. 9	161 —May 1	167¾	165½	165½
Metropolitan securities	96½	72¼	91 —Mar. 17	73 —Jan. 9	85⅝	81½	82¾
Metropolitan Street	130⅝	104¾	133 —Aug. 28	114 —May 11	133	126⅞	129
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	25	22	23½
Minneapolis & St. Louis	67¾	40	70½—Aug. 24	56½—Jan. 12	70½	68	70
" preferred	96½	80	100 —Aug. 24	86 —Jan. 19	100	92½	100
Minn., S. P. & S. S. Marie	95	55	143½—Aug. 17	89½—Jan. 11	143½	128½	134¼
" preferred	150	116	169¼—Mar. 29	148 —Jan. 13	166¾	162¼	166
Missouri, Kan. & Tex	36⅜	14⅝	35 —Aug. 30	24 —May 22	35	28½	33¾
" preferred	65¼	32¼	73 —Aug. 25	56¼—May 23	73	63⅝	71½
Missouri Pacific	111½	87	110⅞—Mar. 13	94½—May 22	109⅝	99½	105¼
Natl. of Mexico, pref	45½	34¾	45 —Jan. 16	33½—May 8	39¾	37½	38
" 2d preferred	25½	15⅞	24½—Jan. 10	17¾—June 20	21½	20½	21
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	156½	146½	149⅞
N. Y., Chicago & St. Louis	47	25	55¼—Apr. 8	42 —Jan. 20	54½	51	51
" 2d preferred	78	60	85 —Apr. 7	74 —May 4	84	80	80½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1904.		Highest and Lowest in 1905.		August, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	47⅞	19⅝	64 —Mar. 30	40⅝—Jan. 5	58	52½	54¼
Norfolk & Western............	80¾	53½	88½—Mar. 11	76 —May 10	87	84⅝	84¾
" preferred............	95	88	96 —Aug. 11	91⅛—Feb. 24	96	92¼	92¼
North American Co...........	107	80	107 —Apr. 17	97⅛—May 22	108	99	99
Pacific Mail....................	55	24	49¼—Jan. 4	33 —May 22	48¼	42½	45
Pennsylvania R. R............	140	111⅛	148 —Aug. 24	131⅛—May 22	148	142⅛	143⅝
People's Gas & Coke of Chic.	112⅛	92¾	115⅛—Apr. 3	97¼—May 15	107⅛	103¼	103⅛
Pullman Palace Car Co.......	244	209	258 —Aug. 14	230 —May 31	258	240	248
Reading........................	82⅝	38¾	125¾—Aug. 24	79 —Jan. 13	125¾	103⅛	116¼
" 1st prefered..........	92	76	95⅝—Aug. 22	90 —May 22	95⅝	92⅛	92⅛
" 2d preferred..........	85	55¼	96 —July 6	84 —Jan. 5	96	91⅛	96
Rock Island....................	37¾	19⅛	37⅞—Jan. 18	24¾—May 22	35⅞	30¾	32½
" preferred............	86⅜	57¾	85 —Jan. 4	71⅛—May 22	81⅛	76	78⅝
St. L. & San Fran. 2d pref....	72⅛	39¼	73⅛—Mar. 6	61 —May 26	71¾	68¼	68½
St. Louis & Southwestern....	29	9½	27½—Jan. 20	20 —May 22	27⅝	23⅝	25½
" preferred............	60¾	25⅜	66⅜—Apr. 18	55½—May 1	64¾	60	62
Southern Pacific Co...........	68¾	41½	72⅜—Feb. 27	57¾—May 4	68½	64¼	66
Southern Railway.............	37½	18¼	36⅞—Aug. 24	28 —May 22	36⅞	33⅝	35
" preferred............	97⅛	77½	100⅛—Aug. 25	95 —May 1	100⅛	98⅝	99¾
Tennessee Coal & Iron Co....	77½	31⅝	106⅛—Apr. 4	68 —Jan. 25	91⅞	86½	87¾
Texas & Pacific................	38½	20	41 —Mar. 18	29¾—Apr. 29	37⅝	33¼	36¼
Toledo, St. Louis & Western..	38	21½	43¾—Apr. 6	34⅛—May 22	38⅝	37⅛	37¾
" preferred............	57¼	32	65 —Apr. 12	51¾—Jan. 25	59⅝	57	58½
Union Pacific..................	117	71	138⅝—Aug. 24	113 —Jan. 6	138⅝	129½	131¾
" preferred............	98	86½	101⅝—Feb. 21	96 —May 11	99	98⅝	98½
Wabash R. R..................	25	15	23⅝—Feb. 3	17½—May 23	23	19	21½
" preferred............	48⅛	32¾	48 —Feb. 23	37 —May 23	44½	40	43
Western Union.................	94½	85	95⅛—June 18	92 —Jan. 17	94⅝	93¼	93⅞
Wheeling & Lake Erie.........	22⅝	14½	19¾—Mar. 13	15 —May 1	18½	17	17½
" second preferred....	32	21⅛	28½—Mar. 13	20 —May 4	25½	22	25½
Wisconsin Central.............	25	16	33½—Aug. 21	20 —Apr. 29	33½	23½	29½
" preferred............	49⅝	37	62¾—Aug. 22	45 —Jan. 13	62¾	51⅛	57⅝
"INDUSTRIAL"							
Amalgamated Copper........	82¾	43⅛	89¾—Apr. 14	70 —Jan. 25	88¾	83⅝	83½
American Car & Foundry....	35½	14¾	43⅝—Apr. 14	31 —May 21	38¾	36¼	36¾
" pref..................	94¾	67	104½—Apr. 6	91¼—Jan. 25	102	99¼	100¾
American Co. Oil Co..........	37⅞	24¼	38 —Apr. 3	27¾—July 19	30½	29¼	30
American Ice	9¾	6	7¼—Feb. 1	4⅞—Apr. 29	....	....	....
American Locomotive........	36⅜	16⅛	61¼—Apr. 18	33 —Jan. 25	56¼	47⅞	50½
" preferred............	105	75⅛	122¾—Apr. 15	103¾—Jan. 5	119¼	111½	112¾
Am. Smelting & Refining Co.	82⅛	46	131⅞—Aug. 24	79¾—Jan. 9	131⅞	123¾	126¼
" preferred............	115	88¾	128 —Aug. 23	111¼—Jan. 13	128	121¼	124
Am. Steel & Foundries........	15¼	3½	18⅝—Mar. 20	6⅞—July 27	10½	9¼	9¼
" pref..................	57¼	26	67½—Apr. 4	35⅛—June 14	41⅞	38½	39½
American Sugar Ref. Co......	153	122¼	149¾—Mar. 2	130 —May 22	146	141¼	142⅝
Anaconda Copper Mining....	120⅞	61	130 —Apr. 18	100½—May 22	118½	113	113
Continental Tobacco Co. pref.	131	101½	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products.................	26¼	9¾	22¾—Feb. 7	8¾—June 8	11⅝	9	10¼
" preferred............	82¼	65	79 —Jan. 10	40 —Aug. 9	51	40	49
Distillers securities............	40½	19½	47½—Apr. 6	34⅞—Jan. 25	44	42	42
General Electric Co...........	194½	151	192 —Mar. 16	169 —May 20	186	178	180
International Paper Co......	25⅝	10¼	25½—Mar. 11	18⅛—June 16	22½	19½	20½
" preferred............	79⅞	64⅛	82¼—Apr. 6	76 —Feb. 6	80½	78¾	80
National Biscuit..............	59½	36	66⅜—Apr. 3	52 —Aug. 16	60	52	54¾
National Lead Co.............	26¼	14½	51¾—Apr. 7	24½—Jan. 5	49½	43¼	45½
Pressed Steel Car Co..........	44½	24¼	47¾—Aug. 18	34 —May 23	47¾	42	44
" preferred............	92	67	99½—Apr. 14	87 —Feb. 16	97¾	95	96
Republic Iron & Steel Co.....	18¼	6	24⅞—Apr. 3	15 —Jan. 23	22⅝	20¼	21
" preferred............	73½	37	90 —Aug. 28	67 —Jan. 23	90	83	88¾
Rubber Goods Mfg. Co........	29⅞	14¾	38 —May 15	24¼—Mar. 7	35¼	34½	34½
" preferred............	98	74¾	109⅛—Apr. 1	94 —Jan. 25	105½	105	105½
U. S. Leather Co..............	20¾	6½	14⅝—Jan. 16	10⅞—May 23	13⅝	13	13
" preferred............	106½	75⅝	111⅞—June 22	100¾—Jan. 31	111	110¼	110¾
U. S. Rubber Co..............	34½	10½	55 —Aug. 15	33¾—Jan. 8	55	51	51
" preferred............	100	41	118½—Apr. 7	98⅝—Jan. 6	111½	109	109
U. S. Steel.....................	33½	8⅜	38¼—Apr. 7	24⅞—May 22	37⅞	34¾	36⅝
" pref.....................	95⅝	51¼	105¾—Aug. 24	90¾—May 22	105¾	103⅛	103⅛

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.*
Ann Arbor 1st g 4's 1995	7,000,000	Q J	99⅜	Aug.25,'05	99½	99⅜	26,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's. 1995	148,155,000	A & O	104½	Aug.30,'05	104⅝	103¾	393,000
〃 registered	....	A & O	103	July 27,'05	....	....	....
〃 adjustment, g. 4's 1995	25,616,000	NOV	99	Aug.24,'05	99	97	21,000
〃 registered	....	NOV	94½	Feb. 9,'05	....	....	....
〃 stamped 1995	26,112,000	M & N	96½	Aug.31,'05	97	95	204,000
〃 serial debenture 4's—							
〃 series D 1906	2,500,000	F & A	99	Aug.15,'04	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series E 1907	2,500,000	F & A	99⅝	May 2,'05	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series F 1908	2,500,000	F & A	99½	Nov. 3,'04	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series G 1909	2,500,000	F & A	99⅝	June17,'05	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series H 1910	2,500,000	F & A	99½	Jan. 10,'05	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series I 1911	2,500,000	F & A	98½	Nov. 23,'04	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series J 1912	2,500,000	F & A	....	....	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series K 1913	2,500,000	F & A	97	Oct. 26,'04	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 series L 1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
〃 registered	....	F & A	....	....	....	....	....
〃 East.Okla.div.1stg.4's.1928	6,128,000	M & S	101½	July 8,'05	....	....	....
〃 〃 registered	....	M & S	....	....	....	....	....
〃 Chic. & St. L. 1st 6's ... 1915	1,500,000	M & S	....	....	....	....	....
Atlan.Coast LineR.R.Co.1stg.4's.1952	42,638,000	M & S	103¾	Aug.31,'05	103¾	102¾	186,000
〃 registered		M & S	92	Feb. 15,'04	....	....	....
Charleston& Savannah 1st g.7's.1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g.6's.1934	4,056,000	A & O	125⅛	Nov. 30,'03	....	....	....
〃 1st g. 5's 1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's.1928	2,800,000	M & N	114¼	Oct. 18,'04	....	....	....
Brunswick & W'n 1st gtd.g.4's.1938	3,000,000	J & J	93	July 14,'04	....	....	....
Sil.SpsOc.& G.RR.&ldg.gtdg.4s.1918	1,067,000	J & J	97¾	Oct. 5,'04	....	....	....
Balt. & Ohio prior lien g. 3½s .. 1925	72,798,000	J & J	95¾	Aug.30,'05	95¾	95¼	176,000
〃 registered		J & J	96	Nov. 7,'04	....	....	....
〃 g. 4s 1948	70,963,000	A & O	105½	Aug.30,'05	106	105¼	222,000
〃 g. 4s. registered		A & O	105	Aug.24,'05	105	105	1,000
〃 ten year c. deb. g. 4's .. 1911	404,000	M & S	114	July 7,'05	....	....	....
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	92½	Aug.24,'05	92½	91¾	3,500
〃 registered		QFeb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s 1941	29,347,000	M & N	100½	Aug.31,'05	100½	99⅞	366,000
〃 Southw'n div. 1st g.3½s.1925	43,590,000	J & J	92½	Aug.31,'05	93	92	135,000
〃 registered		Q J	92⅛	June23,'05	....	....	....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	108½	July 13,'05	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	1,009,000	M & S	109	Apr. 25,'05	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's .. 1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g.4's ... 1917	633,000	J & J	100	June23,'05	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's ... 1937	4,427,000	M & S	123	July 18,'05	....	....	....
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's 1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's .. 1921	1,300,000	F & A	124	Aug. 9,'05	124	124	2,000
〃 cons. 1st 6's, ... 1922	3,920,000	J & D	126½	Aug.18,'05	126½	126½	3,000
Buff. & Susq. 1st refundg g. 4's .. 1951	4,305,000	J & J	100	Aug.26,'05	100	98⅝	89,000
registered		J & J	....	....	....	....	....

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Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	102¾	Aug.31,'05	103⅛	102¼	22,000
" 2d mortg. 5's..........1913	6,000,000	M & S	109	Aug.25,'05	109	108¼	14,000
" registered..............		M & S	106	Apr. 19,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.1948	2,500,000	J & D	94	Jan. 4,'05	....	....	....
Central R'y of Georgia, 1st g. 5's.1945	7,000,000	F & A	119½	June 8,'05	....	....	....
" registered $1,000 & $5,000		F & A	....	....	....	....	....
" con. g. 5's..........1945	16,700,000	M & N	115	Aug.30,'05	115	114	47,000
" con. g. 5's, reg. $1,000 & $5,000		M & N	107	June14,'04	....	....	....
" 1st. pref. inc. g. 5's.....1945	4,000,000	OCT 1	98	Aug.30,'05	99	97	124,000
" 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	85⅝	Aug.30,'05	87½	85½	732,000
" 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	79	Aug.30,'05	80	77¼	585,000
" Chat. div. pur. my. g. 4's.1951	2,057,000	J & D	93¾	July 12,'05	....	....	....
" Macon & Nor. Div. 1st g. 5's..........1946	840,000	J & J	104	Feb. 19,'04	....	....	....
" Mid. Ga. & Atl. div. g 5s.1947	413,000	J & J	110¾	Aug. 1,'05	110¾	110¾	1,000
" Mobile div. 1st g. 5's....1946	1,000,000	J & J	115½	Aug. 3,'05	115½	115½	5,000
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1937	4,880,000	M & N	108¾	Aug. 4,'05	108¾	108¾	1,000
Central of New Jersey, gen. g. 5's..........1987	45,091,000	J & J	134¼	Aug.17,'05	134¼	134	9,000
" registered..............		Q J	133⅞	Aug.14,'05	133⅞	133⅞	1,500
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	113	Aug.18,'05	113	112½	3,000
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	....	....	....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	104½	Mar. 17,'05	....	....	....
" con. extended gtd. 4½'s.1910	12,175,000	Q M	102	Aug.21,'05	102	101¾	21,000
N.Y. & Long Branch gen. g. 4's.1941	1,500,000	M & S	....	....	....	....	....
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	106	May 16,'05	....	....	....
" Mortgage gold 6's......1911	2,000,000	A & O	109½	July 31,'05	....	....	....
" 1st con. g. 5's..........1939	25,858,000	M & N	118⅝	Aug.24,'05	119⅝	118⅝	30,000
" registered..............		M & N	116¼	May 18,'05	....	....	....
" Gen. m. g. 4½'s..........1992	39,574,000	M & S	111	Aug.30,'05	111	109¾	117,000
" registered..............		M & S	107½	June27,'05	....	....	....
" Craig Val. 1st g. 5's.....1940	650,000	J & J	113	Mar. 8,'05	....	....	....
" (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	101½	Aug.22,'05	101½	101½	2,000
" 2d con. g. 4's..........1989	1,000,000	J & J	98	July 26,'05	....	....	....
" Warm S. Val. 1st g. 5's, 1941	400,000	M & S	113¼	Feb. 17,'05	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	95½	Sept.30,'04	....	....	....
Chic. & Alton R. R. ref. g. 3's.... 1949	31,988,000	A & O	85	Aug.21,'05	85	84¾	12,000
" " registered.....		A & O	....	....	....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.1950	22,000,000	J & J	83¼	Aug.31,'05	83½	80	355,000
" registered..............		J & J	80¼	Mar. 4,'05	....	....	....
Chicago, Burl. & Quincy:							
" Denver div. 4's..........1922	4,583,000	F & A	100¾	Aug.12,'05	100¾	100¾	1,000
" Illinois div. 3½s........1949	50,835,000	J & J	96⅛	Aug.30,'05	96¼	95¾	35,000
" registered..............		J & J	96⅛	Feb. 24,'05	....	....	....
" Illinois div. 4s..........1949	10,306,000	J & J	105¾	Aug. 3,'04	....	....	....
" registered..............	....	J & J	....	....	....	....	....
" (Iowa div.) sink. f'd 5's, 1919	2,388,000	A & O	110¼	Jan. 5,'05	....	....	....
" 4's..........1919	7,882,000	A & O	102⅝	Aug.12,'05	102⅝	102⅝	1,000
" Nebraska extensi'n 4's, 1927	25,071,000	M & N	107	July 25,'05	....	....	....
" registered..............		M & N	106¼	June16,'05	....	....	....
" Southwestern div. 4's..1921	2,500,000	M & S	100	Apr. 10,'05	....	....	....
" 4's joint bonds..........1921	215,223,000	J & J	101¾	Aug.31,'05	101⅞	101⅛	1,617,000
" " registered.........		Q JAN	101⅜	Aug.16,'05	101⅜	101	38,000
" 5's, debentures..........1913	9,000,000	M & N	107¼	Aug.22,'05	107¼	107	20,000
Han. & St. Jos. con. 6's..........1911	8,000,000	M & S	114	Aug.21,'05	114	114	7,000
Chicago & E. Ill. 1st s. f'd c'y. 6's.1907	2,989,000	J & D	105⅝	Aug.28,'05	105⅝	105⅝	1,000
" small bonds..............		J & D	103½	July 8,'04	....	....	....
" 1st con. 6's, gold......1934	2,653,000	A & O	133½	July 21,'05	....	....	....
" gen. con. 1st 5's.......1937	16,529,000	M & N	122	Aug. 9,'05	122	122	2,000
" registered..............		M & N	119½	Mar. 2,'05	....	....	....
Chicago & Ind. Coal 1st 5's....1936	4,626,000	J & J	118⅞	Aug.28,'05	118⅞	118⅞	1,000
Chicago, Indianapolis & Louisville.							
" refunding g. 6's..........1947	4,700,000	J & J	134	July 7,'05	....	....	....
" ref. g. 5's..........1947	4,742,000	J & J	112	July 18,'05	....	....	....
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	110⅛	Aug. 4,'05	110⅛	110⅛	10,000
Chicago, Milwaukee & St. Paul.							
Chic. Mil. & St. Paul term. g 5's.1914	4,748,000	J & J	111½	June29,'05	....	....	....
" gen. g. 4's, series A....1989	23,676,000	J & J	111	Aug 4,'05	111	111	10,000
" registered..............	....	Q J	109½	June18,'04	....	....	....

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• gen. g. 3½'s, series B.	1989	2,500,000	J & J	97	Aug.12,'05	97	97	21,000
• registered			J & J	....	....	....	....	....
• Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116¾	Apr. 6,'05	....	....	....
• Chic. & M. R. div. 5's,	1926	3,083,000	J & J	119⅝	May 20,'05	....	....	....
• Chic. & Pac. div. 6's,	1910	3,000,000	J & J	111⅛	June15,'05	....	....	....
• 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	115⅛	Aug. 3,'05	116	115¼	3,000
• Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	112	Mar. 7,'05	....	....	....
• Far. & So. g. 6's assu...	1924	1,250,000	J & J	137⅛	July 18,'98	....	....	....
• 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	115⅝	May 17,'05	....	....	....
• 1st 5's	1910	990,000	J & J	106	Aug. 3,'04	....	....	....
• 1st 7's, Iowa & D. ex.	1908	831,000	J & J	135	Apr. 26,'05	....	....	....
• 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	115⅛	May 8,'05	....	....	....
• Mineral Point div. 5's,	1910	2,840,000	J & J	106⅝	Apr. 3,'05	....	....	....
• 1st So. Min. div. 6's...	1910	7,432,000	J & J	109	July 25,'05	....	....	....
• 1st 6's, Southw'n div.,	1909	4,000,000	J & J	108⅛	July 11,'05	....	....	....
• Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	116⅛	June 9,'05	....	....	....
• Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	112⅛	Apr. 17,'05	....	....	....
• 1st con. 6's	1913	5,092,000	J & D	116⅛	Jan. 5,'05	....	....	....
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	127	Aug.19,'05	127	127	1,000
• extension 4's.....	1886–1926	18,632,000	F A 15	105¾	July 18,'05	....	....	....
• registered			F A 15	102⅝	May 11,'04	....	....	....
• gen. g. 3½'s	1987	20,538,000	M & N	101⅛	Aug.21,'05	101⅛	101⅜	7,000
• registered			Q F	103	Nov.19,'98	....	....	....
• sinking fund 6's..	1879–1929	5,686,000	A & O	118	June13,'05	....	....	....
• registered			A & O	117	Feb. 15,'05	....	....	....
• sinking fund 5s'..	1879–1929	6,769,000	A & O	110⅛	Apr. 3,'05	....	....	....
• registered			A & O	111	July 25,'05	....	....	....
• deben. 5's	1909	5,900,000	M & N	104⅞	July 18,'05	....	....	....
• registered			M & N	104	Mar. 3,'04	....	....	....
• deben. 5's	1921	10,000,000	A & O	113¼	July 20,'05	....	....	....
• registered			A & O	108¾	Jan. 12,'04	....	....	....
• sinking f'd deben. 5's.	1933	9,800,000	M & N	117	May 16,'05	....	....	....
• registered			M & N	115⅛	Apr. 28,'05	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Milwaukee & Madison 1st 6's...	1905	1,600,000	M & S	104⅛	Mar. 16,'02	....	....	....
Northern Illinois 1st 5's........	1910	1,500,000	M & S	105⅛	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105	May 29,'05	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	110¼	Mar. 28,'05	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	127⅞	June14,'05	....	....	....
• ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	119¼	Nov.15,'04	....	....	....
• Ashland div. 1st g. 6's	1925	1,000,000	M & S	142⅛	Feb. 10,'02	....	....	....
• Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131⅛	Jan. 5,'05	....	....	....
• con. deb. 5's	1907	436,000	F & A	108	Apr. 8,'04	....	....	....
• incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	121¾	Aug.30,'05	121¾	121¾	10,000
• registered	1917		J & J	123	May 22,'05	....	....	....
• gen. g. 4's	1988	61,581,000	J & J	106	Aug.31,'05	106	105¼	56,000
• registered			J & J	107	Jan. 16,'03	....	....	....
• refunding 4s	1934	32,558,000	A & O	98¼	Aug.31,'05	98½	97	413,000
• registered			A & O	98¼	Aug.29,'05	98¼	98¼	5,000
• coll. tr. ser. 4's.								
• D	1906	1,494,000	M & N	....	....	....	....	....
• E	1907	1,494,000	M & N	....	....	....	....	....
• F	1908	1,494,000	M & N	....	....	....	....	....
• G	1909	1,494,000	M & N	....	....	....	....	....
• H	1910	1,494,000	M & N	97	July14,'04	....	....	....
• I	1911	1,494,000	M & N	97⅛	May 26,'05	....	....	....
• J	1912	1,494,000	M & N	....	....	....	....	....
• K	1913	1,494,000	M & N	....	....	....	....	....
• L	1914	1,494,000	M & N	96¼	May 26,'05	....	....	....
• M	1915	1,494,000	M & N	95	July 25,'05	....	....	....
• N	1916	1,494,000	M & N	93	May 24 '04	....	....	....
• O	1917	1,494,000	M & N	96⅛	Aug.22,'05	96⅛	96½	1,000
• P	1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,929,000	M & N	84	Aug.31,'05	84⅛	82⅛	3,568,000
• registered			M & N	76⅛	Sept.14,'04	....	....	....
• coll. trust g. 5's	1913	17,328,000	M & S	96¾	Aug.31,'05	97	94⅛	500,000
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	101⅞	Aug.30,'05	102	101⅛	19,000
• con. 1st & col. tst 5's.	1934	11,000,000	A & O	120	Aug.18,'05	120	119⅛	4,000
• registered			A & O	120⅛	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	112⅛	Sept.26,'04	....	....	....
Minneap's & St. Louis 1st 7's. g,	1927	150,000	J & D	40	Aug.24,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	108	Aug. 9,'05	108	108	1,000
• con. g. 5's	1952	5,411,000	J & J	115	Apr. 20,'05	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	110	July 12,'05	....	....	....
• small bond	1923	....	A & O	102⅛	Apr. 26,'04	....	....	....

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Chic., St.P., Minn. & Oma. con. 6's	1930	14,743,000	J & D	137⅛	Aug. 29,'05	137⅛	137⅛	3,000
" con. 6's reduced to 3½'s	1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,816,000	M & N	135⅞	Apr. 24,'05	....	....	....
North Wisconsin 1st mort. 6's	1930	654,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	125⅛	Aug. 9,'05	125⅛	125⅛	3,000
Chic., Term. Trans. R. R. g. 4's	1947	15,185,000	J & J	96¼	July 26,'05	....	....	....
" coupons off				95	Aug. 30,'05	95	94⅛	19,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,250,000	Q M	115	July 31,'05	....	....	....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	104⅛	Dec. 5,'03	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	116	May 9,'05	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's	1923	1,150,000	M & N	....	....	....	....	....
Cin. Ind. & Wn. 1st & ref. gtd g. 4's	1953	4,672,000	J & J	96¾	July 13,'05	....	....	....
Clev., Cin., Chic. & St. L. gen. g. 4's	1993	20,749,000	J & D	103¼	Aug. 29,'05	103¾	103	87,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	100½	July 17,'05	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	100⅝	Mar. 21,'05	....	....	....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	102⅛	Aug. 28,'05	103¼	102⅛	6,000
" registered				100	Oct. 3,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	99¾	Feb. 8,'05	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94⅛	Aug. 31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,599,000	Q F	103	July 7,'05	....	....	....
" registered				101⅛	Aug. 7,'05	101⅛	101⅛	7,000
" con. 6's	1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	112⅝	July 5,'05	....	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	121¾	June 24,'05	....	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	132⅞	Aug. 9,'05	132⅞	132⅞	2,000
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104⅛	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	99¾	Aug. 8,'05	99¾	99¾	2,000
" income 4's	1990	4,000,000	A	75	Aug. 31,'05	76⅛	74	280,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112⅛	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	116⅛	Jan. 23,'05	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	75	Aug. 28,'05	76⅛	75	357,000
Colorado & Southern 1st g. 4's	1929	19,103,000	F & A	94	Aug. 31,'05	94¾	93¾	190,000
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	108	Mar. 15,'05	....	....	....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	126¼	June 29,'05	....	....	....
" 1st c. gtd 7's	1915	11,677,000	J & D	128⅛	July 6,'05	....	....	....
" registered			J & D	127	June 23,'05	....	....	....
" 1st refund. gtd. g. 3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	128⅛	Aug. 24,'05	128⅛	127¾	19,000
" const. 5's	1923	5,000,000	F & A	112⅛	May 9,'05	....	....	....
" terml. imp. 4's	1923	5,000,000	M & N	104	May 10,'05	....	....	....
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	107	Aug. 4,'05	107	107	4,000
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	134	May 2,'04	....	....	....
" reg.	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	103¼	June 8,'05	....	....	....
" 6's	1906	7,000,000	A & O	103⅜	Aug. 31,'05	103⅜	103⅜	1,000
Rens. & Saratoga 1st 7's	1921	2,000,000	M & N	142⅛	Mar. 10,'05	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	101¾	Aug. 29,'05	102⅛	101	81,500
" con. g. 4½'s	1936	6,382,000	J & J	108	Apr. 25,'05	....	....	....
" impt. m. g. 5's	1928	8,318,500	J & D	109¼	Aug. 17,'05	109¼	109¼	5,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	99¾	Aug. 30,'05	100	99¾	37,000
" mge. & col. tr. g. 4's ser. A	1949	13,336,000	A & O	92	Aug. 21,'05	92	91¾	6,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	110	Sept. 30,'04	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	100	Sept. 13,'04	....	....	....
" g. 4s	1995	1,250,000	J & D	95⅛	July 11,'05	....	....	....
Detroit Southern 1st g. 4's	1951	3,866,000	J & D	81¾	Mar. 1,'05	....	....	....
" Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	96¼	Aug. 28,'05	96¼	93¾	72,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	115	July 12,'05	....	....	....
" registered			A & O	101⅛	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's	1937	3,816,000	J & J	113	Aug. 30,'05	113	113	2,000
Duluth Short Line 1st gtd. 5's	1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	120	Aug. 19,'05	120⅛	120	2,000

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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.*
Erie 1st ext. g. 4's	1947	2,482,000	M & N	108¾	July 14,'05	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
" 3d extended g. 4½'s	1923	4,617,000	M & S	110½	June26,'05	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	115¼	Aug.31,'05	115¼	114⅛	2,000
" 5th extended g. 4's	1928	709,500	J & D	103	Feb. 17,'05	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	134⅛	May 22,'05	....	....	....
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	35,000,000	J&J	103⅛	Aug.30,'05	103⅛	101¼	193,000
" registered			J&J	98⅛	Jan. 21.'04	....	....	....
" 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	94	Aug.30,'05	94⅛	93¾	268,000
" registered			J&J	88	Nov.15,'04	....	....	....
" Penn. col. trust g. 4's.	1951	33,000,000	F & A	96¾	Aug.31,'05	97	96	325,000
" 50 yrs. con. g. 4's ser A.	1953	10,000,000	A & O	114¼	Aug.30,'05	114¼	107⅛	2,501,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	126⅛	Mar. 13,'05	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	110	Mar. 3,'05	....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	123¾	Aug.10,'05	123¾	123	12,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	104	July 31,'05	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134⅛	June12,'05	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	116	June 9,'05	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	117	July 20,'05	....	....	....
" small				117	July 20,'05	....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¼	June15,'05	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	116	Apr. 1,'05	....	....	....
" 2d g. 4½'s	1937	447,000	F & A	101	Aug.15,'05	101	101	1,000
" gen. g. 5's	1940	2,546,000	F & A	107¾	Aug.28,'05	107¾	106¾	4,000
" term. 1st g. 5's	1943	2,000,000	M & N	117⅛	Jan. 19,'05	....	....	....
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109⅞	Jan. 5,'05	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Apr. 19,'05	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	121	Aug.28,'05	121	120⅛	2,000
" 1st General g 5's	1942	2,672,000	A & O	111⅛	Aug.19,'05	111⅛	111¼	16,000
" Mount Vernon 1st 6's	1923	375,000	A & O	114	Apr. 19,'05	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
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	......	114	Aug. 1,'05	115	114	16,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	89¼	Aug.10,'05	89¼	89	6,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102⅛	May 19,'05	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,937,000	J & J	102⅞	Aug. 5,'05	102⅞	102⅞	11,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	112	Aug.31,'05	112	112	7,000
" registered			J & J	105⅛	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100⅛	July 13,'05	....	....	....
Colu. & Tol. RR. Co. 1st m. ex. 4's	1955	2,479,000	......	102⅛	Aug.24,'06	102⅛	102⅛	20,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	110¼	June13,'05	....	....	....
" registered			J&J	113⅛	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102½	July 31,'05	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	102¾	Aug.31,'05	102¾	102¾	3,000
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000								
" collat. trust gold 4's	1952	15,000,000	A & O	107¾	Aug.23,'05	107¾	107¾	3,000
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	106¼	Aug.18,'05	106¼	106¼	1,000
" registered			M & N	106⅛	July 11,'05	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106⅛	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....		....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	96	Aug.15,'05	96	96	3,000
" registered			J & J	88⅛	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" Omaha div. 1st g. 3's	1951	5,000,000	F & A	86	Jan. 12,'05	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	84	July 28,'05	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,821,000	J & J	96	Mar. 15,'05	....	....	....
" registered			J & J	101⅛	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	109¼	May 26,'05	....	....	....
" registered			F & A	101⅛	Jan.31,'91	....	....	....
Belleville & Carodt. 1st 6's	1923	470,000	J & D	122	July 7,'04	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	124	June22,'05	....	....	....

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" gold 5's, registered........	16,555,000	J D 15	119¾	Mar. 12,'04	....	....	....
" g. 3½'s..........1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered..........		J D 15	106¼	Aug. 17,'99	....	....	....
" Memph. div. 1st g. 4's, 1951	3,500,000	J & D	110½	Jan. 4,'05	....	....	....
" registered..........		J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's, 1931	538,000	M & S	101½	Mar. 16,'05	....	....	....
Ind., Dec. & West. 1st g. 5's......1935	1,824,000	J & J	106	Mar. 28,'04	....	....	....
" 1st gtd. g. 5's..........1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..1950	4,850,000	J & J	99¾	July 27,'05	....	....	....
Internat. & Gt. N'n 1st. 6's, gold.1919	11,291,000	M & N	120½	Aug. 11,'05	120½	120½	4,000
" 2d g. 5's..........1909	10,391,000	M & S	103	Aug. 23,'05	103	102¾	10,500
" 3d g. 4's..........1921	2,960,500	M & S	81½	Aug. 11,'05	81½	81½	8,000
Iowa Central 1st gold 5's........1938	7,650,000	J & D	113	July 11,'05	....	....	....
" refunding g. 4's ...1951	2,000,000	M & S	87	Aug. 31,'05	87	85	8,000
Kansas City Southern 1st g. 3's..1950	30,000,000	A & O	73	Aug 31,'05	73	72⅝	645,000
" registered..........		A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	118½	Aug. 21,'05	118½	118½	1,000
" 2d mtge. g. 5's..........1941	3,625,000	J & J	114½	Aug. 8,'05	114½	114½	1,000
Northern Ohio 1st gtd g 5's... 1945	2,500,000	A & O	120	Feb. 20,'05	....	....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J&J	110½	Aug. 21,'05	110½	110½	2,000
" registered..........	....	J&J	108½	Aug. 7,'05	108½	108½	10,000
Lehigh Val. (Penn.) g. c. g. 4's..2003	20,100,000	M & N	....	....	....	....	....
" registered..........		M & N	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	119¼	May 18,'05	....	....	....
" registered..........		A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	10,114,000	J & J	115	June 9,'05	....	....	....
" registered..........1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	99	Jan. 3,'05	....	....	....
" registered..........		M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	106½	Nov. 3,'04	....	....	....
" " g. gtd 5's.......1914	1,250,000	A & O	100⅝	June 16,'04	....	....	....
Long Island 1st cons. 5's..........1931	3,610,000	Q J	116	Aug. 23,'05	116	116	1,000
" 1st con. g. 4's..........1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's..........1938	3,000,000	J & D	101½	July 29,'05	....	....	....
" Ferry 1st g. 4½'s.......1922	1,494,000	M & S	105	Jan. 18,'05	....	....	....
" g. 4's..........1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
" unified g. 4's..........1949	6,860,000	M & S	102⅝	Aug. 22,'05	102⅝	102⅝	3,000
" deb. g. 5's..........1934	1,135,000	J & D	110	June 22,'04	....	....	....
" gtd. refunding g. 4's..1949	17,891,000	M & S	103¾	Aug. 9,'05	103¾	102⅞	15,000
" " registered........		M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	....	....	....	....	....
" 1st 5's..........1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's, 1927	883,000	M & S	111½	May 26,'05	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's, 1932	1,425,000	Q JAN	112⅛	July 7,'05	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's.1927	2,724,000	M & S	107	Aug. 24,'05	107	106	61,000
Louis. & Nash. gen. g. 6's.......1930	7,875,000	J & D	120	July 13,'05	....	....	....
" gold 5's..........1937	1,764,000	M & N	118¾	May 23,'05	....	....	....
" Unified gold 4's........1940	34,562,000	J & J	104¾	Aug. 29,'05	104⅞	103⅞	811,000
" registered 1940		J & J	101⅞	June 18,'94	....	....	....
" collateral trust g. 5's, 1931	5,129,000	M & N	114	Apr. 1,'05	....	....	....
" 5-20yr. col. tr. deed g. 4's.1923	23,000,000	A A O	99⅞	Aug. 28,'05	100	99¼	215,000
" E., Hend. & N. 1st 6's..1919	1,675,000	J & D	114¼	June 6,'05	....	....	....
" L. Cin. & Lex. g. 4½'s..1931	3,258,000	M & N	109	Mar. 6,'05	....	....	....
" N.O. & Mobile 1st g. 6's..1930	5,000,000	J & J	130	Aug. 26,'05	130	128½	3,000
" 2d g. 6's..........1930	1,000,000	J & J	128	Aug. 25,'05	128	128	10,000
" Pensacola div. g. 6's...1920	580,000	M & S	114	Apr. 26,'02	....	....	....
" St. Louis div. 1st g. 6's.1921	3,500,000	M & S	121½	May 2,'05	....	....	....
" 2d g. 3's..........1980	3,000,000	M & S	115¼	Mar. 7,'05	....	....	....
" At. Kx. & N. R. 1st g. 5's.1946	1,000,000	J & D	113⅛	Aug. 28,'05	113⅛	113⅛	1,000
" H. B'ge 1st sk'fd. g 6's.1931	1,453,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......1987	6,742,000	J & J	100¾	May 26,'05	....	....	....
" L. & N. & Mob. & Montg 1st. g. 4½s..........1945	4,000,000	M & S	110	Feb. 3,'05	....	....	....
" South. Mon. joint 4's.1952	11,827,000	J & J	97	Aug. 24,'05	97	96½	19,000
" registered..........		Q Jan	95	Feb. 6,'05	....	....	....
" N. Fla. & S. 1st g. g. 5's, 1937	2,096,000	F & A	115	Mar. 3,'05	....	....	....
" Pen. & At. 1st g. g. 6's, 1921	2,394,000	F & A	112½	Mar. 23,'05	....	....	....
" S. & N. A. con. gtd. g. 5's.1936	3,673,000	F & A	116½	Jan. 18,'05	....	....	....
" So. & N. Ala. si'fd. g. 6s.1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.1945	3,000,000	M & S	98⅝	Oct. 26,'04	....	....	....
Manhattan Railway Con. 4's.....1990	28,065,000	A & O	105¾	Aug. 26,'05	105¾	104¼	36,000
" registered..........		A & O	104	Apr. 5,'05	....	....	....
Metropolitan Elevated 1st 6's....1908	10,818,000	J & J	109	June 28,'05	....	....	....
Manitoba Swn. Coloniza'n g. 5's, 1934	2,544,000	J & D	....	....	....	....	....
Mexican Central, con. mtge. 4's.1911	65,690,000	J & J	80	Aug. 31,'05	81	77	457,000
" 1st con. inc. 3's..........1939	20,511,000	JULY	25¾	Aug. 31,'05	26⅝	23	1,922,000

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.
″ 2d 3's	1939	11,724,000	JULY	17	Aug.31,'05	18⅛	14	1,040,000
″ equip. & collat. g. 5's	1917	550,000	A & O	....	....	....	....	....
″ 2d series g. 5's	1919	665,000	A & O	....	....	....	....	....
″ col.trust g.4½'s1st se of	1907	10,000,000	F & A	97½	Aug.26,'05	97½	96¾	23,000
Mexican Internat'l 1st con g. 4's	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
″ stamped gtd		3,621,000	....	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	963,000	J & D	....	....	....	....	....
″ registered			J & D	105	May 2,19'	....	....	....
Midland Term'l Ry. 1st g.s.f.5's	1925	472,000	J & D	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	137	June29,'05	....	....	....
″ Iowa ext. 1st g. 7's	1909	1,015,000	J & D	108¾	June13,'05	....	....	....
″ Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120¼	Apr. 19,'05	....	....	....
″ Southw. ext. 1st g. 7's	1910	636,000	J & D	113¼	Mar. 10,'05	....	....	....
″ 1st con. g. 5's	1934	5,000,000	M & N	114¾	June13,'05	....	....	....
″ 1st & refunding g. 4's	1949	9,350,000	M & S	97⅛	July 25,'05	....	....	....
DesMoines&Ft.Dge1stgtd g.4's	1935	3,072,000	J & J	97¼	Aug.10,'05	97¼	96¼	21,000
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	32,055,000	J & J	101¼	Aug.16,'05	101¼	101¼	1,000
″ stamped pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
″ stamped pay. of int. gtd.				89⅜	June18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	102¾	Aug.26,'05	103¾	102	78,000
″ 2d mtge. g. 4's	1990	20,000,000	F & A	87⅛	Aug.31,'05	88⅛	86	340,000
″ 1st ext gold 5's	1944	3,254,000	M & N	106	Aug.30,'05	106⅜	105¼	84,000
St. Louis div. 1st refundg 4s	2001	1,915,000	A & O	94	Aug.30,'05	94	92⅝	50,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	105¼	Dec. 22,'04	....	....	....
Kan. City & Pac. 1st g. 4s	1990	2,500,000	F & A	97½	Aug.22,'05	97⅛	96¾	20,000
Mo., Kan. & East. 1st gtd. g. 5s	1942	4,000,000	A & O	114⅛	Aug.31,'05	114⅛	114⅛	2,000
Mo.,Kan.& Ok. 40 yr. 1st gtd.5s	1942	5,468,000	M & N	109¼	Aug.30,'05	109¾	107⅛	116,000
Mo.,K.& Tex.of Tex.1stgtd.g.5s	1942	4,505,000	M & S	108¾	Aug.31,'05	110	108¾	20,000
Sher., Shreve.& So. 1st gtd.g.5s	1943	1,689,000	J & D	106⅝	July 28,'05	....	....	....
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	108⅛	Aug.31,'05	108¾	108	46,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	124⅛	Aug.28,'05	124⅛	122	20,000
″ 3d mortgage 7's	1906	3,828,000	M & N	104¾	July 7,'05	....	....	....
″ trusts gold 5's stamp'd	1917	14,376,000	M & S	109	Aug.24,'05	109	108⅛	25,000
″ registered			M & S	....	....	....	....	....
″ 1st collateral gold 5's	1920	9,636,000	F & A	107⅛	Aug.21,'05	107½	107¼	17,000
″ registered			F & A	....	....	....	....	....
″ forty yrs. 4's g. loan	1945	25,000,000	....	96¼	Aug.17,'05	96¼	95⅛	176,000
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	97¼	Aug.15,'05	97¼	96¼	64,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	110	Mar. 13,'05	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	105	July 18,'05	....	....	....
″ 2d extended g. 5's	1938	2,573,000	F & A	117⅛	Aug.24,'05	117⅛	117⅛	1,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,709,000	A & O	117⅞	Aug.30,'05	117⅞	116⅛	30,000
″ stamped gtd gold 5's	1931	6,582,000	A & O	109¾	Oct. 21,'03	....	....	....
″ unify'g & rfd'g g. 4's	1929	30,347,000	J & J	94⅝	Aug.31,'05	94¾	93⅝	129,000
″ registered			J & J	87¼	Apr. 23,'04	....	....	....
″ Riv&Gulf divs 1stg 4s	1933	21,177,000	M & N	97	Aug.25,'05	97	95⅞	72,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111⅛	Mar. 8,04'	....	....	....
″ small		226,000	J & J	90	Feb. 4,'03	....	....	....
″ mtg. g. 4's	1945	700,000	J & J	93¼	Apr. 6,'05	....	....	....
″ small		500,000	....	94	Aug. 6,'04	....	....	....
Mob. Jackson&Kan.City 1stg.5's	1946	1,882,000	J & D	98¼	Aug.10,'05	98⅛	96¼	5,000
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	129	Aug.18,'05	129	129	1,000
″ 1st extension 6's	1927	974,000	J & D	126	June19,'05	....	....	....
″ gen. g. 4's	1938	9,472,000	Q J	96⅛	May 12,'05	....	....	....
″ Montg'rydiv.1st g.5's	1947	4,000,000	F & A	115	Aug.30,'05	115	115	1,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	....	....	....
″ collateral g. 4's	1930	2,494,000	Q F	95	Feb. 20,'05	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	120	Aug.28,'05	120	120	3,000
″ 1st cons. g. 5's	1928	7,566,000	A & O	115	June14,'04	....	....	....
″ 1st g.6's Jasper Branch	1923	371,000	J & J	120	Aug.21,'05	120	120	3,000
″ 1st 6's McM. M.W. & Al.	1917	750,000	J & J	117¼	Mar. 6,'05	....	....	....
″ 1st 6's T. & Pb.	1917	300,000	J & J	113	July 8,'99	....	....	....
Nat R.R. of Mex. priorlien g.4½'s	1926	20,000,000	J & J	105⅛	May 11,'05	....	....	....
″ 1st con. g. 4's	1951	22,000,000	A & O	84	Aug.31,'05	84¾	82	214,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108¼	Aug.13,'94	....	....	....
N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	84,649,000	J & J	99¾	Aug.30,'05	99⅞	99	166,000
″ ″ registered			J & J	99⅜	July 31,'05	....	....	....
″ deb. g 4s	1934	30,000,000	M & N	101¾	Aug.31,'05	101⅞	101⅛	182,000
″ ″ registered			M & N	102	July 8,'05	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	90⅝	Aug.29,'05	91	90	246,000
″ registered			F & A	88⅞	Aug.28,'05	90	88¾	38,000
Michigan Central col. g. 3½s	1998	19,836,000	F & A	90	Aug.29,'05	90⅛	89⅝	85,000
″ registered			F & A	90	July 19,'05	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	105⅜	July 8,'05	....	....	....
″ registered			J & J	102	Mar. 31,'03	....	....	....

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" 2d gtd. g. 5's	1936	500,000	J & J					
" registered			J & J					
" ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O					
" registered			A & O					
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D					
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23,'04			
" small bonds series B		33,000	J & J					
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D					
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'			
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02			
" reg. certificates			F & A					
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	106	Aug. 15,'05	106	106	10,000
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O					
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109½	Aug. 28,'05	109½	108¾	104,000
" registered			J & J	109	Aug. 29,'05	109	108	30,000
Lake Shore g 3½s	1997	50,000,000		100½	July 11,'05			
" registered			J & D	99½	June 2,'05			
" deb. g. 4's	1928	50,000,000	M & S	102½	Aug. 31,'05	102¾	101½	338,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	102	May 22,'05			
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J					
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	124	May 22,'05			
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03			
" 2d gtd 6's	1934	900,000	J & J					
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J					
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04			
" 5's	1931	3,576,000	M & S	124	Feb. 3,'05			
" 5's reg	1931		Q M	119	June 6,'05			
" 4's	1940	2,600,000	J & J	106	July 1,'05			
" 4's reg			J & J	106½	Nov. 26,19'			
" g. 3½'s sec. by 1st mge. on J. L. & S.		1,900,000	M & S					
" 1st g. 3½'s	1952	13,000,000	M & N	96¼	May 26,'04			
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D					
N. Y. & Harlem 1st mort. 7's c.	1900	12,000,000	M & N	105½	Mar. 2,'05			
" 7's registered	1900		M & N	102¾	Apr. 6,19'			
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Mar. 31,'05			
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	118¼	Aug. 22,'05	118¼	118¼	3,000
coup. g. bond currency			A & O					
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02			
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N					
Utica & Black River gtd g. 4's	1922	1,300,000	J & J	107½	Feb. 4,'05			
N. Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	105⅞	Aug. 29,'05	105⅞	105	102,000
" registered			A & O	101	Mar. 28,'03			
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03			
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94			
N. Y., Ont. & W'n. ref'ding 1st g. 4's	1992	20,000,000	M & S	104¾	Aug. 29,'05	104¾	104	95,000
" registered......$5,000 only.			M & S	103½	Jan. 17,'05			
Norfolk & Southern 1st g. 5's	1941	1,500,000	M & N	112	Aug. 28,'05	112	112	2,000
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Jan. 23,'05			
" imp'ment and ext. 6's	1934	5,000,000	F & A	132¼	May 16,'05			
" New River 1st 6's	1932	2,000,000	A & O	132½	Dec. 28,'04			
Norfolk & West. Ry. 1st con. g. 4s	1996	40,400,500	A & O	102¾	Aug. 29,'05	103	102½	117,000
" registered			A & O	99¾	June 18,'03			
" small bonds			A & O					
" div. 1st lien & gen g. 4s	1944	8,000,000	J & J	99	Aug. 21,'05	99	99	10,000
" " registered			J & J					
" Pocahon C. & C. Co. jt. 4's	1941	20,000,000	J & D	97½	Aug. 31,'05	98	96½	221,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	109½	Feb. 20,'05			
" Sci'o Val & N. E. 1st g. 4's	1989	5,000,000	J & N	102½	Aug. 29,'05	103	102½	19,000
N. P. Ry prior ln ry. & ld. gt. g. 4's	1997	101,392,500	Q J	106	Aug. 31,'05	106¼	105¾	147,000
" registered			Q J	104¾	June 19,'05			
" gen. lien g. 3's	2047	56,000,000	Q F	77	Aug. 31,'05	77½	77	230,000
" registered			Q F	76	July 11,'05			
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	100	Mar. 24,'05			
" registered			J & D					
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125½	Apr. 24,'05			
" registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03			
" 2d 5's	1917	2,000,000	A & O	109	June 27,'05			
" 1st con. g. 4's	1968	1,000,000	J & D	100	Aug. 31,'05	100	100	2,000
Washington Cen. Ry 1st g. 4's	1948	1,538,000	Q M C H	92½	Apr. 14,'05			
Nor. Pacific Term. Co. 1st g. 6's	1933	3,559,000	J & J	114½	Aug. 9,'05	114½	114½	5,000
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	118¼	Feb. 2,'05			
" gen. mortg. g 6's	1937	2,428,000	A & O	111½	June 13,'05			
Ozark & Cher. Cent. Ry. 1st gtd g 5s	1913	2,880,000	A & O	101	Aug. 16,'05	101	101	1,000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	114¾	July 28,'05			

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Panama 1st sink fund g. 4½'s	1917	2,371,000	A & O	104½	Aug. 1,'05	104½	104½	1,000
" s. f. subsidy g 6's	1910	715,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108¾	Aug. 30,'05	108¾	108½	10,000
" reg	1921		J & J	106	Aug. 23,'05	106	106	2,000
" gtd. 3½ coi. tr. reg. cts.	1937	4,843,000	M & S	98	July 16,'04			
" gtd. 3½ col. tr. cts. ser B	1941	9,687,000	F & A	93½	Aug. 26,'05	93½	93½	5,000
" Trust Co. ctfs. g. 3½'s.	1916	15,998,000	M & N	98	July 10,'05			
" gtd. g. 3½'s tr. cts. s. C.	1942	5,000,000	J & D					
" gtd. g. 3½'s tr. cts. s. D.	1944	10,000,000	J & D					
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	120	June 19,'05			
" registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con. gtd. g. 4's.	1942	900,000	J & J					
Clev. & P. gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03			
" Series B	1942	1,561,000	A & O					
" " int. reduc. 3½ p.c.		439,000						
" Series C 3½s	1948	3,000,000	M & N					
" Series D 3½s	1950	1,990,000	F & A	96	Jan. 8,'04			
E. & Pitts. gen. gtd. g. 3½s Ser. B.	1940	2,240,000	J & J	102	Nov. 7,19'			
" " " C.	1940	2,218,000	J & J	98¾	Apr. 4,'04			
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	113	June 7,'05			
" Series B gtd	1942	8,786,000	A & O	113½	July 21,'05			
" Series C gtd	1942	1,379,000	M & N	112½	June 12,'05			
" Series D gtd. 4's	1945	4,983,000	M & N	103	June 14,'05			
" Series E gtd. g. 3½s	1949	10,257,000	F & A	93	Aug. 24,'05	93½	93	11,000
" Series F c. gtd. g. 4's	1953	9,000,000	J & D					
Pitts., Ft. Wayne & C. 1st 7's	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walhonding Vy. & O. 1st gtd. bds 4½'s series A	1931	1,500,000	J & J					
" 4½'s series B	1933	978,000	J & J					
" 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	107	Feb. 28,'05			
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept. 21,'04			
" registered			Q M					
con. gold 4 per cent	1943	2,769,000	M & N	106	Aug. 28,'03			
" ten year conv. 3½'s	1912	20,523,000	M & N	105⅝	Aug. 31,'05	106¾	104⅜	975,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'			
Belvedere Del. con. gtd. 3½'s	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	110	Jan. 19,'05			
Del. R. RR. & Bge Co 1st gtd g. 4's,	1936	1,300,000	F & A					
G. R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111¼	June 5,'05			
Phila. Balto. & Wash. 1st g. 4's.	1943	10,570,000	M & N	109⅜	July 18,'05			
" registered			M & N					
Pitts. Va. & Charl. Ry 1st gtd g. 4's.	1943	6,000,000	M & N					
Sunbury & Lewistown 1st g. 4's.	1936	500,000	J & J					
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept. 28,04'			
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	123⅛	Jan. 18,'05			
" 2d m 4½'s	1921	1,499,000	M & N	101	July 8,'04			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	121¾	July 31,'05			
" 1st con. gold 5's	1939	2,850,000	M & N	113	July 21,'05			
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	114	June 15,'05			
Sag'w Tusc. & Hur. 1st gtd. g. 4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01			
Pittsburg & L. E. 2d g. 5's ser. A,	1928	2,000,000	A & O	112½	Dec. 13,'93			
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	120½	Aug. 8,'05	120½	120½	9,000
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'			
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	116	May 24,'05			
Reading Co. gen. g. 4's	1997	66,232,000	J & J	102¾	Aug. 31,'05	103	102⅛	400,000
" registered			J & J	100	Jan. 27,'05			
" Jersey Cent. col. g. 4's	1957	23,000,000		100¾	Aug. 30,'05	101⅛	100	39,000
" " registered								
Atlantic City 1st con. gtd. g. 4's.	1951	1,063,000	M & N					
Philadelphia & Reading con. 6's.	1911	7,304,000	J & D	113¼	Feb. 25,'05			
" registered		663,000	J & D					
" 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04			
" " registered		3,339,000	J & D	118	Jan. 7,'05			
Rio Grande Junc'n 1st gtd. g. 5's,	1939	2,000,000	J & D	109	Mar. 11,'05			
Rio Grande Southern 1st g. 4's	1940	2,233,000	J & J	76	June 28,'05			
" guaranteed		2,277,000		89	Jan. 4,'05			

BOND QUOTATIONS.—Last sale, price and date: highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	AUGUST SALES. *High.*	*Low.*	*Total.*
Rutland RR 1st con. g. 4½ s....1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s1948	4,400,000	J & J	99	June23,'05	....	....	....
Rutland Canadian 1st gtd.g.4's.1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.3-4 2.......1947	3,500,000	J & J	94½	Aug.24,'05	94½	94	26,000
St. L. & Adirondack Ry. 1st g.5's.1996	800,000	J & J	....	....	....	....	....
2d g. 6's...............1996	400,000	A & O	....	....	....	....	....
St. Louis & San F. 2d 6's, Class B, 1906	998,000	M & N	103	June14,'05	....	....	....
2d g. 6's, Class C......1906	829,000	M & N	104⅛	Feb. 21,'05	....	....	....
gen. g. 6's............1931	3,681,000	J & J	131	May 26,'05	....	....	....
gen. g. 5's.............1931	5,803,000	J & J	113⅝	Aug.22,'05	114	113	8,000
St. L & San F. R. R. con. g. 4's.1996	1,558,000	J & D	82	July 29,'05	....	....	....
S. W. div. g. 5's.........1947	829,000	A & O	102¼	Aug. 7,'05	102¼	102¼	1,000
refunding g. 4's.......1951	60,104,000	J & J	89	Aug.31,'05	89¼	88½	528,000
registered...		J & J	....	....	....	....	....
5 year 4½'s gold notes.1908	5,728,000	J & D	96	Dec. 8,'04	....	....	....
Kan. Cy Ft.S.&MemRRcong6's1928	13,736,000	M & N	125	Aug.31,'05	125	125	1,000
Kan.Cy Ft.S &MRyrefggtd g4s.1936	17,810,000	A & O	90	Aug.31,'05	90⅛	89⅜	169,000
registered...............		A & O	78½	Jan. 14,'04	....	....	....
Kan.Cy&M.R.&B.Co.1stgtdg5s.1929	3,000,000	A & O	....	....	....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	99	Aug.31,'05	99½	98⅞	133,000
2d g. 4's inc. Bd. ctfs....1989	3,272,500	J & J	84¼	Aug. 8,'05	84¼	84¼	12,000
con. g. 4's.... 1932	16,678,000	J & D	83¾	Aug.30,'05	84	82	890,000
Gray's Point, Term. 1st gtd. g. 5's.1947	339,000	J & D	....	....	....	....	....
St. Paul, Minn. & Manito'a 2d 6's..1909	6,790,000	A & O	113	July 19,'05	....	....	....
1st con. 6's............1933	13,344,000	J & J	138¼	Aug. 4,'05	138¼	138¼	2,000
1st con. 6's, registered....		J & J	140	May 14,'02	....	....	....
1st c. 6's, red'd to g. 4½'s...	19,322,000	J & J	111⅛	July 5,'05	....	....	....
1st cons. 6's register'd....		J & J	115¼	Apr. 15,'01	....	....	....
Dakota ext'n g. 6's...1910	5,073,000	M & N	111⅜	Aug. 9,'05	111⅜	111⅜	1,000
Mont. ext'n 1st g. 4's..1937	10,185,000	J & D	104¼	Aug.10,'05	104¼	104¼	1,000
registered................		J & D	106	May 6,'01	....	....	....
Pac. Ext. sterl. gtd. 4s..1940 $5=£1.	£4,000,000	J & J	....	....	....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's..1908	4,700,000	A & O	104⅛	Aug.22,'05	....	....	1,000
registered................		A & O	....	....	....	....	....
Minn. N. div. 1st g. 4's..1940	5,000,000	A & O	....	....	....	....	....
registered................		A & O	....	....	....	....	....
Minneapolis Union 1st g. 6's....1922	2,150,000	J & J	124	May 4,'05	....	....	....
Montana Cent. 1st 6's int. gtd..1937	6,000,000	J & J	135	Jan. 25,'05	....	....	....
1st 6's, registered.........		J & J	134¾	Dec. 20,'04	....	....	....
1st g. g. 5's............ 1937	4,000,000	J & J	118⅛	Feb. 20,'05	....	....	....
registered................		J & J	....	....	....	....	....
Willmar & Sioux Falls 1st g. 5's, 1938	3,625,000	J & D	117	Jan. 11,'04	....	....	....
registered................		J & D	....	....	....	....	....
Salt Lake City 1st g. s. f. 6's......1913	297,000	J & J	....	....	....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's. 1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's, 1919	3,872,000	J & J	108	May 10,'05	....	....	....
Seaboard Air Line Ry g. 4's......1950	12,775,000						
registered................		A & O	90½	Aug.28,'05	91	90	82,000
col. trust refdg g. 5's..1911		A & O	....	....	....	....	....
Carolina Central 1st con. g. 4's.1949	10,000,000	M & N	105	Aug.29,'05	105	104	39,000
Fla Cent & Peninsular 1st g.5's.1918	2,847,000	J & J	99	Mar. 20,'05	....	....	....
1st land grant ext g.5's.1930	3,000,000	J & J	109	Feb. 2,'05	....	....	....
cons. g. 5's..............1943	410,000	J & J	....	....	....	....	....
Georgia & Alabama 1st con.5's.1945	4,370,000	J & J	109½	Mar. 3,'05	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's.1929	2,922,000	J & J	112	Aug.30,'05	113	111½	33,000
Seaboard & Roanoke 1st 5's....1926	5,360,000	J & J	110	Jan. 16,'05	....	....	....
Sodus Bay & Sout'n 1st 5's, gold, 1924	2,500,000	J & J	....	....	....	....	....
Southern Pacific Co.	500,000	J & J	102	Jan. 20,'03	....	....	....
g. 4's Central Pac. coll..1949	28,818,500	J & D	95⅝	Aug.31,'05	95¾	94½	252,500
registered......		J & D	94	May 4,'05	....	....	....
Austin & Northw'n 1st g. 5's...1941	1,920,000	J & J	111	Aug.30,'05	111	104	15,000
Cent. Pac. 1st refud. gtd.g.4's..1949	76,351,000	F & A	100⅛	Aug.30,'05	100¾	100⅜	245,000
registered................		F & A	98	Apr. 7,'05	....	....	....
mtge. gtd. g. 3½'s...1929	17,493,000	J & D	89¼	Aug.29,'05	89¼	88¾	60,000
registered........		J & D	....	....	....	....	....
through SL 1st gtd g. 4's.1954	8,300,000	A & O	99	Aug.28,'05	100	99	19,000
registered................		A & O	....	....	....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..1910	4,756,000	F & A	108⅛	Mar. 1,'05	....	....	....
Mex. & P. div 1st g 5's.1931	13,418,000	M & N	115	Feb. 24,'05	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.1924	1,514,000	M & N	107⅛	June 3,'05	....	....	....
Houst. E. & W. Tex. 1st g. 5's..1933	501,000	M & N	105⅛	Jan. 27,'05	....	....	....
1st gtd. g. 5's.........1933	2,199,000	M & N	107¼	Feb. 20,'05	....	....	....
Houst. & T.C. 1st g 5's int. gtd..1937	4,842,000	J & J	112¾	June 7,'05	....	....	....

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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.
" con. g 6's int. gtd	1912	2,430,000	A & O	113	Dec. 15,'04	....	....	....
" gen. g 4's int. gtd	1921	4,275,000	A & O	100	July 11,'05	....	....	....
" W&Nwn.div.1st.g.6's	1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....	....	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Dec. 6,'04	....	....	....
" 1st 7's	1918	5,000,000	A & O	129⅛	Nov. 5,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept.14,'04	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,235,000	J & J	104⅛	June13,'05	....	....	....
San Ant.&Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	88⅞	Aug.29,'05	89	88¼	164,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	108¼	Apr. 14,'05	....	....	....
" "	1910	4,000,000	J & J	109⅝	Jan. 6,'05	....	....	....
" of Cal. 1st g 6's ser. B.	1905	16,738,500	A & O	103	June19,'05	....	....	....
" " " C. & D.	1906		A & O	104⅛	Dec. 22,'04	....	....	....
" " " E. & F.	1902		A & O	115	Mar. 17,'05	....	....	....
" " "	1912		A & O	116	June29,'04	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
" stamped	1905-1937	21,470,000	......	108⅝	July 11,'05	....	....	....
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	109⅛	Feb. 23,'05	....	....	....
Tex.&N.O. Sabine div. 1st g 6's	1912	2,575,000	M & S	112⅛	Feb. 24,'05	....	....	....
" con. g 5's	1943	1,620,000	J & J	111	Aug. 4,'05	111	111	5,000
Southern Railway 1st con. g 5's	1994	42,211,000	J & J	120⅛	Aug.30,'05	120⅛	118¾	126,000
" registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	8,029,000	M & S	102	Aug.23,'05	102	100¾	28,000
" registered			M & S	....	....	....	....	....
" Memph.div.1st g.4-4½-5's	1996	5,183,000	J & J	118	Aug.19,'05	118	118	2,000
" registered			J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's	1951	11,750,000	J & J	99⅛	Aug.31,'05	100	99⅛	10,000
" " registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118	June20,'05	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98⅛	Mar. 8,'05	....	....	....
" 2d mtg	1948	775,000	J & J	90⅛	Dec. 6,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116⅛	May 8,'05	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115⅛	Aug.21,'05	115⅛	115⅛	3,000
" con. 1st g 5's	1956	12,770,000	M & N	120½	Aug.24,'05	120½	120½	2,000
" reorg. lien g 4's	1938	4,500,000	M & S	114	Mar. 10,'05	....	....	....
" registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	121⅞	July 5,'05	....	....	....
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	June 6,'05	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	114¾	July 24,'05	....	....	....
" deb. 5's stamped	1927	3,368,000	A & O	112⅝	Jan. 24,'05	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	98	Feb. 18,'05	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	109⅛	Aug. 4,'05	109⅛	109⅛	1,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. B 6's	1911	1,900,000	M & S	113⅛	Jan. 6,'03	....	....	....
" small			M & S	....	....	....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....	....	....	....	....
" ser. D 4-5's	1921	950,000	M & S	110	Dec. 22,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. E 5's	1926	1,775,000	M & S	114⅛	July 27,'05	....	....	....
" small			M & S	....	....	....	....	....
" ser. F 5's	1931	1,310,000	M & S	113	May 31,'05	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	114⅛	Aug.29,'05	114⅛	114⅛	2,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	114⅛	June20,'05	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	97¾	May 15,'05	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115	July 14,'05	....	....	....
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	100	Nov.22,'04	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111⅛	Apr. 20,'05	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	122¾	July 25,'05	....	....	....
" gn. refdg. sg. fd. g. 4's	1953	18,000,000	J & J	100	Aug.25,'05	100	100	1,000
" " " registered.			J & J	....	....	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29,'04	....	....	....
Tex. & Pacific, 1st gold 5's	2000	25,000,000	J & D	124	Aug.28,'05	124	122½	88,000
" 2d gold income, 5's	2000	963,000	MAR.	96	Aug.28,'05	97	95	52,000
" La. Div. B.L. 1st g.5's	1931	4,241,000	J & J	106⅛	Aug. 4,'05	106⅛	106⅛	2,000
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106⅛	Nov. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	116¾	June28,'04	....	....	....
" 1st M. g 5's West. div.	1935	2,500,000	A & O	111	May 31,'04	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	107¾	Aug. 7,'05	107¾	107⅛	6,000
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	97¾	Aug.15,'05	97¾	97¾	5,000

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Toledo, Peoria & W. 1st g 4's	1917	4,[illegible]00,000	J & D	93	Aug. 8,'05	93	93	5,000
Tol., St.L.& Wn. prior lien g 3½'s	1925	9,000,000	J & J	92	Aug.17,'05	92	91⅛	25,000
• registered			J & J	....	....	....	....	....
• fifty years g. 4's	1925	6,500,000	A & O	86⅛	Aug.31,'05	86¾	85	184,000
• registered			A & O	....	....	....	....	....
Toronto, Hamilton & Buff 1st g 4s	1946	3,280,000	J & D	98	July 10,'05	....	....	....
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	110⅝	June16,'05	....	....	....
• 1st ref. g. 4's	1952	700,000	A & O	95¼	Jan. 13,'05	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	106⅛	Aug.30,'05	106⅛	105⅝	276,500
• registered			J & J	105¾	July 10,'05	....	....	....
• 1st lien con. g. 4's	1911	20,634,000	M & N	134¼	Aug.31,'05	137⅝	129⅝	7,587,000
• registered			M & N	137¾	Apr. 15,'05	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	103¼	Aug.30,'05	103¾	103	19,500
Oreg. Short Line Ry. 1st g. 6's	1922	14,931,000	F & A	124¼	Aug.30,'05	124¼	123¾	5,000
• 1st con. g. 5's	1946	12,328,000	J & J	117¾	Aug.31,'05	117¾	117½	2,000
• gtd. refunding g. 4's	1929	45,000,000	J & D	97	Aug.31,'05	97⅜	96⅝	433,000
• • registered			J & D	....	....	....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
• g. 5's	1926	1,812,000	J & J	114½	Apr. 19,'02	....	....	....
Vandalia R. R. con. g. 4's	1955	7,000,000	F & A	103¾	Aug. 9,'05	103¾	103¾	75,000
• registered			F & A	....	....	....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	112½	July 24,'05	....	....	....
Wabash R.R. Co., 1st gold 5's	1939	33,011,000	M & N	118	Aug.31,'05	118¾	118	47,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	107½	Aug.31,'05	107½	107	24,000
• deben. mtg series A	1939	3,500,000	J & J	90	Feb. 4,'05	....	....	....
• series B	1939	26,500,000	J & J	72¼	Aug.29,'05	73⅝	70	973,000
• first lien eqpt. fd.g. 5's	1921	2,600,000	M & S	103	Aug. 7,'05	103	103	1,000
• 1st lien 50 yr.g.term 4's	1954	1,715,000	J & J	92	Apr. 17,'05	....	....	....
• 1st g.5's Det.& Chi.ex.	1940	3,349,000	J & J	111	Aug. 4,'05	111	111	5,000
• Des Moines div.1st g.4s	1939	1,600,000	J & J	97	Nov.16,'04	....	....	....
• Omaha div. 1st g. 3½s	1941	3,173,000	A & O	88	Apr. 6,'05	....	....	....
• Tol.&Chic.div.1st g.4's	1941	3,000,000	M & S	97	May 27,'05	....	....	....
St.L.,K.C.& N.St.Chas. B.1st 6's	1908	463,000	A & O	109½	Mar. 18,'03	....	....	....
Wabash Pitts Terml Ry 1st g.4's	1954	27,000,000	J & D	90¼	Aug.31,'05	90¾	87⅝	196,000
• 2d g. 4's	1954	20,000,000	J & D	88	Aug.30,'05	88⅞	87½	1,217,000
Western Maryland 1st 4's	1952	31,924,000	A & O	89¼	Aug.31,'05	89½	87⅞	525,000
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	119½	June 9,'05	....	....	....
• gen g. 3-4's	1943	9,789,000	A & O	99	Aug.30,'05	99	97⅝	24,000
• inc. 5's	1943	10,000,000	Nov.	40	Mar.21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	110	Aug. 3,'05	110	110	4,000
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	114¾	Mar. 28,'05	....	....	....
• Wheeling div. 1st g. 5's	1928	894,000	J & J	114½	May 27,'05	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	114	June23,'05	....	....	....
• 20 year eqptmt s.f.g.5's	1922	2,152,000	J & J	111½	Aug.15,'05	111½	111½	5,000
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	93½	Aug.28,'05	93½	92½	137,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	94½	Aug.31,'05	95¼	93¾	322,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....	....	....	....	....
Street Railway Bonds.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	110¼	Aug.23,'05	110¼	109½	3,000
• 1st ref. conv. g. 4's	2002	17,000,000	J & J	92¾	Aug.31,'05	93⅝	88½	1,947,000
• • registered			J & J	....	....	....	....	....
• City R. R. 1st c. 5's 1916.	1941	4,373,000	J & J	108⅝	May 17,'05	....	....	....
• Qu. Co. & S. c. gd. g. 5's	1941	2,255,000	M & N	106	Feb. 9,'05	....	....	....
• Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	109½	Aug.30,'05	109½	108½	55,000
• stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	93	June22,'05	....	....	....
• stamped guaranteed			......	94	Aug.23,'05	94	91½	153,000
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	89¼	Aug.30,'05	89½	87	136,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s	1951	10,913,000	J & J	101½	July 26,'05	....	....	....
• stamped guaranteed			......	102¾	Aug.18,'05	102¾	102½	20,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,19'	...	....	....
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	....	....	....	....	....
Detroit United Ry 1st c. g. 4½'s	1932	3,450,000	J & J	96	Aug.23,'05	96	94½	55,000
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....	....	....	....	....
Havana Elec. Ry. con. g. 5s	1952	6,957,000	F & A	94½	Aug.21,'05	94½	94½	23,000
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....	....	....	....	....
Metro. St. Ry N.Y.g. col. tr.g. 5's	1997	12,500,000	F & A	115	Aug 11,'05	115	115	12,000
• refunding 4's	2002	15,134,000	A & O	91⅜	Aug.31,'05	91⅝	91	126,000
B'way & 7th ave. 1st con. g. 5's	1943	7,650,000	J & D	116¾	July 21,'05	....	....	....
• registered			J & D	119½	Dec. 3,19'	....	....	....

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.
Columb.& 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	120	July 14,'05	....	....	....
" registered........		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	120	June17,'05	....	....	....
" registered........		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	95	Aug.31,'05	96¼	95	120,000
" registered........		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118¼	Apr. 24,'05	....	....	....
Met. West Side Elev.Chic.1stg.4's.1938	9,808,000	F & A	104¾	Mar. 24,'05	....	....	....
" registered........		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's........1919	4,050,000	J & J	106	Nov. 22,'01	....	....	....
St.Jos.Ry.Lig't,Heat&P.1stg.5's.1937	3,763,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04	....	....	....
" gtd. gold 5's........1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Undergr'd Elec.Rys.of London Ltd.	16,550,000	J & D	98¾	Aug.30,'05	99	98¼	210,500
5% profit sharing notes 1908 series A		J & D	....	....	....	....	....
" series B		J & D	....	....	....	....	....
" series C		J & D	....	....	....	....	....
" series D		J & D	....	....	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	106¼	July 13,'05	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	87⅛	Aug.23,'05	87⅛	87⅛	5,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	90⅞	Aug.22,'05	91⅛	90⅞	70,000
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	....	....	....
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	106	Aug.30,'05	106	105	21,000
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.FerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	45	Aug.14,'05	45	45	2,000
Chic.Junc.& St'k Y'ds col. g. 5's.1915	10,000,000	J & J	108	July 3,'05	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,655,000	A & O	75	Aug.30,'05	75	75	10,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's........1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	96¼	Aug.10,'05	96¼	96¼	6,500
" registered........		F & A	....	....	....	....	....
Provident L. Soc. of N.Y. g. 4's..1921	2,000,000	M & S	100	Aug.28,'05	100	100	2,000
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	....	....	....	....	....
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	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	118⅛	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's........1907-1917	1,000,000	J & D	....	....	....	....	....
" F 4's........1906-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's........1903-1918	1,000,000	F & A	....	....	....	....	....
" H 4's........1903-1918	1,000,000	M & N	....	....	....	....	....
" I 4's........1904-1919	1,000,000	F & A	....	....	....	....	....
" J 4's........1904-1919	1,000,000	M & N	....	....	....	....	....
" K 4's........1905-1920	1,000,000	J & J	....	....	....	....	....
Small bonds........	....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	5,000,000	......	98¼	Aug.28,'05	98⅜	98¼	8,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	99½	Aug.31,'05	100¼	98	112,000
Am. Ice Securities Co. deb. g. 6's.1925	2,655,000	A & O	81	Aug.30,'05	81⅝	79	194,000
" small bonds......		A & O	....	....	....	....	....
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & N	101⅛	Aug. 9,'05	101⅛	101	2,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	89½	July 24,'05	....	....	....
Am. Tobacco Co. 40 yrs g, 6's....1944	50,769,750	A & O	116⅛	Aug.30,'05	116⅝	116⅛	909,000
" registered........		A & O	115¾	Aug.17,'05	115¾	115¾	2,000
" g. 4's........1951	72,757,000	F & A	76	Aug.31,'05	76⅛	74	2,774,000
" " registered........		F & A	75¼	Aug.29,'05	75⅞	75¼	3,500
Barney & Smith Car Co. 1st g. 6's.1942	1,000,000	J & J	105	Jan. 10,'04	....	....	....
Central Leather Co. 20 yr. g. 5's.1925	28,030,000	A & O	101⅛	Aug.31,'05	102	100	1,768,500
Consol. Tobacco Co. 50 year g. 4's.1951	5,735,900	F & A	79	Aug.30,'05	81	78¾	79,000
" registered........		F & A	85¼	Dec. 3,'04	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,609,000	A & O	81¼	Aug.31,'05	81⅛	80	617,000
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....

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. *Price.*	LAST SALE. *Date.*	AUGUST SALES. *High.*	AUGUST SALES. *Low.*	AUGUST SALES. *Total.*
Internat'l PaperCo. 1st con.g 6's.1918	9,724,000	F & A	108	Aug.21,'05	108	108	1,000
" con.conv.sinkgfundg5s1935	5,000,000	J & J	96	Aug.23,'05	96	92½	54,000
Int. Steam Pump 10 year deb. 6's.1913	8,500,000	J & J	104	July 21,'05	....	....	....
Knick'r'ker IceCo.(Chic) 1st g 5's.1925	1,937,000	A & O	98	Feb. 8,'05	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	106⅛	Aug.19,'05	107	106⅛	28,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,846,000	J & J	87	Aug.19,'05	87	85½	8,000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	68	July 12,'05	....	....	....
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	52⅞	Aug.31,'05	53½	50	120,000
Standard Rope & Twine inc.g.5s..1946	6,806,000	......	3⅛	Aug.30,'05	4⅛	3	271,000
United Fruit Co., con. 5's........1911	2,246,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	110¼	Aug. 4,'05	110¼	110	13,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	100¼	Aug.31,'05	101¾	100	114,000
U.S. Realty & Imp.con.deb.g.5's.1924	13,284,000	......	100	Aug.31,'05	100½	99½	39,000
U.S.SteelCorp.10-60yr.g.sk.fd5's 1963	....	M & N	97⅝	Aug.31,'05	98	95	12,294,000
" " " reg. 1963	170,000,000	M & N	97¾	Aug.31,'05	97⅝	95⅛	31,000
Va.Carol Chem. col.tr.s.fd.g.5's..1912	6,500,000	A & O	100½	July 27,'05	....	....	....
BONDS OF COAL AND IRON COS.							
Col. Fuel & Iron Co. g.s.fd.g 5's..1943	5,355,000	F & A	103⅛	Aug.23,'05	103½	103¼	6,000
" conv. deb. g. 5's..........1911	1,710,000	F & A	90	July 10,'05	....	....	....
" " registered..............		F & A	....	....	....	....	....
Col. C'l & I'n Dev.Co. gtd g.5's..1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's.......1919	600,000	M & N	107½	Oct. 7,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's.1919	949,000	A & O	102½	July 26,'02	....	....	....
Col.Inds.1st cv g&col tr gt5s ser A1934	12,378,000	F & A	72½	Aug.31,'05	73¾	72	467,000
" registered.................	....	F & A	....	....	....	....	....
" 1st g & col tr gt 5s ser B.1934	12,537,000	F & A	70	Aug.31,'05	72½	70	620,000
" " registered............	....	F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	107⅝	Dec. 12,'04	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's1926	1,588,000	J & D	105½	Oct. 10,'98	....	....	....
" 2d g. 5's.................1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	8,000,000	J & J	104½	July 10,'05	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,131,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	835,000	J & D	105	Aug.10,'05	105	105	1,000
Tenn. Coal, Iron & R.R. gen. 5's..1951	3,474,000	J & J	99	Aug.15,'05	99¼	99	16,000
" Tenn. div. 1st g. 6's......1917	1,160,000	A & O	112	Aug.16,'05	112	112	4,000
" Birmingh. div. 1stcon.6's1917	8,603,000	J & J	110¾	Aug.30,'05	110¾	110¾	1,000
Cahaba Coal M. Co., 1stgtd.g.6's1922	854,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&ICo.gtd.g.6's1910	2,716,500	F & A	104⅝	May 29,'05	....	....	....
Utah Fuel Co. 1st s. f. g. 5's......1931	839,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,157,000	M & S	90½	Aug.30,'05	90½	90	112,000
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,498,000	M & N	115	Aug.23,'05	115	114	3,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	76½	Aug.31,'05	76½	72½	166,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
ConsolidatedGasCo.,con.deb.6's..1909	19,857,500	J & J	172½	Aug.30,'05	175	172½	144,000
Detroit City Gas Co. g. 5's.......1923	5,608,000	J & J	100⅞	July 28,'05	....	....	....
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	105	June 2,'03	....	....	....
Eq. G. L. Co.of N.Y. 1st con.g.5's.1932	3,500,000	M & S	102½	Nov. 5,'04	....	....	....
Gas. & Elec of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	91	June 2?,'05	....	....	....
Grand Rapids G. L. Co. 1stg.5's.1915	1,225,000	F & A	107¾	Dec. 17,'04	....	....	....
Hudson Co. Gas Co. 1st g. 5's....1949	10,290,000	M & N	109½	Feb. 10,'05	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	100	May 5,'05	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,010,000	J & J	124	Aug.14,'05	124	122¾	4,000
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	94½	Apr. 28,'05	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	107¾	Aug. 2,'05	107¾	107¾	2,000
" small bonds.................							
" refdg. & exten 1st g.5s.1934	5,000,000	A & O	105¼	May 20,'05	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	7,000,000	M & N	92⅝	Aug. 8,'05	92⅝	92⅝	1,000
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	90¼	July 30,'04	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	15,000,000	J & D	110	Aug.15,'05	110¼	110	41,000
" registered....................		J & D	110¼	Dec. 30,'04	....	....	....
" purchase mny col tr g 4's.1949	20,927,000	F & A	92	Aug.30,'05	92½	91	106,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105⅛	Aug.23,'05	105⅛	105⅛	1,000
" 1st con. g. 5's...........1995	2,156,000	J & J	119½	Apr. 19,'05	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	106	May 31,'05	....	....	....
N.Y.& RichmondGasCo.1stg. 5's.1921	1,000,000	M & N	103	May 22,'05	....	....	....

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.	August Sales. High	August Sales. Low.	August Sales. Total.
Paterson&Pas. G.&E. con.g.5's	1949	3,817,000	M & S	105¼	May 10,'05	....	....	....
Peo. Gas & C.C.1st con. g 6's	1943	4,900,000	A & O	124	July 12,'05	....	....	....
" refunding g. 5's	1947	2,500,000	M & S	109	Aug.24,'05	109	108½	14,000
" refuding registered	....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's	1937	10,000,000	J & J	108¾	Aug. 2,'05	108¾	108¾	5,000
Con. Gas Co.Chic. 1st gtd.g.5's	1936	4,346,000	J & D	109	May 25,'05	....	....	....
MutualFuelGasCo.1stgtd.g.5's	1947	5,000,000	M & N	104½	June30,'05	....	....	....
" registered	....	....	......	...	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	110	May 18,'05	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's	1950	1,000,000	J & J	....	....	...	....	....
Westchester Lighting Co. g. 5's	1950	5,850,000	J & D	118	Jan. 31,'05	....	....	....
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's	1929	48,000,000	J & J	96⅝	July 10,'05	....	....	....
Commercial Cable Co. 1st g. 4's	2397	9,991,100	Q & J	98	Aug. 7,'05	98	98	5,000
" registered	....		Q & J	100⅛	Oct. 8,19'	....	....	....
Total amount of lien, $20,000,000.								
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	1,823,000	M & N	109½	May 18,'05	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	112	Aug.21,'05	112	111⅝	81,000
" fundg & real estate g.4½'s	1950	20,000,000	M & N	106⅛	Aug.24,'05	106⅛	105¾	73,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	110¼	Mar. 25,'04	....	....	....
Northern Tel. Co. gtd fd.4½'s	1934	1,500,000	J & J	108	July26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

Name	Principal Due.	Amount.	Int'st Paid.	Year 1905. High.	Year 1905. Low.	August Sales. High.	August Sales. Low.	August Sales. Total.
United States con. 2's registered	1930	542,909,950	Q J	104⅞	103⅞	....	....	......
" con. 2's coupon	1930		Q J	105⅝	104½	....	....	......
" con. 2's reg. small bonds	1930		Q J	104⅝	104⅝	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	77,135,300	Q F	104¾	103½	....	....	......
" 3's coupon	1908-18		Q F	106	103¾	....	....	......
" 3's small bonds reg.	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908-18		Q F	103⅞	103⅞	....	....	......
" 4's registered	1907	156,591,500	J A J&O	106	104	.	....	......
" 4's coupon	1907		J A J&O	105⅞	104	104⅛	104⅛	28,500
" 4's registered	1925	118,489,900	Q F	132⅞	132½	....	....	......
" 4's coupon	1925		Q F	133⅜	132¼	133⅜	133⅜	8,000
District of Columbia 3-65's	1924	14,224,100	F & A	....	....	....	....	......
" small bonds	....		F & A	....	....	....	....	......
" registered	....		F & A	....	....	....	....	......
Philippine Islands land pur. 4's	1914-34	7,000,000	Q F	110	109	....	....	......
" public works & imp. reg.4's	1935	2,500,000	Q MCH.	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	101⅛	101⅛	....	....	......
" " small	....	....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	....	....	....	....	......
" " small bonds	....							
North Carolina con. 4's	1910	3,397,350	J & J	....	....	....	....	......
" small	....		J & J	....	....	....	....	......
" 6's	1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds.	1866 1900	556,500	J & J	....	....	....	....	......
" "	1868-1898		A & O	....	....	....	....	......
" new bonds	1892-1898	624,000	J & J	....	....	....	....	......
" "	....		A & O	....	....	....	....	......
" Chatham R. R.	....	1,200,000	A & O	....	....	....	....	......
" special tax Class 1	....	....	A & O	....	....	....	....	......
" " Class 2	....	....	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

Name.	Principal Due.	Amount.	Int'st paid.	Year 1905. High.	Year 1905. Low.	August Sales. High.	August Sales. Low.	August Sales. Total.
" " to Western N. C. R....		....	A & O	....	....	....	....	......
" " Western R. R..........		....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R.........		....	A & O	....	....	....	....	......
" " Western & Tar. R......		....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's.........	1913	6,681,000	J & J	97	95	96⅛	96	5,000
" registered.........................		6,079,000	J & J	....	....	....	....	......
" small bond.........................		362,200	J & J	95	95	....	....	......
" redemption 4's............	1907	469,000	A & O	....	....	....	....	......
" 4½s.........................	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........	1912	600,000	A & O	....	....	....	....	......
Virginia fund debt 2-3's of...........	1991	17,087,000	J & J	97½	96¾	....	....	......
" registered.........................			J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871		2,274,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....		10,416,565	....	18⅞	10	15⅞	14	220,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......	1901	14,302,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Japanese Gov. 6% ster loan.	1911	£10,000,000	A & O	103½	94½	102	100	1,479,000
" " second series..........		£12,000,000	A & O	101	98⅛	101	99¼	1,988,000
Imperial Russian Gov. State 4% Rente....		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's............................	1908	3,000,000	M & N	....	....	....	....	......
Republic of Cuba g. 5's extern debt.	1904	35,000,000	M & S	108¼	103¼	108¼	107	455,000
" registered.........................			M & S	...	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's....................		....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200............................		£21,897,960	......	101⅛	99½	100¾	100	66,500
Small bonds denominations of £20......		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......
U. S. of Mex. 4'5 gold debt 1904 ser. A..	1954	39,870,000	J & D	95	92	94⅜	93½	190,000
" " " ser. B..	1954		J & D	....	....	....	....	......

Organization of National Banks.—At the end of August there were in existence 5,807 National banks with authorized capital stock of $808,561,075 and with outstanding circulation secured by bonds and by lawful money of $512,220, 367. Associations to the number of 44, with capital of $2,985,000, were organized during August, but as a result of liquidations the net increase in number of banks was but 35 and in capital stock of $938,200. During the month, however, the outstanding circulation increased $8,248,972.

Since August 31, 1904, the number of National banks has increased to the extent of 376. Capital stock increased to the amount of $31,499,740, and outstanding circulation to the extent of $59,703,594.

In consequence of the legislation of March 14, 1900, under authority of which National banks with minimum capital stock of $25,000 may be organized, the semi-annual tax on circulation secured by consols of 1930 reduced from one-half to one-fourth of one per cent., and the issue of circulation authorized to the extent of bonds deposited, there has been a net increase in number of National banks since the date of the act in question of 2,190, and in capital stock of $192,252,980. During this period the outstanding circulation has more than doubled, the increase being from $254,402,730 to $512,220,367, an increase of $257,817,637.

During the existence of the National banking system 7,895 associations have been chartered, and in the period beginning March 14, 1900, and terminating August 31, 1905, the number organized was 2,631, approximately one-third of the total number of National banks which have been organized during the existence of the system. The number of associations chartered under authority of the act of March 14, 1900, is 1,705, with capital stock of $44,490,000, the average capital being approximately $26,000, and during the same period 926 banks, with capital of $50,000 or over, were chartered, the total capitalization being $110,492,800, the average being nearly $120,000. Of the total number of banks organized since March 14, 1900, 1,459, with capital of $77,104,000, were banks of primary organization; 981, with capital of $58,859,000, reorganizations of incorporated and private banks, and 291, with capital of $19,519,800, conversions of State banks.

BANKERS' OBITUARY RECORD.

Allen.—William H. Allen, President of the Franklin Savings Institution, Greenfield, Mass., died August 8. He had been connected with the bank for half a century, most of the time as Treasurer or President, and left a record of faithful service.

Bridges.—M. D. Bridges, Vice-President of the Central National Bank, Greencastle, Ind., since 1893, died August 15.

Burt.—Orville D. Burt, President of the State Bank, Kansas City, Kas., died August 31. He was born in Massachusetts in 1841, and in 1866 located at Kansas City, Kas.

Chase.—Jason DeWitt Clinton Chase, Vice-President of the First National Bank, Oswego, N. Y., died August 23, aged seventy-two years.

Day.—Wilbur F. Day, President of the National New Haven (Ct.) Bank, died September 2, aged sixty-eight years. He entered the bank as a clerk at the age of nineteen, and became President at thirty-one.

Dunkel.—Hiram Dunkel, Cashier of the Farmers' National Bank, Watsontown, Pa., died August 30, aged sixty-eight years.

Hicks.—Dr. J. Y. Hicks, senior member of the banking firm of W. L. Tooley & Co., Moulton, Tex., died August 23.

Hutchins.—Frank D. Hutchins, Cashier of the Lancaster (N. H.) National Bank, Treasurer of the Siwooganock Guaranty Savings Bank, and Vice-President of the Northern Bankers' Association, died August 5. He was born at Putney, Vt., January 11, 1850.

Johnson.—Allen N. Johnson, Vice-President of the Union Trust Co., Little Rock, Ark., died August 26.

Jacobsen.—William Jacobsen, President of the First National Bank, Luverne, Minn., died August 23, aged sixty years.

Lamson.—F. S. Lamson, Manager of the Bedford, Ohio, branch of the Cleveland Trust Co., died July 6.

Marvin.—Hon. Francis Marvin, Vice-President of the National Bank of Port Jervis, N. Y., and former member of Congress from the Seventeenth New York District, died August 10. He was born in New York city in 1828, and in 1846 removed to Port Jervis.

Munn.—G. F. Munn, of the banking firm of G. F. Munn & Son, Portage, Ohio, died August 11, aged sixty-nine years.

Patterson.—William Patterson, President of the National Bank of Lawrence County, New Castle, Pa., died August 30, aged eighty-one years.

Rorick.—Elias B. Rorick, President of the First National Bank, Morenci, Mich., died August 26. He was born in Steuben county, N. Y., in 1831.

Seeley.—William E. Seeley, President of the First National Bank, Bridgeport, Ct., and former State Comptroller, died August 25.

Thomas.—Hugh M. Thomas, Vice-President of the Long Island City (N. Y.) Savings Bank, died August 24, aged seventy-six years.

Turner.—J. N. Turner, Cashier of the Bank of Campbellsville, Ky., died August 22, aged sixty-seven years.

Two Kinds of Thirst.—The great hope of Japan lies in the determination to educate her lower classes. When, a few years ago, some Japanese warships were in Sydney, what was the most remarkable feature concerning the men by whom they were manned? The fact that they passed all the drinking saloons and thronged the libraries and bookstalls. What made this remarkable was the very saddening fact that the men of the European and American navies usually pass the libraries and bookstalls, but crowd the drinking saloons. Now, other things equal, the general tendency is for the drinker to become, sooner or later, the servant of the sober man. And this principle will hold good all the more if to the quality of sobriety be added the desire to learn. With one nation thirsting for knowledge, and another thirsting for drink and pleasure generally, it needs no prophet to name the winner.—*The Review, Sydney, Australia.*

THE

BANKERS' MAGAZINE

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

FIFTY-NINTH YEAR. OCTOBER, 1905. VOLUME LXXI, NO. 4.

THE INSURANCE INVESTIGATION in New York has attracted a great deal of attention in financial circles, particularly the revelations showing the relations existing between the insurance companies on the one hand and the banks and trust companies on the other. While the fact has been brought out that the banks and trust companies owned or controlled by the insurance companies may render the latter valuable legitimate service, it has also been made to appear that they render a service which the insurance companies ought not to require and that the banks and trust companies should not perform. It is one thing for a trust company to employ its machinery in the legitimate purchase of high-class investments for the parent insurance company; but it is quite another thing for the trust company to be made use of to take over and carry assets of a character that the insurance company does not wish to appear in its balance-sheet.

Some of the facts brought to light show a regrettable lack of the finer and higher sense of appreciation of the duties and responsibilities of trusteeship on the part of those charged with the handling of the vast funds entrusted to the life insurance companies.

The accumulation of enormous sums of money in the hands of life insurance companies and Savings banks is bound to give rise to serious problems when this money comes to be invested. For many years the Legislature of New York has been under pressure from interests that desired to sell securities to the Savings banks, and it was only quite recently that a general investment law was passed which will, it is believed, put a stop to the scandals possible under the former order of things. Perhaps the law relating to the handling of insurance funds could be so modified as to prevent the recurrence of conditions like those which have lately been the subject of so much unfavorable comment.

Absolute control over several hundred millions of dollars is a tremendous power to be lodged in the hands of one man. To avoid mistakes in the management of so large a fund would imply almost superhuman wisdom, and perhaps it would also require superhuman virtue to administer such a trust without being in some measure influenced, directly or indirectly, by considerations other than those which should obtain. Too much money, like too much honor, is a burden rather heavy for a man who hopes for heaven.

If the investigation of the insurance companies shall result in checking their growth for a time, it will probably be of great benefit to the policyholders. There has been, unquestionably, too much racing for big totals; and the present problem would seem to be not how to get more business, but how to take better care of that already in hand.

Notwithstanding the conspicuous faults in insurance management which have been brought to the surface by the investigation of the legislative committee, it is at least well to bear in mind that the solvency of none of the companies appears to be in doubt. Their investments, upon the whole, are of a very high character. It is, of course, deplorable that such an investigation has been rendered necessary; but its results can hardly fail to aid in clearing up the financial atmosphere.

THE NEXT FINANCIAL PANIC will put to the test a large number of small banks that thus far have encountered only fair weather. This will give a better clue to the comparative safety of large and small banks than it has heretofore been possible to obtain, so far as the National banks are concerned.

If the country should again be visited by a panic as severe as that of 1893, it would perhaps result in a greater number of bank failures than occurred in that memorable year. There would be, in the first place, many more banks in existence in the later period than there were in the former, and of those a much larger proportion of the National banks would be of small capital, owing to the change in the National Banking Law, made in March, 1900, permitting banks to organize with a minimum capital of $25,000, instead of $50,000, the lowest limit until that time. But these elements tending to increase the number of failures would be counteracted to a considerable extent by the closer community of interest that has grown up among the banks. At least, this is the general belief. Possibly, however, where this community of interest amounts virtually to a system of branch banking, it may, conceivably, be a source of weakness rather than of strength; for if the head bank finds itself unable to stand the strain, its dependents can hardly be expected to survive. But it is more probable that the unification of banks into certain groups will prove of great benefit, not only to the banks immediately concerned, but to all the banks and the commercial interests of the country generally, when the next panic comes.

Periods of depression are unavoidable; and probably while fear is so easily communicable as now, it is blind optimism to indulge in the hope that panics are altogether preventable. But their destructive influences may certainly be held in check by wise and united action. According to the periodic theory of panics, our next cataclysm should occur in 1913; but whether it will arrive on schedule time cannot be assumed with certainty. Financial prognosticators have not yet been able to predict the recurrence of panics as accurately as eclipses of the sun and moon can be foretold. The old-established banks are growing stronger all the time—stronger in the capacity of their management, stronger in the public confidence, and stronger in their surplus funds. It is doubtless well understood by most bankers that the present season of prosperity is favorable to making their banks as secure as possible against the financial storms which, let us hope, may be long delayed, but which sooner or later may be expected to put in an appearance.

THE IMPORTATION OF GOLD to meet the fall demand for money calls attention to one of the defects of our currency and banking system. There are, of course, several causes that render the international movement of gold perfectly natural; but a temporary seasonal demand for currency, such as that now existing here, hardly appears to be one of them—at least, less costly and more expeditious ways of meeting this demand might be called to mind. If the state of the bond market is not favorable to the issue of bank notes, no more can be issued; and the only way the supply of bonds could be increased would be to call Congress together and make a fresh issue. This would take time. As a matter of fact the outstanding notes have been constantly kept at such a high figure that there is no margin for additional issues when most needed.

We have this extra demand for money at stated times with regular frequency, and it would be advantageous to the banking and business community if some means could be provided for meeting it that would not be open to the objections that can be urged against the slow and expensive importation of gold or the clumsy method of issuing notes based on bonds. Voluntary action on the part of the banks, by a proper use of reserves, even under the present system, could do much; but probably no adequate relief can be obtained until compulsory measures are adopted for retiring the excess of bank notes that now continue in circulation even in times of slackened business.

THE HAGUE CONFERENCE is to be reconvened, probably some time during the coming year, on the invitation of the Czar, to whose initiative the first meeting in 1899 was due. It may be surmised, in view of intermediate events, that the enthusiasm then manifested by the Russian ruler in the cause of universal peace has measurably grown by this time.

So long as the desire for gain continues one of the dominant traits of human character, and while there are still rich lands held by weaker races, it is perhaps too much to expect that war can be abolished, at least within the near future. But if war cannot be entirely prevented, a resort to it, except as a last extremity, may be assured; and if it does come in the end, its horrors may be mitigated and the embroilment of other nations in the dispute may be made improbable.

It cannot be denied that war often brings benefits both to the victors and to the vanquished; but the practical question to be considered is whether these benefits may not be secured in ways more economical and more humane. A reliance on war as a means of settling international controversies compels each nation, or a certain group, to be always struggling to maintain a naval and military strength equal to that of possible antagonists. The fear lest this equilibrium be disturbed engenders a rivalry that involves a continually increasing scale of expenditures for warlike purposes. One nation is perpetually striving not to be outdone by another. Impelled by considerations of national safety, such expenditures may be pushed to the utmost extent that the tax-paying capacity of a people will allow. Moreover, the settling of disputes between nations by going to war does not assure a just determination of the points at issue. Victory usually goes not to the side having the strongest cause, but to the side having the strongest battalions. Money and force are often quite as potential, on the field of war, as a righteous cause. If for the passion and brutality of physical combat there could be substituted a careful and judicial weighing of the problems at stake, by a court similar to The Hague tribunal, it would seem that the chance of an equitable adjustment of the differences would be greatly improved. Within their own boundaries, nations are careful to make provision for protecting the weak against the aggressions of the strong. Nor is it unreasonable to ask that in their dealings with each other nations shall have "a decent respect to the opinions of mankind." As the relations of the different countries of the world become more intimate, no nation on going to war can afford to disregard that sense of justice which is becoming universal.

The expansion of commerce and the redistribution of population no longer call for territorial aggrandizement. Even with aboriginal races, it is not only more humane but more profitable to convert them into purchasers of commodities than to annihilate them. The inhabitants of the tropical regions of Africa are doubtless better suited to that climate than the people of the European States that are struggling to become their masters. In fact, despite the shortcomings of humanity at large, there are comparatively few people who cannot be put to better use than being set up as targets. Although modern implements of war have tremendous destructive power, they are very costly. It is said that it costs at least $710 to fire a twelve-inch gun.

A complete realization of the ideals of those who, on humane grounds, are opposed to war may be far off, but there seems to be a considerable sentiment, growing in volume year by year, in favor of settling difficulties by arbitration wherever possible. International controversies are often due to misunderstanding, and it is perhaps not too much to expect that as nations become better acquainted with each other, and as education is more widely diffused, there will be less of a disposition to take up the sword.

In reconvening The Hague Conference the Czar has given the great powers of the world an opportunity of relieving themselves of some of the burdens that are inseparably attached to the maintenance of a large military establishment.

CORPORATION CONTRIBUTIONS TO CAMPAIGN FUNDS are again the subject of much interest, owing to the testimony of one of the witnesses before the committee of the New York Legislature appointed to investigate the insurance companies of that State. The witness in question frankly said that he had contributed money in both the McKINLEY and ROOSEVELT campaigns. He had done this, he said, on his own responsibility, and in the exercise of his best judgment as to what was necessary, in this particular instance, to protect the interest of the company's policyholders.

In former times those who presided over the shrines of the respective deities having the affairs of mortals under their control did quite a thriving trade in supplying oracular utterances suited to the varying needs of those who consulted the gods and goddesses of those days. These superstitions have passed away, but in their stead have come many-headed and unappeasable monsters who must be propitiated with votive offerings before the vast transactions incident to modern business enterprise can go forward without interruption. Ignorance and greed have their countless shrines where tribute must be paid.

Whether the political contributions made by the President of the New York Life Insurance Company, out of the company's funds, were proper or not—a point exhaustively discussed in the public press—no doubt Mr.

McCall acted in the sincere belief that he was making a use of his company's money that would inure to the benefit of the policyholders. He thought, and not without good reason, that the company's investments would suffer heavy depreciation in the event of the gold standard being overthrown by Bryan or weakened by the lukewarm policy of Judge Parker's political sponsors.

In national politics it would seem that many of those who control sound and legitimate business enterprises believe it necessary to pay large sums for protection against the dangerous schemes of the demagogue who, for his own ends, inflames popular prejudices and ignorance. In State affairs, the Legislatures are, in too many cases, under the sway of a "boss," who is himself quite often controlled by the dominating railway or other corporation of the State. Where such conditions exist, the spirit of barter and sale enters more or less into certain kinds of legislation.

Much plausible argument can be adduced to excuse the political contributions made by the great corporations of the country. In fact, while there is imminent danger of an impairment of a corporation's property as a result of political hostility, the corporation can hardly be blamed for taking such measures as are deemed necessary to defend itself against the aggressions of ignorance and greed.

But when all is said, the practice of making such contributions is wholly bad, even when the money is used for legitimate campaign purposes, as has been assumed to be the case in what has been written above. As the people advance in intelligence, no honestly-conducted business need buy immunity from unprincipled attacks, but can safely defy the forces of unscrupulousness and greed.

The appropriate remedy for existing evils is the overthrow of the political boss and the return of power to the hands of the people. It is only when political affairs are guided by a sound public opinion that legitimate corporate enterprises are safe from the predatory raids of political bandits. The corporations that make contributions to political campaign funds at least lay themselves open to the suspicion that they have received, or expect, some unfair advantage over the public. They also foster the power of the boss whose existence depends upon the hostility he can excite against corporate wealth, and who is forever engineering hostile legislation under the guise of protecting the public welfare.

There is evidence—not so strong, perhaps, as it should be, but at least cognizable—in New York, in Philadelphia and in Missouri, as well as in the administration of Federal affairs, that a clearer understanding of the respective rights of the corporations and of the public is beginning to manifest itself.

Excessive loans by National banks are discussed in this issue by Mr. Geo. M. Coffin, former Deputy Comptroller of the Currency. Mr. Coffin's long identification with the Comptroller's office, where he had the oversight of examinations and reports, will give additional weight to his views regarding the loans made by National banks in excess of the limit prescribed in section 5200 of the Revised Statutes of the United States. He believes that this provision of the law is a wholesome one, and that a stricter enforcement of it will materially reduce the number of failures of National banks.

Heretofore great difficulty has been experienced in fixing upon directors the responsibility for violations of the law; but now when infractions of the law occur the directors are required to sign the reply to the Comptroller's letter calling the attention of the officers of the bank to such violations. Just what the effect of this will be may be inferred by a careful reading of the following provision of section 5239 of the Revised Statutes of the United States, relating to violations of the National Banking Act:

"And in cases of such violation, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation."

When a bank fails in consequence of violating any of the provisions of the National Banking Act, it can now be clearly established that the directors were cognizant of the illegal acts, and they can be held individually liable therefor. This should go far toward preventing the failure of National banks.

Although the record which these institutions have made is, on the whole, highly creditable as showing almost absolute security, the rapid growth in the number of the National banks renders it important that every reasonable precaution should be taken to still further insure the solvency of every bank in the system.

In succeeding issues of the Magazine we shall present other articles by Mr. Coffin on subjects of present practical interest to the bankers of the country.

The Anglo-Japanese alliance, the terms of which were recently made public, possesses world-wide significance. This new compact differs from the one it supersedes in one important particular. The former treaty provided for interference on the part of either of the contracting nations when attacked by more than one hostile power; but the present alliance goes much further by agreeing that when either of the signatory powers becomes engaged in war in defense of its interests or territorial rights the other shall make common cause with it in carrying on the war and in concluding the terms of peace.

An avowed object of the alliance is to preserve the territorial integrity and political independence of the Chinese Empire, and to secure equal trade rights in that country to other nations; to recognize the paramount interests of Japan in Korea and the right of Great Britain to take the measures deemed necessary to protect the Indian frontier against invasion.

The weakened condition of China has for a long time rendered that country subject to the depredations of other countries desiring to extend their trade and territory in that direction. That the Chinese Empire has not already been parcelled out among the nations of Europe is perhaps due as much to the inability of those nations to agree on a proper division of the spoils as to any other considerations. Even with this restraining influence, more or less gobbling up of territory and preempting of trading rights has been going on for some time. The check that was administered to Russian aggression by the victory of the Japanese arms will be effectually extended to all other countries similarly disposed, by the terms of the recent treaty of alliance between Great Britain and Japan. This compact makes for greater political tranquillity in the Orient and assures a fair field for carrying on the activities of trade in that part of the world.

THE RENEWAL OF REFUNDING of the public debt, recently announced by the Secretary of the Treasury is in consequence of the approaching issue of bonds to supply funds for construction work on the Panama Canal. Before going into debt any further the Secretary desires to provide for staving off the payment of maturing obligations to some more convenient season.

With the unexampled prosperity and the abundant revenues of the past few years provision might have been made for paying off substantially all the debt soon to mature. This would have had quite as stimulating an effect upon the public credit as the extension of the debt will have. But, of course, to pay a debt that can be indefinitely renewed is too old-fashioned to meet the ideas of modern financiers. Nevertheless, the policy of perpetuating the bonded debt is, under present circumstances, a bad one, as the results will prove before long if existing tendencies are not checked. The blame, however, rests primarily upon Congress, and not upon the Secretary of the Treasury.

EXCESSIVE LOANS BY NATIONAL BANKS.

The following article on loans by National banks in excess of the amount which the law permits to be loaned to one individual, firm, etc., was prepared for The Bankers' Magazine by Geo. M. Coffin, Vice-President of the Phenix National Bank, New York city, and formerly Deputy Comptroller of the Currency.

Mr. Coffin is a native of Charleston, S. C. After being educated there and engaging in business for some years, he entered the office of the Comptroller of the Currency, under Mr. Trenholm, in May, 1886, and was soon after made Chief of the Division of Issues. In 1888 he was transferred to the head of the Reports Division, the duties of which included the supervision of examiners' reports. He greatly improved the system of handling the work coming under his direction. The present form of examiners' reports was adopted by Comptroller Lacey at the suggestion of Mr. Coffin. In March, 1896, Mr. Coffin was promoted to be Deputy Comptroller, on the unsolicited recommendation of Comptroller Eckels. Mr. Coffin's work in the Comptroller's office extended over a period of twelve years, during which he enjoyed the confidence and esteem of Comptrollers Trenholm, Lacey, Hepburn, Eckels and Dawes. In 1898 Mr. Coffin resigned as Deputy Comptroller, to accept the Vice-Presidency of the Phenix National Bank of New York.

The policy of calling the attention of directors of National banks to all violations of law revealed by examinations which the Comptroller of the Currency is now said to be putting into general practice, makes interesting a discussion of one provision of the law which is most frequently violated; namely, that applying to what are known as "excessive loans." The text of the law is contained in section 5200, National Bank Act, as follows:

"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."

The meaning of this is that no National bank can lend directly, or by evasion, to any person, company, firm or corporation an amount exceeding one-tenth of its capital stock actually paid in, not including its surplus fund, to which the law makes no reference in this connection. Nor does it matter whether such "money borrowed" is secured in any way by endorsements, collateral, or otherwise, for the law makes no such exception. In reckoning the liabilities of a firm or company, the liabilities of the several members of such firm or company must be counted against the firm or company, but in the case of a corporation, money borrowed individually by shareholders of such corporation is not to be counted against the corporation. But the restriction applies only to "money borrowed," for the law distinctly excepts the discount of bona fide bills of exchange and of commercial or business paper. In other words, when a person, firm, company, or corporation is liable to a bank with a capital of $1,000,000 for

$100,000 "money borrowed," the bank may lawfully discount for either of them bills of exchange or commercial or business paper without limit as to amount.

One peculiarity of the law is that it does not limit the amount of "money borrowed" by one National bank from another, because a National bank within the meaning of the National Bank Act is an "association" and not a "corporation."

That section 5200 has been constantly and frequently violated is no secret, for in his report for 1898 the Comptroller made the following statement: "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 Sept. 20, 1898, the date of the last call by the Comptroller for statements of condition of National banks, 1124 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."

At the end of some thirty-five years of the life of the system one-third of the entire number of banks are officially reported to be violating the law and the administrative officer openly acknowledges that he finds great practical difficulty in enforcing it, for the reason that the only penalty for such a violation is that prescribed by section 5239, as follows:

"If the directors of any National banking association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate any of the provisions of this title, all the rights, privileges and franchises of the association shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district or Territorial court of the United States, in a suit brought for that purpose by the Comptroller of the Currency, in his own name before the association shall be declared dissolved. And in cases of such violation, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person shall have sustained in consequence of such violation."

In brief, the Comptroller (and he alone) must bring suit in a United States court and prove that the directors have *knowingly* violated the law or allowed it to be violated by the officers, in which case the bank must cease to do business and be closed, and every director who shared in or assented to the violation is personally liable for any damages sustained by the closed bank, its shareholders or any other person. Concisely stated, the penalty is so severe it has never, or hardly ever, been enforced, and with this knowledge the banks generally have quietly laughed in their sleeves at the gentle admonition from the Comptroller's office, and filed his letters on the subject in the waste-basket. As a matter of fact in a great many cases no answer to such letters, which were usually addressed to the President of the bank criticized, was either asked or expected. Only in serious cases was the officer to whom the letter was addressed requested to show same to his directors and have them join him in a reply. After 1893 the Comptroller in such cases mailed to each director at his residence address a personal letter calling his attention to the letter written the President, asking him to join in a reply, and enclosing a printed slip containing sections of the law pertaining to the duties and liabilities of directors.

As an illustration, the President of a large bank who had persistently been misusing the funds of his bank for his own interests, through excessive loans, neglected to have his directors join him in replying to the Comptroller's letters criticizing the condition of his bank. The next examination disclosing no improvement, a severe letter was addressed to the President in which the directors were notified they must in case of disaster accept the full legal responsibility of their neglect in the management. A personal letter was also sent to each director, advising him of the letter to the President, and asking an acknowledgment. Within a few days all but two of about ten directors answered. The bank failed about a year afterwards, and on the witness stand the directors stated that through these personal letters from the Comptroller they were first apprised of the bank's condition and were thereby bound to personal responsibility for the management of its affairs.

The present attitude of the Comptroller's office and the practice of requiring the directors to join in replying to every letter written as the result of an examination of a bank showing excessive loans and other violations of law, is no doubt due to the growing realization that these unchecked violations are leading to serious consequences; as, for instance, the failure, a few months ago, of a bank in Kansas and two in Illinois through excessive loans in the interests of the party who controlled the ownership of these banks. This probably was the "last straw" added to the cumulative evidence contained in the Comptroller's report for 1904 which, classifying the causes of failure of 438 National banks in forty years, shows that 117 of these banks, nearly twenty-seven per cent. of the whole, failed directly or indirectly as the result of excessive loans.

In the light of this experience, there can be no question in the mind of any safe and intelligent banker that the law imposes a most wholesome restraint, for it is very clear that the wilful disregard of this restriction has been responsible for a large percentage of bank disasters.

Observance of the restriction not only confines direct loans to reasonable and safe limits, but it goes further and operates to compel a wholesome distribution of business in these days of concentration; and this, perhaps, is one of the ends originally held in view by the framers of the law.

Under the circumstances the Comptroller is entitled to have and should receive the support and co-operation of every bank manager who favors conservative management and obedience to existing law.

GEO. M. COFFIN.

MR. ROCKEFELLER ON TEMPERANCE.—On September 10 John D. Rockefeller gave a short talk on temperance to the men's class at the Euclid Avenue Baptist Church, Cleveland, Ohio, warning his listeners against the social glass.

"The only way to be temperate is to keep away from drink altogether," he said. "The great majority of drunkards are men who take a social glass once in a great while. I wonder if any of you can give me the name of the society which furnishes recruits for the gutter?"

From several parts of the room came the reply:

"The society of moderate drinkers."

The readiness with which the answer was given seemed to please Mr. Rockefeller.

"I have never been in the least danger of becoming a victim of the drink habit myself," he went on, "just because I refused absolutely to become a member of that society. Don't join it, my friends, and you will never have any cause for regret."

THE GOLD SUPPLY NOW AND TEN YEARS BACK.

It is as well to take occasionally a few minutes for the consideration of our business position, apart from the aspects in which it is discussed, privately among us in our ordinary conversation, and publicly in the half-yearly statements which are made at the general meetings of the shareholders in banks, railways, and other industrial concerns.

These statements are very useful in themselves, and frequently contain very valuable information, but they are necessarily bounded in a degree by the particular class of business with which the institution has to deal, to the shareholders of which they are addressed. The rate for the use of money depends on the demand for its employment, and the supply available at the moment. But while the demand for its employment depends ultimately on the state of industry of the country—the wants of other countries, the requirements of war, the carrying out of great public works, all make demands for the use of money which affect the price paid for the use of it.

As time goes on there is an increasing tendency for the rate for the use of money to become more uniform over all civilized countries. Naturally this result follows with more regularity in those countries in which the conditions of trade and the general run of profits are most uniform. We can hardly expect the rate charged for advances in a newly settled country, which is in a rapidly growing and progressive state, and in which the demands for the use of capital exceed the local supply, to correspond exactly with those of a country like England, or France or Germany, in which there is usually, if not always, a sufficient amount of loanable capital to meet all requirements.

But while this is the case there have been, during the last few years, very extraordinary alterations both in the amount of banking capital and in the stock of gold and of silver money in use in the principal countries of the world. The two things naturally go together, for the precious metals form the basis of the reserves on which banking rests. We will therefore proceed to examine into the amounts of specie held now and about ten years since—the statements to hand do not admit of the figures being carried down to a later date.

To make this matter clear, we give a table* compiled from the Report of the Director of the Mint of the United States of the approximate stocks of money in the principal countries of the world at the close of the years 1903 and 1893. Owing to requirements of space, we have included in this table only the more important countries, but as those which are not included are not many, and the sums omitted only amount to about 6 per cent. of the whole, we may regard it as an adequate statement of the position of affairs in this respect in the world at the present day.

It will be observed that the aggregate stock of gold is stated as being, in 1903, £1,075,100,000; while it was on December 31, 1893, £729,680,000.

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*These tables are omitted, but a summary of them will be found in the text.

The stock of gold is thus *more* in 1903 than it was in 1893 by £345,420,000. While the stock of gold used as coinage has increased in this manner, that of silver has diminished. This was at the end of 1903, £511,780,000; while it was at the corresponding date in 1893, £628,320,000; being thus *less* in 1903 by £116,540,000.

To make the manner in which the detail is worked out clear, we subjoin a table showing the estimated alteration in the countries named. Some of the detail is extremely curious. The holding of the following countries in gold has increased as follows:

	Gold more in 1903 than in 1893.
The United States	£138,760,000
Austria-Hungary	31,360,000
France	28,660,000
Germany	35,280,000
Russia	65,740,000

The case of Belgium is very peculiar. In Belgium the gold held appears to have diminished £5,000,000, and the silver £6,000,000. Japan is in the same position, the gold held is stated to have diminished £2,000,000, and the silver nearly £12,000,000. In Great Britain the gold held appears to be less by nearly £4,000,000, while the silver has increased £760,000. This last we may add corresponds with our own belief, that the amount of gold in circulation tends to diminish, and that of silver to increase.

Of course, the general statements can only be estimates, but there is every reason for considering them to be as close to the facts as such estimates can be, and the figures of the coinages can be absolutely relied on. We believe that in this country the amount of gold held in reserve by banks has increased during the time referred to. A private arrangement like this can hardly be taken notice of even by the most careful enquirer who is not resident in the country, and even by those who are, it is very difficult to ascertain all the facts, which are naturally kept private; but we may fully believe that the amount of gold held in this country has practically not increased within that time. This is a curious circumstance when we consider how enormous the coinages of gold, both in this country and in Australia, have been during the ten years referred to. Roughly, these coinages have been £150,000,000.

It will be observed, from the statement in Table I., that the amount of gold held in Australia, Canada and India has greatly increased during this period. In round numbers, the increase is £40,000,000, but it certainly appears that fully £100,000,000 of British sovereigns, coined within the period named, must have left our territories. This is not a matter to be regretted; the gold, no doubt, has been paid for in the form of goods, which are of more use to us than the specie, but it is another illustration of the enormous figures to which our business operations extend.

In examining these statements it will be an assistance to us to bear in mind the amount of gold which has been produced by the mines of the world during the ten years we have under consideration. In round numbers the estimate is £500,000,000. The figures before us of the gold coinages account roughly for the use of £345,000,000 out of this. Various estimates have been made of the amount of gold employed in the industrial arts for ornaments and other purposes. It is estimated that the total value for the ten years used thus would amount to £150,000,000. Broadly speaking, we may believe these figures to be correct. Meanwhile, there is another point to be considered. While the stock of gold in the world appears, during the last ten years, to have increased £345,000,000, the amount of silver used as standard coin has diminished £116,000,000. The working of this is shown in Table IV.

This includes a diminution of about £100,000,000 in the value of the coin circulating in India and in the Straits settlements. As the silver coin which has dropped out of circulation was "standard" money, the general effect on the stock of "legal tender" money in metal is that, instead of having increased £345,000,000, it has only increased two-thirds of that amount—we may roughly say about £220,000,000 or £230,000,000. We are thus brought to the conclusion that, of the immense amount of gold discovered within the last ten years, only about one-half has practically been added to the actual circulation or to the gold reserves of the principal countries of the world. Questions are sometimes asked as to the effect of the recent discoveries of gold upon prices. It has been expected that such enormous additions to the circulating medium must be followed by an increase in prices. According to the "quantity theory of money" this should happen, as "prices are determined by the relation between the demand for and the supply of money. The demand consists in the offering of goods for money; the more goods are offered, the greater the demand. The supply consists of the money-pieces, whatever their material or form, available for the purchase of goods."

This theory has been much cavilled at and criticised, and the elements involved are so numerous and so hard to grasp that the whole subject is difficult to understand. Modern habits of business, including the great development of banking, both in this country and in all the business countries of the world, have made great alterations in the use of specie in the ordinary transactions of life; but, as the increase of the specie become the basis of increased banking operations, the influence of the increased specie is augmented by the increased banking facilities dependent on it.

The habits of people in regard to the money they use, the fact that an increase of money-supply may itself become the cause of a further demand for money thus assisting to prevent prices from rising in proportion to the increase of supply of money, though all these difficulties, and many more into which we cannot go at this moment, render the subject a difficult one to understand, yet we feel bound to say, in the words of Professor Walker, "No one has ever yet seriously undertaken to show what determines the value of money—that is, prices—if supply and demand do not."

Meanwhile, we have again to call attention to the fact that, while the banks of other countries have strengthened their specie reserves considerably during the period before us, this country has done so in a much smaller proportion. We may be perfectly certain that the increase in the amount of specie circulating in the different countries of the world, will, in the natural course of business, cause increased demands for specie, and for these demands we ought to be prepared.—*London Bankers' Magazine.*

A LOSS OF THIRTY THOUSAND PER CENT.

A NEW VIEW OF A MATTER OF DAILY OCCURRENCE, SHOWING GREAT LOSS BY POOR WRITING.

With the introduction and use of the typewriter, the adding machine, the adding and listing machine, the billing machine and the addo-graph, which combines the typewriter and adding machine, handwriting has been somewhat displaced. It may be that in a few years other machines will be invented and put in use that will make the pen even less necessary in the daily work.

Since the handwriting is thus being relegated to the back-number class, is it worth the time and trouble to try to make our handwriting legible; or if it is legible, to take any care to keep it so? Or, will it pay us better to be negligent in our penmanship? In short, does it pay to write poorly?

Judging by the actual conditions it might be supposed that many bank clerks do not consider it worth any effort or pains to keep their writing plain. This was forcibly impressed upon me one morning recently when some one in a bank in our city called me up on the 'phone and asked if we had sent an item of five hundred and some dollars for collection to a certain bank in Albany. Explaining that the name of the addressee on the letter of advice was very poorly written and looked as if it had been intended for them, but they were unable to find that they had sent such an item. The name of their bank and the name of ours begins with the same letter, so they thought it might be intended for us; but the thought was wrong, for we had not sent them anything.

The credit has no doubt found its owner by this time, but the illegible writing caused a lot of useless search and waste of time. To write it poorly might have saved the writer one second, but it cost the men who tried to decipher it many hundred seconds.

Let us by a little computation see what the precentage of profit or loss was. If the writer saved one second, and five minutes were occupied by the receivers in trying to locate the item, the receivers lost three hundred seconds, and that is thirty thousand per cent. above the time the poor writer saved. It was a great loss! While, on the other hand, the poor writer saved one-third of one per cent. of the time the receiver lost. But think of the loss! If the bank's percentage of loss in dollars was that great, all the clerks would soon have to look for another source of revenue to supply their daily needs and funds for their vacation trips.

If the man's object in writing carelessly was to economize time, it was the kind of economy that proved to be the worst kind of extravagance. The percentage of loss is appalling.

Another case was recently called to my attention. A young man who was temporarily in charge of a discount desk sent out a maturity notice for a note. The name and address of the maker were copied from the note, and they were plainly written on the note, but the postoffice authorities returned it marked "not at."

The address had been properly copied, but the name was written by the clerk in such a way that the man did not think it was intended for him, and so refused it. The maker's name was Epstein, but the clerk wrote it so that it looked like Epshm. The trouble was simply this: the young man had formed the habit of neglecting to cross the t's and dot the i's; not only that, but when he makes an i, an e, or n and m, he makes them resemble the teeth of a saw or a continuation of the m curves.

When the envelope was returned he lost far more time trying to understand the reason for non-delivery than he saved by the first careless writing.

He had the saving and he had part of the loss, and his part of the loss was fully thirty thousand per cent. above his first saving.

If every careless writer would have the trouble of deciphering his hieroglyphics, instead of forcing it upon the innocent recipient, he would soon learn to write plainer.

Examples of the loss resulting from poor writing might easily be continued. You know that a few minutes are lost each day trying to understand writing and figures on remittance letters, and these lost minutes added together make many, many hours in the course of the year that are really lost because some clerks have tried to save a few seconds of their time, regardless of the other fellow's time.

A railroad officer who was noted for his bad penmanship wrote a letter to a contractor ordering him to tear down a certain building. The days and weeks passed, but the building was not torn down. The officer met the contractor one day and asked him why he did not tear the building down. He said he had not received any order to do so. The officer then said that he had written to him at a certain time giving such an order. To which the contractor replied that he had received it and supposed it was intended for a pass on the road and had been using it as such without being questioned.

The bank clerk usually gives the excuse that he cannot take the time to write plainly, and that his penmanship has been spoiled since he came in the bank. It is a poor excuse. It will take very little more time to write legibly than it takes to write poorly. After you have trained your muscles to form the letters properly, and keep them so trained, you can attain just as much speed as you did by the improper formation of the letters and figures, and your work will be far more satisfactory to you and your co-workers. They will pat you on the back and say kind things to you because you have relieved them of trouble.

Legible writing does not mean that it must be Spencerian, with its flourishes and shadings and each letter looking like a steel-plate engraving. But if Spencerian suits you, use it: if the vertical, use it: if the full round hand, use it. Any style you prefer, only so it is plain enough for some one else to read it without having to study it out like a puzzle.

Bank officers usually want to do things to make a good impression on their correspondents, but some of them forget that the letters that go out from their correspondence or transit department have a great deal to do with the impression that is made as to the interior condition of their bank. If the letters have the marks of carelessness in the handwriting, the impression is not good.

Sometimes the officers' penmanship is so poor that they seem to feel reluctant about speaking to their clerks when they notice their writing getting poorer and poorer. They remember that people who live in glass houses should not throw stones. But they surely, with a little tact, can warn the clerks not to follow after them in that particular.

If a clerk is interested in the success and advancement of the institution he is with, he will do his best to help it along, even in his small way, and his efforts will not be in vain. It is the small things that help to make the great things.

Now, to return to the question at the end of the second paragraph—does it pay to write poorly? We all say, no it does not, when we consider the other man and the trouble our poor writing makes for him. Let us therefore resolve that we will henceforth not attempt to selfishly save our time when our correspondent or co-worker will be occasioned a thirty thousand per cent. loss by our miserable substitute for writing.

CHARLES WESLEY REIHL.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

BOOKS, RECORDS AND FORMS FOR THE TRUST DEPARTMENT —*Continued.*

JOURNALS AND LEDGERS FOR THE ESTATES DEPARTMENT.

In the Estates Department, especially if the amount of business be large, it is convenient, if not essential, to have record forms prepared especially for the kind of work handled. There is much variety in the forms used by different companies; and it is of course true that a company doing only a small business in this line will find convenient the use of forms somewhat different from those required by larger companies. The chief points of excellence to be desired in a system for keeping accounts of this character are: simplicity and clearness; adaptability to both large and small accounts; adaptability to accounts requiring many sub-accounts and to those requiring but few sub accounts; convenient arrangement for rendering statements to courts or to others directly from the books, without the necessity of the stenographer being furnished with a separate copy of the account.

With all these points and some others in view, the best system of books for the Estates Department that the writer has seen is that described in connection with Figures 13, 14, 16 and 18, which was adopted by the company using it after experimenting with other forms. This system involves the use of a general journal, in which is given in skeleton form the total transactions for the day in each trust; individual journal sheets in which the transactions for each trust are entered in detail in chronological order; ledger sheets, and memorandum sheets. The loose-leaf system is used except for the general journal.

Figure 13 shows the general journal used in this system. The size of each page is 15¼ inches wide by 14¾ inches deep. This book serves the double purpose of furnishing a resumé of the total transactions for the day in all the trusts that are active for the day, and of distributing the items to their proper places among the general accounts with a minimum of labor and yet with accuracy and clearness. Reading from the center of the book outward on either page, the headings are: Date, Memoranda, Cash, Bank, Income, Principal, Individual, Unimproved Real Estate, Improved Real Estate, Real Estate Mortgages, Land Contracts, Notes, Bonds, Stocks, Total; the headings, with the exception of the first two, corresponding to the names of the general accounts carried. This company finds it convenient to maintain a separate cash drawer in this department, and hence the columns for both Bank and Cash. Where such a cash drawer is not maintained, the Cash column would of course be unnecessary. In one of the columns headed

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

Memoranda are entered simply the names of the trusts having transactions during the day, and opposite such names, in the proper columns, the debits or credits to the various accounts under each trust. In the figure, since it is necessary to show the form here in two parts, the names are entered in

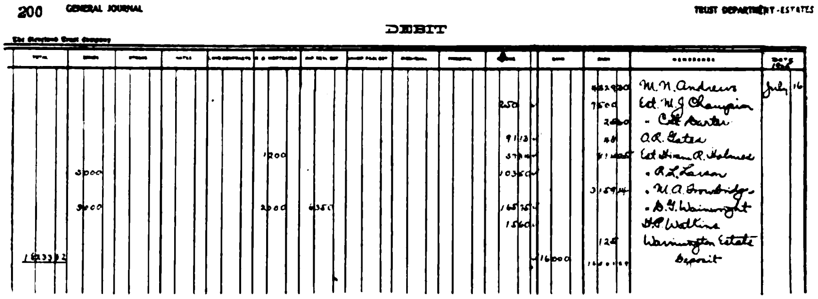


FIG. 13.—LEFT-HAND PAGE, GENERAL JOURNAL, ESTATES DEPARTMENT.

both of the Memoranda columns; but in practice they need be entered but once.

In Figure 13, the first entry shows that there was received for the M. N. Andrews trust, $4,829.30, which is debited to Cash (left-hand page). On the right-hand page, $4,500 of this amount is shown credited to Principal, and the balance, $329.30, to Income. In the second entry it is shown that there has been received for the Estate of M. J. Champion, $7,500, which is debited to Cash (left-hand page), and credited to Improved Real Estate (right-hand page). Also, for this estate there has been expended $250, which is credited to Bank (right-hand page) and debited to Income (left-hand page). In the eighth entry it is shown that there has been disbursed for the Estate of D. G. Wainright the sum of $11,515.75, of which $3,000 is debited to Bonds, $2,000 to Real Estate Mortgages, $6,350 to Improved Real Estate, and $165.75

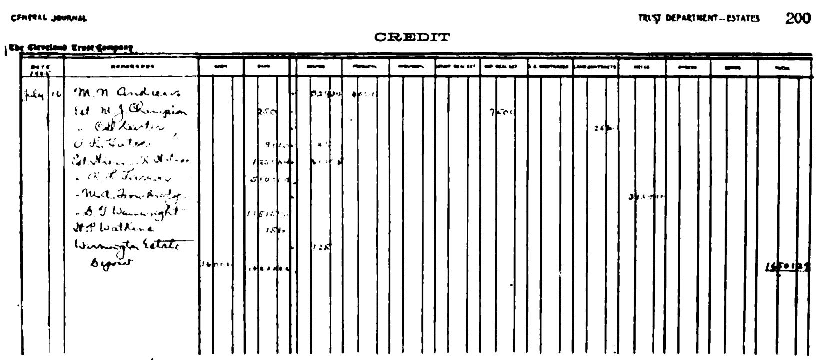
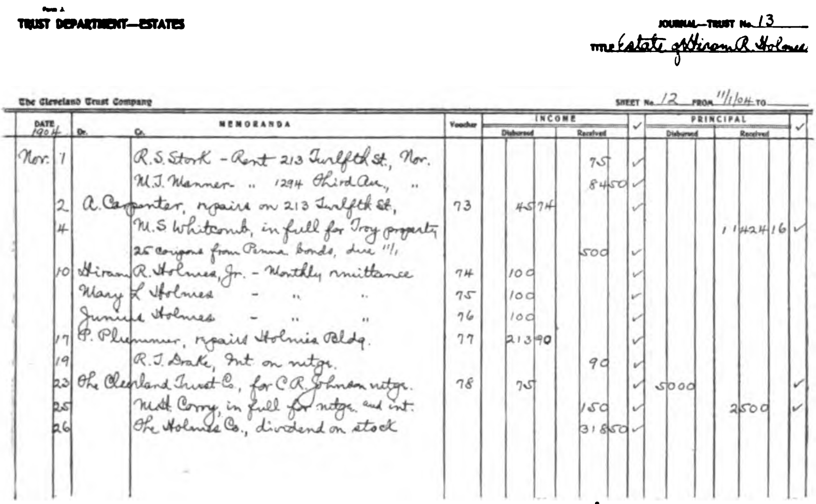


FIG. 13.—RIGHT-HAND PAGE, GENERAL JOURNAL, ESTATES DEPARTMENT.

to Income. The last entry shows that of the funds received during the day, $16,000 was deposited in the bank. The totals in the total column on either page represent the totals of all items on the page except the Cash and Bank items. The total shown on the right-hand page agrees with the footing of



Form A

TRUST DEPARTMENT—ESTATES

JOURNAL—TRUST No. 13

TITLE Estate of Hiram R. Holmes

The Cleveland Trust Company

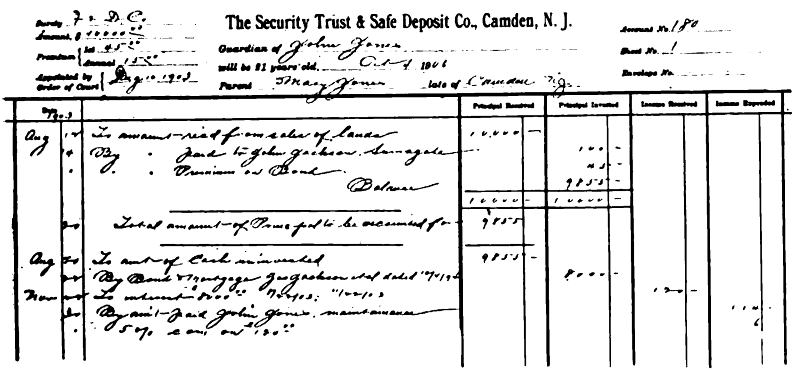
SHEET No. 12 FROM 11/1/04 TO

Date 1904	Dr. / Cr. Memoranda	Voucher	Income Disbursed	Income Received	✓	Principal Disbursed	Principal Received	✓
Nov. 1	R. S. Stork – Rent 213 Twelfth St., Nov.			75	✓			
	M. J. Wanner " 1294 Third Av., "			84 50	✓			
2	A. Carpenter, repairs on 213 Twelfth St.,	73	45 74		✓			
4	M. S. Whitcomb, in full for Troy property						11424 16	✓
	25 coupons from Penna. bonds, due 11/1			500	✓			
10	Hiram R. Holmes, Jr. – Monthly remittance	74	100		✓			
	Mary L. Holmes " "	75	100		✓			
	Junius Holmes " "	76	100		✓			
17	P. Plummer, repairs Holmes Bldg.	77	213 90		✓			
19	R. J. Drake, Int. on mtge.			90	✓			
23	The Cleveland Trust Co., for C. R. Johnson mtge.	78	75		✓	5000		✓
25	Matt. Corry, in full for mtge. and int.			150	✓		2500	✓
26	The Holmes Co., dividend on stock			318 50	✓			

FIG. 14.—INDIVIDUAL TRUST JOURNAL, ESTATES DEPARTMENT.

the Cash column on the left-hand page; and that on the left-hand page with the footing of the Bank column on the right-hand page. The footings of the various columns are carried forward from page to page for a week or for any convenient period; and are then posted to the general accounts.

The day's work being thus summarized in the general journal, the work for each trust is entered in detail in the individual journal of the trust, the form for which is shown in Figure 14. The credit entries are made directly from credit tickets, and the debit entries from the stubs of the department



The Security Trust & Safe Deposit Co., Camden, N. J.

Surety; Amount; Premium 1st, Annual; Appointed by Order of Court

Guardian of John Jones

will be 21 years old Oct. 1 1906

Parent Mary Jones, late of Camden N. J.

Account No. 180; Book No. 1; Envelope No.

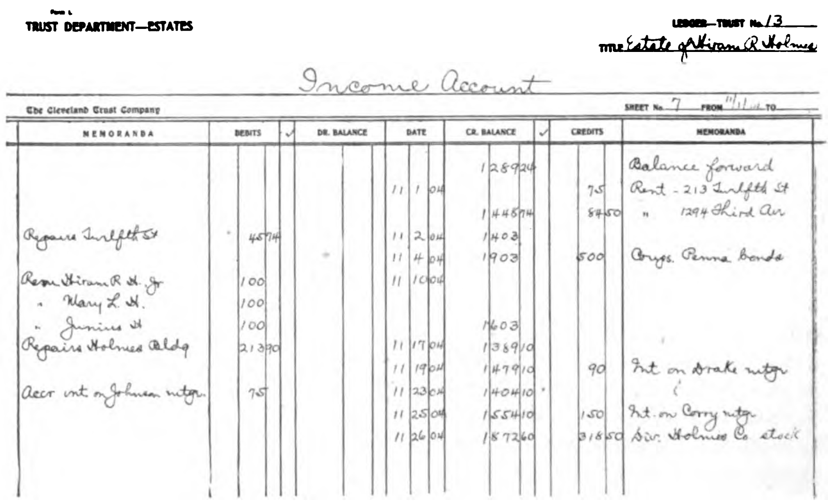
Date 1903			Principal Received	Principal Invested	Income Received	Income Expended

FIG. 15.—INDIVIDUAL TRUST JOURNAL, ESTATES DEPARTMENT.

check-book. This journal, it will be noted, separates entries for Income account from those for Principal account, which is a convenience not only in posting, but in the rendering of separate statements of the two accounts. At the left of the space headed Memoranda will be noticed the headings Dr. and Cr. This is a device for separating the descriptions of debit and credit items, the former being begun next to the date line, and the latter under the abbreviation, Cr. This enables the eye to quickly pick out the descriptions of the two classes of items.

In Figure 15 is shown another journal form somewhat similar to this, but arranged in cash-book style, with receipts entered in the left-hand column. At the top of the first page in this journal are given brief memoranda regarding the trust. Concerning this see the discussion in connection with Figure 18.

From the Individual Journal of each trust the items are of course to be posted to the ledger accounts for that trust. These ledger accounts may include any or all of those shown in the headings of Figure 13, or others not



TRUST DEPARTMENT—ESTATES

LEDGER—TRUST No. 13

TITLE Estate of Hiram R. Holmes

Income Account

The Cleveland Trust Company

SHEET No. 7 FROM 11/1/04 TO

MEMORANDA	DEBITS	✓	DR. BALANCE	DATE	CR. BALANCE	✓	CREDITS	MEMORANDA
					1289 24			Balance forward
				11 1 04			75	Rent - 213 Twelfth St
					1448 74		84 50	" 1294 Third Av
Repairs Twelfth St	45 74			11 2 04	1403			
				11 4 04	1903		500	Coups. Penna. Bonds
Rem Hiram R. H. Jr	100			11 10 04				
" Mary L. H.	100							
" Junius H	100				1603			
Repairs Holmes Bldg	213 90			11 17 04	1389 10			
				11 19 04	1479 10		90	Int on Drake mtge
Accr int on Johnson mtge	75			11 23 04	1404 10			
				11 25 04	1554 10		150	Int. on Corry mtge
				11 26 04	1872 60		318 50	Div. Holmes Co. stock

FIG. 16.—LEDGER PAGE, ESTATES DEPARTMENT.

there shown. A loose-leaf binder is used, and the account of each trust is indexed by tabs on the edges of the leaves. After the tab index for each trust is placed, first the memorandum sheet shown in Figure 18; next the journal sheet (Figure 14), and then ledger pages for as many accounts as the trust may require. The form for the ledger pages is shown in Figure 16, which illustrates the use of the form for the Income account. The space for

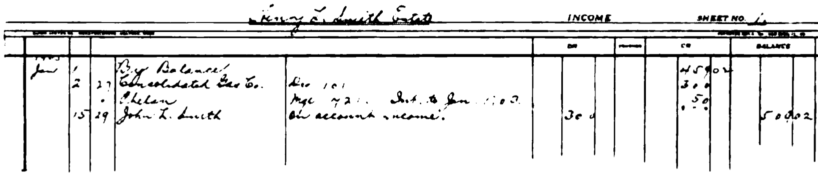
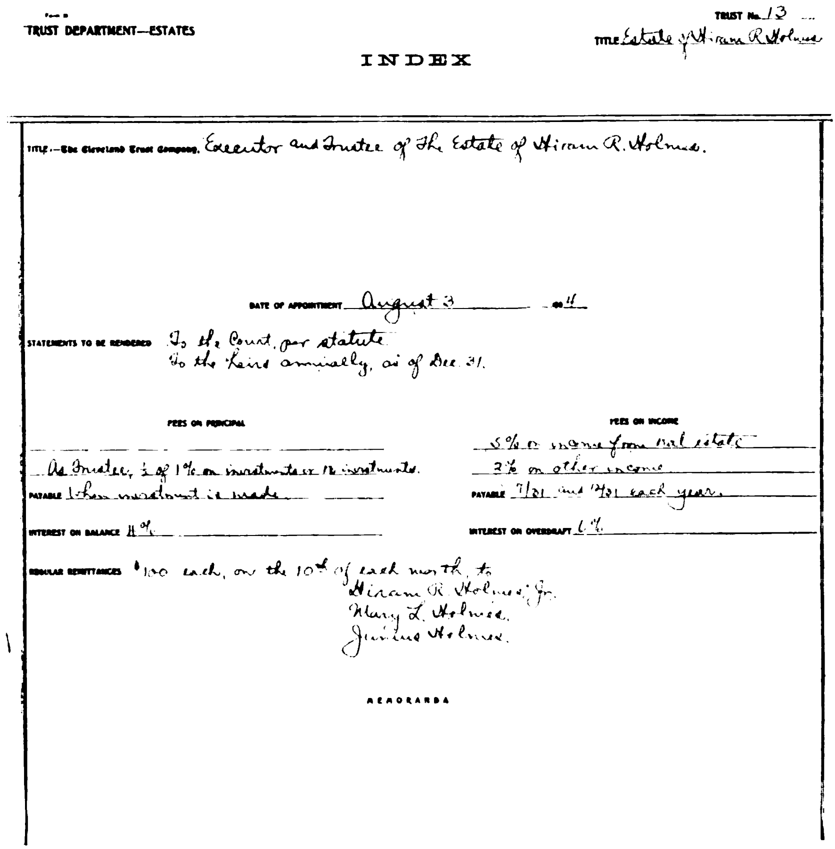


FIG. 17.—LEDGER PAGE, ESTATES DEPARTMENT.

description of items is limited, full description having been given in the journal, and still more detailed description of debit items in the vouchers. Space is provided for both debit and credit balances, as the form is used for accounts, like securities accounts, which have debit balances, as well as for those which have credit balances, like Principal and (usually) Income.

In Figure 17 is shown another form for a ledger page for this work, having much more room for description of items.



TRUST DEPARTMENT—ESTATES

TRUST No. 13

TITLE Estate of Hiram R. Holmes

INDEX

TITLE.—The Cleveland Trust Company, Executor and Trustee of the Estate of Hiram R. Holmes.

DATE OF APPOINTMENT August 3 19

STATEMENTS TO BE RENDERED To the Court, per statute.
To the heirs annually, as of Dec. 31.

FEES ON PRINCIPAL

As Trustee, ½ of 1% on investments or re-investments.

PAYABLE when investment is made.

INTEREST ON BALANCE 4%

FEES ON INCOME

5% on income from real estate

3% on other income

PAYABLE 7/31 and 1/31 each year.

INTEREST ON OVERDRAFT 6%

REGULAR REMITTANCES $100 each, on the 10th of each month, to
Hiram R. Holmes, Jr.
Mary L. Holmes.
Junius Holmes.

MEMORANDA

FIG. 18.—MEMORANDUM SHEET FOR ESTATES DEPARTMENT LEDGER.

Figure 18 represents a memorandum page which is inserted at the beginning of the account of each trust. Its object is to place within convenient reach of the bookkeeper such facts as he needs for guidance in attending to various matters in connection with the trust. It is not intended to take the place of the Trust Register, where fuller details are given; nor does it take the place of the department Tickler, in which are made memoranda of all things that will need attention in the future. The entries to be made on this sheet will vary with the circumstances of the trust and with the personal preferences of the head of the department and of the bookkeeper, for whose convenience it is chiefly designed. In Figure 15 have been shown the memoranda used by another company for a particular kind of trust.

As already noted, some companies prefer to keep their Trust Register leaves bound in the Trust Ledger, such leaves being inserted at the beginning of the account of each trust, so that all records pertaining to a given trust are kept together. The forms shown in Figures 2 and 4 are adapted to such use.*

* See BANKERS' MAGAZINE, August, 1905, pp. 171 and 173.

Some companies insert at the beginning of the account of each trust an inventory sheet, showing the total principal at the time the trust was received, and the changes made in same. Figure 19 shows such a sheet used by the same company (in New York) that uses the form shown in Figure 17.

The inventory shows a balance of $35,450 in Bonds and Mortgages, $7,200 in Real Estate, and $44,350 in Securities. The total inventory being $89,-168.69, the Principal account should show a balance of $2,168.69 Cash Prin-

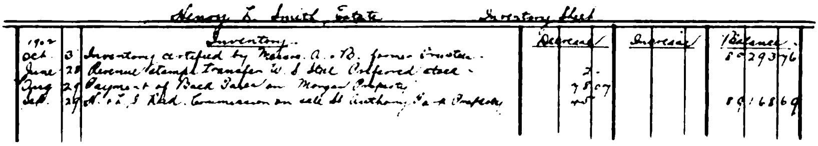


FIG. 19.—INVENTORY SHEET, PAGE 1.

cipal. Such an inventory ought, of course, to be made somewhere in the records. It may be in such an inventory sheet as here shown; or in the trust register; or in the regular ledger account of the trust, as shown in Figure 22.

The opinion has already been expressed that the general plan just outlined for the handling of estates department accounts is the best one. There are those, however, who prefer other styles of records; and in Figures 20 and

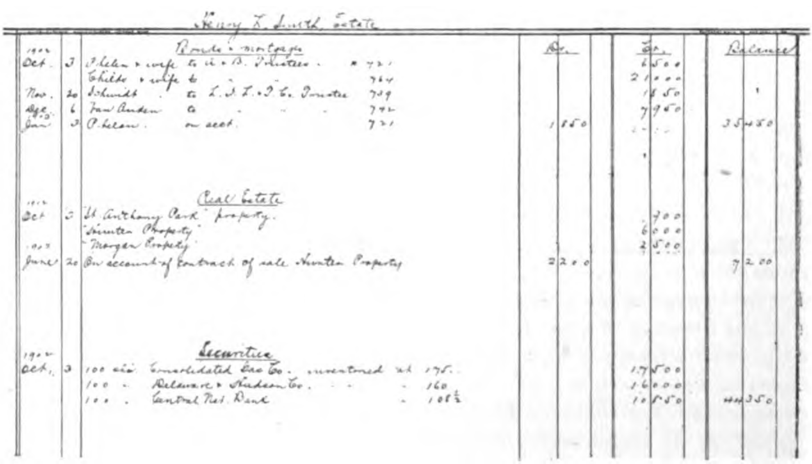


FIG. 19.—INVENTORY SHEET, PAGE 2.

21 are shown other styles of ledger sheets, and in Figure 22, the combined journal and ledger form given in the Book of Forms issued by the Trust Company Section of the American Bankers' Association. In the ledger form shown in Figure 20, provision is made for separate accounts of Capital (or Principal) and Income, and balance columns for each are provided. The first page under the account of each trust in this ledger is a memorandum page, the information called for being shown by the following headings: Brief of Terms of Trust, Date of Receipt of Trust, Amount of Commission, Character of Funds Received, Income, When to be Paid, Income Payable to,

Union Trust and Storage Company.

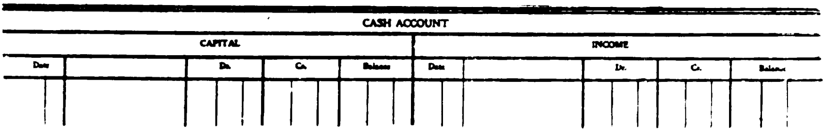


FIG. 20.—TRUST LEDGER, ESTATES DEPARTMENT.

and History. The ledger form shown in Figure 21 provides for separate accounts of Principal, Income and Trust Investments. It does not have balance columns—a serious defect. The obvious objection to these two forms, Figures 20 and 21, is that no provision is made for the keeping of more than two or three accounts under each trust; whereas it is usually convenient, and sometimes imperative, that a number of other accounts, such as those shown in the headings of Figure 13, be kept.

Of quite a different character than any of the ledger forms thus far given is that shown in Figure 22, which is both a journal and a ledger. It is necessary to show the form here in two parts, the two parts together represent-

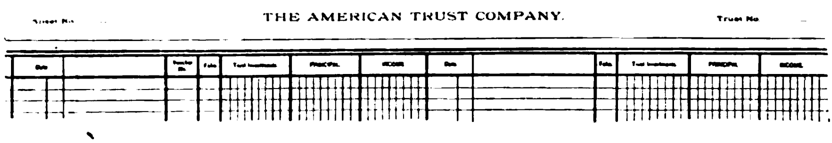


FIG. 21.—TRUST LEDGER, ESTATES DEPARTMENT.

ing the open book as it lies before the bookkeeper. This form has some distinct advantages and some distinct disadvantages. The advantages are most apparent to the bookkeeper who handles the book daily and is thoroughly familiar with its every detail; the disadvantages, to the officer or other em-

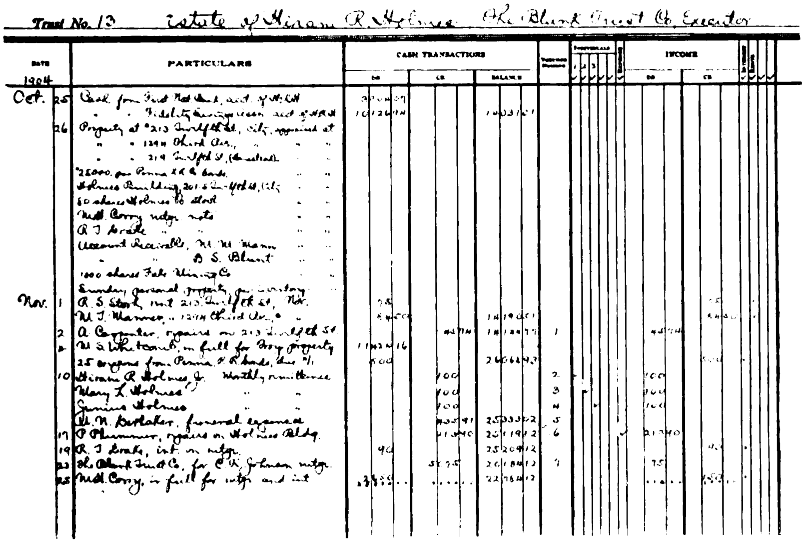


FIG. 22.—LEFT-HAND PAGE, COMBINED JOURNAL AND LEDGER ESTATES DEPARTMENT.

ployee who is not familiar with the book from daily usage, and wishes to get some information in a hurry when the bookkeeper is out for lunch. Combining as it does the journal and ledger, all posting is done away with, except for such sub-accounts as it may seem wise to carry. The record of transactions in all the different accounts is kept in chronological order, and in rendering reports the stenographer has but to copy the record as it stands. The entries for any account may be easily found. On the other hand, the absence of balance columns, except for Cash, is a serious objection. The balances may be found by simple subtraction if the footings are always up to date; but they are apt not to be so. Another objection to the form is the fact that other accounts than those given may be called for, and there is no way of keeping them except as sub accounts.

Most of the entries shown in the figure are self-explanatory. For each item there is both a debit and a credit entry, and the accounts as a whole

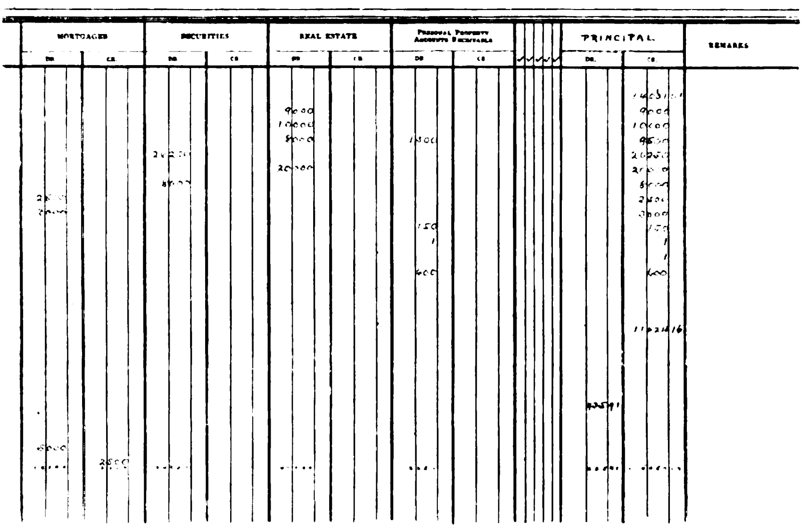


FIG. 22.—RIGHT-HAND PAGE, COMBINED TRUST JOURNAL AND LEDGER, ESTATES DEPARTMENT.

must always be in balance if the work is properly done. The check columns for Individuals, for Interest, Rents and other forms of Income, and those after the columns headed "Personal Property," may be used either for postings to sub-accounts or as a means of picking out the entries for the particular classes of items, or for both purposes. The Principal account shows the total Principal at any time, including both Cash and Investments. The cash Principal may be found by subtracting from the balance of the Principal account the total of balances under the four accounts preceding; or by subtracting from the balance of Cash account the balance of Income account; and it may be proved by combining the two operations. Some companies prefer to carry only Cash Principal in the Principal account.

The figure illustrates the plan of entering the complete inventory of an estate, at the time the property is received, in the ledger. This plan is an excellent safeguard against overlooking any item of the estate, as every item credited to Principal in the ledger must be accounted for. Items of uncertain value may be entered here at the nominal appraisal of one dollar, as shown in the figure. Whether this plan of entering the whole inventory in in the ledger is better than that of confining ledger entries strictly to cash transactions and keeping the inventory elsewhere, is a matter upon which opinions differ; and there is good authority for either course. There is also a difference of opinion as to whether securities of various kinds ought to be carried at an appraisal based on their market value or at their par value. There are arguments for and against either course, and the question is not always an easy one to decide. CLAY HERRICK.

(*To be continued.*)

CORPORATION INFLUENCE IN POLITICS.—Commenting on the late disclosures relating to the Equitable Life Assurance Society, the New York "Journal of Commerce and Commercial Bulletin" says:

"That this company, other life insurance companies and many corporations have been accustomed to make contributions to both political parties there is no doubt, and that it is done with corrupt purpose and with corrupt effect is equally beyond question. It has been done to secure legislation and to prevent legislation, to obtain privileges and immunities, and to escape burdens and exactions. Whatever excuse may be pleaded in extenuation or justification, it is an infamous business, which has had a most degenerating and demoralizing effect upon public life and upon popular political action. It is one of the perils of popular government. This kind of rottenness should be exposed without mercy and subjected to the most caustic process of disinfection. It is a cancerous growth that must be eradicated if our body politic is to have health and escape dissolution."

Novel Form of Bank Advertising.—A. G. Boal, Cashier of the First National Bank, West Elizabeth, Pa., sends the Magazine the following description of a novel form of bank advertising:

"Advertising by means of show windows is not usual for banks, but recently the Diamond National Bank, of Pittsburg, made use of one of its prominent windows for this purpose, and with good effect. The Cashier secured a full set of Philippine currency and had it neatly framed and hung in the window. It attracted the attention of passersby, among whom was a live reporter. He made a four-line news story of the exhibition, and this was copied by other papers in the city. The result was that the next few days hundreds of persons stopped before the bank to examine the currency, sometimes the crowd being three and four deep.

Doubtless there were many who looked on who had no occasion to patronize a city bank. However, in America at least, it happens sometimes that the person not needing a bank to-day will to-morrow, and no doubt the name of this particular bank was impressed on the minds of the viewing throng.

Foreign bankers in Pittsburg have frequently made impressive displays of foreign currency and coin to attract foreigners to their places of business. To the foreigner it was like getting a letter from home to see real money from the old country and to dream of the day when his pile of American dollars would be big enough to exchange for some of that same money, with which to go back home and perhaps get married.

American bankers might make interesting displays of our circulating medium from time, either in the windows, or the lobbies of their banks, inviting the public to the view and reaping therefrom some effective advertising."

AMERICAN SECURITIES IN EUROPE, 1845–1905.

The second half of the nineteenth century was pre-eminently the European period of American finance. It was then that European capital and labor overflowed into the New World in two great fertilizing streams. They had half a continent before them of offering boundless scope for their energies. The needs of the country were many and various. It called for cultivators, engineers, railroad builders, financiers, and Europe furnished them all in abundance, Great Britain especially. Adventurous spirits of all nationalities flocked across the Atlantic to the new field of enterprise where anything and everything were possible. The lives of many of them became a romance as wonderful as the imagination of a Dumas ever painted.

Young Englishmen, young Scotsmen, young Irishmen, young Germans, all as penniless as was befitting heroes of romance, struck out for the Great West to make careers for themselves. Few of them altogether failed, many achieved a fair measure of success and some surpassed their wildest anticipations. Men, who if they had stayed at home might never have risen above the desk or the shop counter, developed into railroad kings and financial magnates. Others who left Europe mere mechanics became mine-owners, iron-masters and manufacturers of world-wide fame. Europeans of another sort were able to contribute much to the development of the Republic without leaving home. British traders supplied it with all kinds of goods for which they had often to take payment in local securities. London bankers were eager enough to finance new railroads so long as the proceeds of the loans were taken in rails and equipment. The finance of those days very correctly described itself as merchant banking.

My own experience of American finance in Europe reaches back rather more than forty years. During that period I have known personally many of the financial pioneers who hailed from this side of the Atlantic. Most of them have been interesting in themselves as well as in their work. They in fact put so much of themselves into their work that to separate the two would be to spoil both. The best description that could be given of their Homeric age would be some biographical reminiscences. It may surprise even American readers to learn how many strange foreign elements have entered into the composition of their railroad finance.

It is not in war alone that Scotland has produced Dugald Dalgettys. Her banks, her factories, and her wholesale houses, have also furnished large numbers of them. Some of them had penetrated as far West as Chicago when the future metropolis of the West was still a mere village. The romantic career of George Smith, afterwards known to the end of his life as "Smith of Chicago," began there as early as 1834. He had gone out from his native Aberdeen on a special mission of colonization and investment. When he saw Chicago it struck him as being the very place he was in search of. Forthwith he organized the Scottish-Illinois Land and Investment Company for the purpose of trading in real estate. Having put into it the whole of his own small fortune, said to have been about £3,000, he returned to Scotland to raise more capital. In this he appears to have been successful, and on his return he was accompanied by two or three other young Scotsmen destined to make their mark in Western history. One of them was Alexander Mitchell, the future builder of the St. Paul road. He was Smith's partner and right-hand man in various long-headed schemes that were soon put in operation.

Smith wished to set up as a banker in Illinois, but State law forbade him. He obtained, however, from the State Legislature a charter for an insurance company, and afterwards a similar charter from the Wisconsin Legislature for the Wisconsin Marine and Fire Insurance Company, he called it—but only on the express condition that it should not do banking business. Nearly all the note-issuing banks failed in 1837, and the lapse of their issues naturally caused a great dearth of currency. Smith was almost compelled to issue some kind of circulating medium whether he liked it or not. He therefore invented "certificates of deposit" like those of the seventeenth century goldsmiths. Unlike the State banks and other primitive note issuers, he provided for their redemption at all the company's agencies, where they were in fact always promptly cashed.

What was a rare record in those days, not a single instance of refusal or delay to cash his notes was ever heard of. They became in consequence very popular and had a wide range of circulation. He succeeded in issuing nearly a million and a half dollars of them and in keeping them out. Even after the State Legislature formally cancelled the charter of his insurance company, his notes continued to circulate all the same. "Smith's Bank" held its unique position in Chicago until 1857, when its founder.dissolved of his own accord. A few years later he returned to Scotland with the spoils of twenty years' lucrative banking and investment. His pupil, Alexander Mitchell, removed to Milwaukee, where his career as banker and railroad financier made another interesting foreign episode in American history.

One of the last names Americans would be likely to connect with the early history of their railroads is that of Robert Louis Stevenson; nevertheless, his father, David Stevenson, was one of the earliest European writers on the subject. As a young civil engineer he visited the States somewhere about 1838—a few years after a combined rail and canal route had been opened up across the Alleghenies from Philadelphia to Pittsburg. Its first section was an eighty-two mile railway from the seaboard to Columbia on the Susquehanna River; its next was a canal 112 miles long from the Susquehanna to Hollidaysburg at the foothills of the Allegheny range; its third a portage railway up to Johnstown, and its last section another canal, this time 104 miles long, from Johnstown to Pittsburg, then at the head of navigation on the Ohio. David Stevenson inspected the trans-Allegheny route and paid it a high compliment as a piece of engineering. In the book he published on his return home ("A Sketch of the Civil Engineering of North America"), he said of it:

"America now numbers among its many wonderful artificial lines of communication a wonderful mountain railway, which in boldness of design and difficulty of execution I can compare to no modern work I have ever seen, except perhaps the passes of the Simplon and Mont Cenis, but even these remarkable passes, viewed as engineering works, did not strike me as being more wonderful than the Allegheny Railway in the United States."

Later on, when the two canals had been replaced by railways, an all-rail route was formed from Philadelphia to Pittsburg. Later still it became the main stem of the Pennsylvania system. One loves to think of David Stevenson's book having been extensively read by his countrymen, and of its having helped to kindle the strong interest that Glasgow, Dundee and other Scotch towns subsequently took in American railway securities. At the same time it must be admitted that a good deal of that interest sprang from a more prosaic source. Foreign trade went hand in hand with finance. The big export and shipping houses of those days were foreign bankers as well. They made advances to their American customers and negotiated securities for them. Manufacturers and wholesale merchants who did not profess to be bankers began to dabble also in American stocks and bonds. Sometimes they had to take them in lieu of cash, sometimes they bought them for invesment, and sometimes they dealt in them among their friends.

Out of these casual dealings arose the Scottish-American Investment Trusts, which from 1870 onward became important institutions in Edinburgh and Dundee. They had energetic men behind them, and they not only bought American securities for investment, but latterly they launched into railroad building and financing, not always with happy results. Mr. Robert Fleming, of Dundee, has been for thirty years a well-known figure in Wall Street. His first acquaintance with "Americans" was made as private secretary to Sir David Baxter, who had invested a large portion of his estate in them. After his death his executors found their hands full of securities they had never heard of before. They sent Fleming over to New York to arrange for realizing them. He saw the opportunity they offerred for good business, and his friends in Dundee readily furnished the requisite capital.

In conjunction with Messrs. Maitland, Phelps & Co., Fleming financed the original Denver & Rio Grande Railroad. He also interested himself in some of the Gould roads. Then he assisted his friends, Vivian Gray & Co., to convert the bankrupt Ohio & Mississippi into the now prosperous Norfolk & Western road. In 1895 he took an active part, along with Baring Brothers & Co., in the reconstruction of the Atchison, and since then he has been one of its warmest supporters on this side. Lately he has been co-operating with Speyer Brothers and Kuhn, Loeb & Co. over the Mexican Central. A year ago that road seemed to be in imminent need of their services as emergency financiers, but the crisis has blown over for the present.

Dundee at one time took a warm interest in cattle ranching, but the "Big Six" have about squeezed it out of that. It built a pioneer railway in Oregon—the Oregonian, I think it was called—which proved a frost, and the promoters were very glad when Mr. Villard came along and bought them out on fairly liberal terms. Edinburgh shared the ranching craze with Dundee, and indeed claims the credit of having started it. But few of its cattle companies now survive, and most of the survivors are moribund. It made a rich strike, however, in Arizona copper, which has far more than recouped all its other losses. Its mines near Clifton, Arizona, are connected with the Southern Pacific by a sixty-mile branch which it built for itself.

Glasgow has few American companies compared with Edinburgh, or even Dundee, though of course it is a much larger American market than either of them. Liverpool and Glasgow are, in fact, the only two important American markets in the provinces. They do a large amount of "shunting" with London, and very frequently Wall Street operates in London via Liverpool when it wants to give a false lead. The commercial connection of Glasgow with the States is the oldest as well as one of the most important on this side. A certain amount of financial and speculative interest naturally arises out of it. The Coatses, of Paisley, the Campbells, and other old Glasgow families are all American investors of long standing. Descendants still exist of the eighteenth century tobacco merchants who held high state in Virginia street and had a colony of their own at Norfolk, Va.

Glasgow men were among the first to realize the great possibilities of the pioneer railroads in the West. They were, in fact, a little too prescient for their own peace of mind. The directors of the City of Glasgow Bank and their friends erred in their American investments by seeing too far ahead. They laid in millions of dollars' worth of seven per cent. bonds of the roads which afterwards were joined up into the Chicago, Milwaukee and St. Paul. While the directors of the bank were serving their sentences in jail, these bonds rose to the full value of the advances that had been made on them. The liquidator sold them at a substantial profit and the purchasers resold them a few years later at much higher prices.

It has been already mentioned that the St. Paul road was the creation of a Scottish-American, distinguished in his day both as a banker and a railroad builder, to wit, Alexander Mitchell, of Milwaukee. It may be appropriately added here that about the same time, in the adjoining State of Minnesota, two other North of Scotland men were helping to finance another American road which has become even more famous than the St. Paul, namely, Mr. Hill's original Manitoba line. They were then plain Donald Smith and George Stephen. Now they are Lord Strathcona and Lord Mount Stephen, the creators of the Canadian Pacific Railway and the Nestors of the Canadian Northwest. Once I had the pleasure of hearing from Lord Mount Stephen himself the story of his Manitoba venture and the chain of accidents which led him into it.

Somewhere about 1877, three directors of the Bank of Montreal—Messrs. Donald Smith, George Stephen and R. Angus—were in Chicago prosecuting a lawsuit on behalf of the bank. The hearing had to be adjourned from Friday to Monday, and they hesitated between returning home for the two days or remaining in Chicago. While they were discussing the point, Mr. Stephens remembered having received, not long before, a letter from an old Canadian friend, Mr. Hill, about a railway he was building from St. Paul up the Red River Valley. He suggested taking a run up to see it, which was agreed to. They liked the country so well and the prospects of the road seemed so favorable, that an agreement was speedily made to take a hand in finishing it.

But first they had to obtain control, and that proved a difficult business. The road had been started with Dutch capital, and most of the stocks and bonds were held in Holland. Mr. Stephen went straight over to Amsterdam, hunted up the Dutch holders and made them an offer, which they gladly accepted. He returned to New York, where there were also some interested parties and settled with them. In a comparatively short time the Montreal syndicate secured a free hand, and Mr. Hill went ahead with the road at double speed. He had a straight run of luck right through to the end. The first crop of wheat raised in the Red River Valley after the road got through was a record. Wheat prices that year were away up sky-high. The syndicate admitted having cleared half a million sterling apiece, and that was only the beginning of their campaign.

It is now no secret that the millions so quickly made in the Red River Valley soon afterwards went into the Canadian Pacific. But for that accidental visit of the three Bank of Montreal directors to St. Paul in 1877, the Canadian Pacific scheme might have been hung up for another ten years, and the opening of the Northwest might have been that much delayed. But for it there might have been no Great Northern Railway, no Northern Pacific corner in Wall Street, no Northern Securities Company. It is even possible that there might have been no J. J. Hill as we know him now. Had he been stuck for a year or two longer in the Red River Valley how many of his subsequent triumphs might he not have missed?

Wisconsin, Iowa and Minnesota may be called the Scotch corner of the United States. That is where most of the Scotch and Scotch-Canadian millionaires have made themselves. From "Smith, of Chicago" and Mitchell, of Milwaukee, down to James J. Hill, of St. Paul, they form a very distinguished succession. No one will grudge them their dollars which have been so largely mixed with brains, and from which the whole Northwest has so immensely benefited. The German sphere of influence has for the most part lain further West than the Scotch. Almost from the outset it favored the Pacific Coast. One of the first, if not the very first, experiments made by the Germans in American railroad finance was on the Oregon and California. About the same time they went into the Kansas Pacific, and these two roads were about the extent of their commitments when they got into the hands of Henry Villard. All the world knows how during the next twenty years he made things hum for them. It is worthy of notice that Henry Villard and James J. Hill appeared on the scene almost simultaneously. Both of them had had a good many rough turns in the world before they took to railroading. Villard had been a train hand, a lawyer's clerk, a school teacher, a newspaper reporter and a war correspondent before he touched finance. Even then it was not railroading that he tried first. His maiden scheme was a land mortgage bank which he took over to Germany in 1871. It was only when he found that his countrymen were more interested in American railroad bonds and stocks that he switched his versatile mind on to that track. With a minimum of study he constituted himself "an expert in American railroad affairs," and his opportunity soon came.

In the crash of 1873, both the Kansas Pacific and the Oregon and California defaulted, much to the chagrin of their many bondholders in Frankfort and Berlin. Committees were at once formed to protect German interests and Villard was invited to join them. Next year (1874) he was sent out to the United States with ample powers to act for the bondholders. At first sight of Oregon he took in the situation at once. The road was ahead of settlement, and the first thing to be done was to bring settlement into line with it. With this view he opened an immigration office in New York, and a stream of German settlers was soon flowing through it into Oregon. The bondholders were so pleased with his energy and resource that in 1876 they made him President of the reorganized Oregon and California road as well as of its auxiliary, the Oregon Steamship Company.

This and another local line of steamers, the Oregon Steam Navigation Company, were both in difficulties and doing their worst against each other.

Villard cleverly untied that knot by buying out all their creditors and combining them in a new concern which he christened the Oregon Railway and Navigation Company. Thus he began in 1879 his brilliant financial combinations which first made him master of the State of Oregon, and ended in the famous capture of the Northern Pacific. A year or two sooner, J. J. Hill had started his series of brilliant financial combinations in Minnesota. The German financier little dreamed that the whole fruit of his twenty years' labor—Northern Pacific, "blind pools," gold spikes and all—was to fall into the hands of a Canadian who would prove to be both a greater "hustler" and a bolder schemer than himself.

But if Henry Villard had to succumb in the end to Scotch pertinacity, he made one or two successful Scotch deals to start with. In 1880 he completed his financial conquest of Oregon by buying out the Dundee people who owned two or three local roads of their own making. Then he founded his Oregon Improvement Company and entered into a traffic agreement with the Northern Pacific people. His "blind pool," engineered with German capital in 1881, gave him control of the Northern Pacific. His election to the presidency marked the zenith of his career. Two years later came the collapse. In 1883, the Northern Pacific had hardly been finished when it passed into the hands of a receiver, and Heny Villard's reign was practically over. Though he regained his seat on the Northern Pacific board, and even became chairman of the finance committee, the glory of the "golden spike" days never returned.

Strange ironies of fortune often dog the footsteps of brilliant financiers, and Henry Villard had his share of these also. One of the roads which he planned and started during his Northern Pacific régime was the St. Paul and Manitoba, the Canadian end of which now belongs to the Manitoban Government, and forms part of a new Canadian railway system. It might, however, have consoled him for his many mishaps if he could see to day how many of his rivals and successors have been hoist with a petard which he invented. He was the originator of what is now known as the "holding company." His Oregon & Transcontinental Company, of 1881, was the prototype of the Northern Securities Company. Oddly enough, both were organized with the same object—to take care of the Northern Pacific Railway. And strangest irony of all, both failed of their immediate object.

So far as specific results are concerned, nearly the whole of Villard's financing in the Northwest was a failure. Of all the railroads he rescued from receiverships and reorganized on German account, the Germans to-day own hardly a single mile. Not only the Northern Pacific, but their Oregon roads and the Kansas Pacific have passed into other hands. Indirectly, however, the Germans gained much through Villard's brilliant, if unsuccessful, combinations, and they owe him a lasting debt of gratitude for it. He opened the door for them into American railroad finance and gave them a firm footing in it which they never lost afterwards. On the contrary, they have strengthened and consolidated it year by year. To him is undoubtedly due the establishment of German finance in New York.

Three years after the collapse of the Northern Pacific, Villard returned from Germany to the United States as agent of the Deutsche Bank. That was the beginning of a new era in international banking. The Deutsche Bank has always made a specialty of railway finance, and its railway ramifications extend on one side to Asia Minor and on the other side to the Pacific. They may even include China, though of that I cannot speak positively. That such a bank must be very useful to German holders of American securities, goes without saying. And that it has become a power in the American stock market is also self-evident. The prominent part it took in the reorganization schemes of 1894-96 indicated how large must have been the interests of itself and its friends in the reorganized properties. These interests have certainly not diminished since, but are more likely to have been increased.

The Deutshe Bank is a typical representative of German investment abroad. It deals with all foreign securities, American, Argentine or Turkish, in the same systematic, businesslike way. It is in close touch with every railroad it holds any interest in. It knows the road itself and the management. It keeps a vigilant eye on the market. It does, in short, everything that a bank ought to do which meddles with railroad finance. Many other European banks dabble in railroad finance, but very few of them bring to bear upon it German method and thoroughness. In London, we make no pretence of the kind. Though for more than half a century we have been the principal dealers in American securities outside of Wall Street, our methods are as rough and ready to-day as they were at the beginning. Instead of half-a-dozen jobbers there are now almost as many hundreds and instead of a dozen stocks to deal in there are thousands; but our methods are as primitive as ever.

Business has grown immensely in Capel Court, but there is little more science about it than there was in the days of the half-dozen jobbers. Special study of American securities is as rare in London as it is common in Berlin, Frankfort and Amsterdam. Railroad experts can be found in Germany who have visited every station on the chief Pacific roads and have examined all the details of their working. But it would be difficult to find in England a banker who had paid even a flying visit to the United States. It is becoming a fashion on the Stock Exchange to run over to New York and Niagara Falls for an autumn holiday. Very few men go, however, in the spirit of the inquisitive and industrious Dutchman who lives for weeks in private cars or in railroad offices.

But Capel Court has not always been so phlegmatic as it is to-day regarding American securities. Sixty years ago, when they were developing into an active market, several delegates were sent over to make observations on the spot. Mr. Satterthwaite, one of the patriarchs of the American market, began his business life in 1840 with a grand tour of the States. He travelled over the short local roads in the Hudson Valley, which Commodore Vanderbilt had not yet joined up into the New York Central. He steamed up the Mississippi to St. Paul when it was still a military post, and he steamed down the same river to New Orleans. He saw Pittsburg before it had an iron furnace and, when it was known only as the highest port on the Ohio River. He crossed the Alleghenies on the Portage Railway, so much admired by Robert Louis Stevenson's father. He journeyed from the Alleghenies to Philadelphia over half-finished roads which were ultimately absorbed into the main line of the Pennsylvania. Altogether he spent fifteen months on a most instructive and adventurous tour.

Mr. Satterthwaite returned home an enthusistic believer in the future of the Western Republic, and all through his long life he has remained so. His firm have acted for many years as the London agents of Niles & Co., New York.

It was about 1840 that an active interchange of agencies began between New York and London. The Barings had long been well represented on both sides of the Atlantic. In 1837, the Rothschilds sent over Mr. August Belmont as their special representative, and he founded the firm now so well known as August Belmont & Co. Another ancient Jewish family of Frankfort, the Speyers, established about this time branch houses both in London and New York. The chief business of the latter was to feed the Frankfort Bourse with American securities, which it did most liberally.

During the Civil War, Germany was well supplied through these two channels with United States six per cent. bonds. It was, throughout, a vigorous buyer and did not lose faith in them even when they fell to low down in the forties. United States bonds were the first big venture of the Germans in international finance, and not the least successful of the long series. The Hon. D. A. Wells, in one of his special reports on the financial condition of the Union after the war—say in 1869—estimated the value of national bonds then held abroad at over 1,000 million dollars, and that of railroad, municipal and other obligations so held at over 300 million dollars.

A large proportion of the former doubtless went to Germany, while the bulk of the railroad and municipal securities would gravitate to London. Some of the earliest issues indeed were made in London. The first American railroad security to appear in Wetenhall's list was an issue of Camden & Amboy five per cent. bonds negotiated in 1834. It was described originally as a New Jersey Canal bond, but the issuing company owned railroads as well as canals. It was in fact the progenitor of the fortunate United New Jersey Railroad & Canal Co., which in 1871 leased its whole property to the Pennsylvania Railroad for 999 years, and got a ten per cent. guarantee on its stock. Notwithstanding the heavy rental, this is said to be one of the most profitable parts of the Pennsylvania system.

It was started under a series of New Jersey charters granted between 1830 and 1832. They embraced two sections of railway—the Camden to Amboy, which was opened early in 1834, and the Jersey City to New Brunswick, completed in 1836, and a canal, the Delaware & Raritan, which was not finished till 1838. Between 1834 and 1837, gold loans were raised on them in London to a considerable amount, and some dollar loans appear also to have been negotiated. In Wetenhall's list, at the beginning of 1835, two New Jersey Canal issues are quoted, namely, gold five per cents of 1864 for £210,000, and currency 6 per cents of 1861 for $800,000. This is the oldest record of American railroad or canal securities in a European market.

It is rather significant that though the following decade, 1835–45, was a very active period of railroad building in the United States, very few new securities of that class should have come to London. At the beginning of 1845, Wetenhall has still only three altogether, and two of them are old friends with new names. The New Jersey Canal bonds appear now as Camden & Amboy five per cents of 1864 for £210,000, and six per cents of 1864 for £225,000. But there is one new issne of importance—Philadelphia and Reading six per cents of 1880 for £200,000. This came over in 1843, and we may safely assume that it was the maiden effort of McCalmont Brothers in Reading finance. It began a connection which lasted for nearly half a century, and was the prototype of many similar attempts made by British financiers to manage American railways from London. They were, of course, foredoomed to failure. The management, as a rule, was unsuccessful, but even if it had succeeded financially it could not have become permanent. In any case, New York would have recovered control of all the leading American systems as soon as it was able to finance them independently.

A good deal of mystery still surrounds the abrupt termination of the McCalmont connection with Philadelphia and Reading finance. The popular theory at the time was that the McCalmonts threw it up in disgust at the persistent falsification of promises made to them, and of hopes of improvement held out. But that I have reason to believe was not their only motive. Though there were two brothers in the firm it depended entirely on one. He was the brain and backbone of the business, while the other was a man of artistic tastes who never went near the City. When the energetic brother died, the artistic one, much to the horror of the staff, declined to take his place, or appoint a successor. He would have nothing to do with the concern. The staff, including his own nephew, begged to carry it on, temporarily at least. They asked him to name a price for it, but that he also declined to do. He insisted on winding up the business then and there, and wound up it was.

It would be difficult to find in the history of commerce a parallel to this gratuitous sacrifice of a splendid business connection. Before it happened, however, Reading stocks had obtained a firm foothold in London, and in one sense the withdrawal of the McCalmont interest may have benefited rather than injured them. It gave them a freer and a broader market. But they have never been great favorites in Capel Court. At their best they never rivalled Eries or Atlantics in activity. From their debut in the early sixties, Eries have been the pet of British speculators. Nothing has so greatly narrowed our jobbing market as the New York pool, which for the past five or six years has been steadily draining away the floating stock of Eries that kept business going in Capel Court.

Strange to say, little is now known about the original introduction of Erie stocks here. The early dealers in them have nearly all died out, and hardly a tradition remains as to how or when they first came over. It must have been soon after the road emerged from its first receivership in January, 1862. From the fact that Eries always appear in Wetenhall coupled with the old Atlantic & Great Western, it may be inferred that there was some hereditary relation between them. They were twin heroes of one of the wildest and most incredible extravaganzas in financial history. To do justice to its villainies and absurdities would require the pen of a Dumas or a Jules Verne. Several of the strangest adventurers of the nineteenth century were mixed up in it. George Francis Train, Alexander McHenry, Jim Fisk and Jay Gould flit across its lurid footlights.

The first episode in the Erie-Atlantic romance has been told by Train himself in his "My Life in Many States." It began many years ago when the second Bank of the United States was still in existence, and Queen Christina, of Spain, was one of its largest depositors. Whether or not she thought of retiring to America in the event of the Spanish throne becoming too hot for her, is not quite clear; but be that as it may, the Bank could not repay her deposit. Collateral security was offered for it in the form of a large block of coal lands, 40,000 acres in extent, at the northern end of Pennsylvania. In order to look after it, she appointed two resident agents in Philadelphia, Fallon by name.

When the Erie railway reached Olean on its way up from New York to the lakes, the Fallons started building a railway from that point to the coalfields. Oil had already been discovered in the district, and ambitious projects were in the air for running an extension of the Erie right through the oil region to Dayton, where it was to connect with Cincinnati and St. Louis. Mr. Train became acquainted in 1857 with Queen Christina's banker, Salamanca—who became godfather to one of the principal stations on the Atlantic and Great Western road. He was engaged to go over to Olean and examine the situation, which he did in his usual princely fashion. The chief event of the inspection was a banquet which he gave at Mansfield to all the local politicians who were likely to be useful afterwards. Among his guests he mentions John Sherman, Benjamin Wade and Robert E. Schenck, subsequently of Emma Mine fame.

On the strength of the splurge he returned to England, and contracted with Crawshay Bailey for 25,000 tons of iron rails at $40 per ton, payable in bonds at fifty, which was equal to eighty dollars cash. The Ebben Vale Company, entered into a similar contract for 30,000 tons of rails. Thus he not only got a start, made with the future Atlantic & Great Western, but he interested some strong people in the marketing of his bonds. James McHenry, who was then a merchant in Liverpool, became financial and commercial agent to the royal syndicate. At the close of the war in 1865, the Atlantic & Great Western began to make real history. Half a dozen odd lengths of railway which had been built between 1852 and 1858 were pieced together under that name. Its first public issue was made in London, and the promoters were in negotiation with Sir Morton Peto for completing it, when the Overend, Gurney Black Friday bowled them all over. But before that catastrophe happened, Sir Morton Peto had inspected what there was of the road and, after a fifteen thousand dollar banquet at Delmonico's, had returned most hopeful as to its prospects.

Both for the Erie and the Atlantic & Great Western, 1867 was a very fateful year. It witnessed the capture of the Erie by Jay Gould, and the first receivership of the Atlantic & Great Western. Next year (December, 1868) saw the first lease of the Atlantic & Great Western to the Erie, the beginning of that Kilkenny cat alliance which, after thirty years of continuous friction, culminated in the definite union of the two roads. From 1867 to 1896 they offered every imaginable condition that speculators could desire. During these thirty years Eries and Atlantics were simply perfect as gambling counters. Both of them were all the time in hot war. The London holders of Eries had, from 1868 until 1872, to fight tooth and nail against Jay Gould, while the McHenry-Bischoffsheim duel kept things equally lively in the Atlantic & Great Western camp.

Great blocks of stock had to be continually crossing the Atlantic in order to turn the tide of battle now to one side and now to the other. A delay of a day or two to a New York mail steamer might involve a loss of millions of dollars. A fog at Sandy Hook has been known to make a difference of ten dollars a share on a shipment of Eries. That was the hottest campaign London ever had in Americans. The Erie-Atlantic fights have been the most distinctively English episodes in our American market. They excited in it a keener and more general interest than was ever taken in any other stock. Louisvilles have made the nearest approach to them, but their reign was comparatively short and uneventful. Readings also had their little day, but outside of that small circle London has seldom had any of the feverish enthusiasms of Wall Street. Eries and Atlantics it regarded as its own gambles, which it could do what it liked with.

The "Times" money article at the end of 1869 quotes about twenty American securities of which five are Atlantic & Great Western bonds, and three are Eries—eight in all, or forty per cent. of the list. The Pennsylvania is represented by two six per cent. issues and its common stock. Illinois Central has the same number, and the other half-dozen are odd stocks or bonds, most of which have since disappeared. From 1873 onward, the official list grew rapidly and kept on growing till the collapse of 1893. These two decades represent the zenith of English influence in Wall Street. With the reorganizations of 1894-96 it waned, German influence taking its place. But a more important change was the gradual predominance which New York acquired in its own market. It may now be said to control all its principal railroad stocks, and to be no longer dependent either on London or Berlin. W. R. LAWSON.

LONDON.

AMERICAN BANKERS' ASSOCIATION'S CIPHER CODE.—The American Bankers' Association has issued a specially-compiled cipher code for the exclusive use of its 7,500 members. It is thought that this will go far towards obliterating the large number of small spurious checks which are floated in different sections of the country, and whose amount aggregates a large figure annually.

New Counterfeit $5 Silver Certificate.—Series 1899; act of August 4, 1886; Lyons, Register; Roberts, Treasurer; check letter B; face plate number indecipherable; back plate number 375; portrait of Indian Chief. The serial number of the note under inspection is 64725642. It is a poorly executed note, printed on two thin pieces of paper with distributed red and blue silk fiber between them. The general appearance of the counterfeit is fair, but should not deceive anyone who inspects it carefully. The seal, denominational design and numbers are darker than the genuine and show none of the bronze tints they should have. There are a great many mistakes in the lettering on the face of the note the "V" being omitted from the script word, "Silver" in "Five Silver Dollars," right face of note. The "i" is omitted from the word "Washington" immediately below "Bearer on Demand," and there are no periods after "D" and "C" in the abbreviation for District of Columbia. "Treasurer," under the signature of Ellis H. Roberts, is spelled "Teasiuer," and "Register," below the signature of J. W. Lyons, is spelled "Ragster." The green on the back of the note is darker than the genuine and is "muddy." All of the lathe work is badly done, being scratchy and blotchy and bearing little or no resemblance to the genuine. This note made its appearance in New England.

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.

AUTHORITY OF CASHIER—EXTENDING TIME OF PAYMENT.

Supreme Court of Appeals of West Virginia, April 25, 1905.

BANK OF RAVENSWOOD *vs.* WETZEL.

A Cashier of a bank has no implied power, merely by virtue of his office, to receive money for interest in advance on a note owned by the bank, and agree to extend time of payment and thus discharge an indorser from liability.

This was an action upon a promissory note for $1250, made by R. T. Wetzel payable to B. D. Williams at the Bank of Ravenswood, and indorsed by Williams and next by C. C. Smith, deceased. The administration of Smith interposed the defense that he was an accommodation indorser for Williams, and that the bank, in consideration of $34.15 paid as advance interest by Wetzel after maturity of the note, agreed to give Wetzel four months' further time for payment, without the knowledge or consent of Smith, or his representative, and thereby released him from liability on the note.

BRANNON, *P.* (omitting part of the opinion): The evidence conflicts as to whether the payment of $34.15 was made as a partial payment only, or as interest in advance for extension of time of payment. My conclusion is that, as the burden of proof here is on the defendant, she has not sustained the point that further time was given. I think the oral evidence, and the record in the two books of the bank, show that the said $34.15 was simply a partial payment. If this is so, there is nothing in this defense for want of evidence; and if this is not so, still that defense must fail for want of law to sustain it. Concede that there was an agreement by the Cashier to receive the $34.15 and grant indulgence. The Cashier had no implied authority to do this. No express authority is proven; no ratification by the bank of this loose, unwarranted act is proven.

Counsel cites 2 Am. & Eng. Ency, L. (1st Ed.), reading: "The Cashier is the chief executive officer, through whom the whole financial operations of the bank are conducted. His acts within the scope of the general usage, practice, and course of business of the bank, will bind the bank in favor of a third person possessing no other knowledge."

A Cashier has very wide powers. The Supreme Court says in United States vs. City Bank, 21 How. 356, 16 L. Ed. 130: "The court defines the Cashier of the bank to be an executive officer by whom its debts are received and paid and its securities taken and transferred, and that his acts, to be binding upon a bank, must be done within the ordinary course of his duties. His ordinary duties are to keep all the funds of the bank, its notes, bills, and other choses in action, to be used from time to time for the ordinary and extraordinary exigencies of the bank. He usually receives, directly or through subordinate officers, all moneys and notes of the bank, delivers up all discounted notes and securities when they have been paid, draws checks to withdraw the funds of the bank where they have been deposited, and, as the executive officer of the bank, transacts most of its business." (4 Thompson on Corporations,

§ 4741.) He has full power within the just scope of his authority, according to the general usage, practice, and course of business in such case. (Cook on Corp. § 1718; Clark and Marshall, Corp. § 705.)

But there is at least one notable, logical, necessary exception, essential to protect stockholders against loss and wreck of the bank; to protect them against what is quite common—the loose practice and unwarranted assumption of power by Cashiers. A Cashier has no implied power, merely by virtue of his office, to give away, surrender, or release the bank's securities. He can do no act which so operates. When he does this he is outside of the scope of his authority, is acting, not according to usage, practice, or usual course of business, but in plain disregard of the rights of the bank. "The Cashier of a bank, unless specially empowered to do so, has no authority to release, otherwise than in due course of business and on payment, the makers of notes or other debtors of banks, or to release sureties or indorsers." (Clark and Marshall on Corporations, 2158.)

Such is the current of authority; I Daniel, Neg. Instruments, § 395 (1st Ed.) says: "It is well settled that neither the President nor the Cashier of a bank has authority, virtute officii, to give up or release a debt or liability to the bank, or make any admission which would release any party to an obligation, negotiable or otherwise, due to the bank; for such purposes the board of directors only having the power to act." As Thompson on Corporations, vol. 4, § 4750, says, even the directors have no power to release or give away assets which it is their duty to preserve. "A Cashier cannot, virtute officii, release a surety upon a note held by the bank, even though the bank holds other security to which it might resort. Special authority is necessary to justify such release." (Morse on Banking, § 169.)

Counsel for the bank aptly says: "The release of a debtor is an act of ownership, and not of administration;" citing many cases, among them Union Bank vs. Bagley, 10 Rob. (La.) 43; Hodge's Ex'r vs. First Nat. Bank, 22 Grat. 51; Ecker vs. First Nat. Bank, 59 Md. 291; Gray vs. Bank, 81 Md. 631.

The case in 22 Grat. 51, involved the right of a President to give a certificate that a note in the hands of the bank was given as a mere voucher, not as evidence of debt. President Moncure said: "But certainly neither the President nor Cashier could, virtute officii, give up a debt or liability of the bank, or bind the bank by such an admission."

Counsel for the bank further justly says that the act in question is equivalent to the surrender of the note, and the acceptance of a new note without Smith as an indorser; in effect, the discharge of the old note by the acceptance of a new note of the maker only; citing Bank vs. Hart (Neb.) 55 N. W. 631.

When a note is extended as to payment, the usual banking usage requires a new note by makers and indorsers. Can a Cashier depart from this usage with safety, accept interest in advance, and agree to extend time without consent of the indorsers? This is not the execution of usual powers of office. It is the waste of assets. Any other rule would be ruinous to stockholders. Wakefield vs. Truesdell, 55 Barb. 602, so much relied on, is not from a court of high authority. It does not discuss the question. It cites not a single authority.

In view of what has been said as to the want of power in the Cashier to grant indulgence, it is not material to advert to letters written by the Cashier a good while after the date when he is said to have granted further time, and which are claimed to contain admissions that he had granted further time to Wetzel. However, I will say that, on authority above quoted from Daniels and Judge Moncure, such admissions are abortive. They do not bind the bank. Elementary law found in 1 Greenleaf on Evidence, § 113, shows that such admissions are not admissible against the bank, because made a considerable time after the date of the act of the Cashier granting indulgence. That matter was closed. Such admissions are not part of the res gestæ. (See 1 Am. & Eng. Ency. L. [2d Ed.] 695; 1 Jones on Evidence, § 270; Hawker vs. B. O. R. Co., 15 W. Va. 628; Corder vs. Talbott, 14 W. Va. 277; Smith's Adm'r vs. Betty, 11 Grat. 752; Lake vs. Tyree [Va.] 19 S. E. 787.) That is one reason why those letters amount to nothing as admissions, they being mere statement as to past occurrences. Another reason is that the Cashier has no power to bind the bank by such admissions made at any time.

The point is made that, as the plaintiff did not file a special replication denying the authority of the Cashier to extend the time of payment, it must be taken for a fact that he had such authority. No plea avers that the Cashier had authority to extend the time. The pleas filed did not say that the Cashier extended indulgence and had authority to do so, and thus did not put his authority in issue. It did not say that the Cashier granted this indulgence; it said that the bank did so. The plaintiff denied this by his general replication to the pleas. It was not necessary to file a special replication. Under the pleas in confession and avoidance, the defendant had to show extension of time by competent authority, and to do this had to show that, as the Cashier extended the time, he had power to do so. She had to show an extension binding the bank under the general replication that the bank did not do so.

We reverse the judgment, and render judgment for the plaintiff for $1,474.70, with interest from the 13th day of November, 1901, that being the date of the judgment of the circuit court, and the costs of the plaintiff in that court expended, payable out of assets in the hands of the administratrix.

On Rehearing.

It is only that labored argument was made on rehearing that I write a second opinion in the case.

Reconsideration has only confirmed my opinion that the defense to the action is destitute of strength in law or justice in fact. It is only a hard case on Smith's estate in the same sense in which every case where a surety pays a just debt for an insolvent principal is hard on the surety. Promptly on maturity the bank gave the administratrix notice of the non-payment and protest. She says she received and understood this notice. She thus was informed that the bank looked to Smith's estate for payment. She could have given notice to the bank to sue, or sued herself in equity to compel the principal to pay, if it would have been of avail; the principal being insolvent. Can it be contended successfully that notice to sue could not have been given the bank because it had bound itself to extend time by taking interest in advance for renewal? It cannot, for several reasons. To release a surety by extension of time, the extension must be based on valuable consideration, so as to tie the hands of the creditor and disable him from suing. (Bank vs. Parsons, 45 W. Va. 688.)

Concede that payment of interest in advance with promise to extend for a fixed time will discharge a surety, where the creditor is an individual. (Parsons vs. Harrold, 46 W. Va. 122.) So it would where the creditor is a bank, if the promise of extension is made by the directors. But to tie the hands of a bank and prevent it from suing, the act of extension must be a valid act, one binding it, else its power to sue is not affected, and the surety can notify it to sue, or himself sue. Extension "will not release sureties unless the bank had entered into an agreement whereby it bound itself legally to grant such indulgence." (Bank vs. Evans & Dorsey, 9 W. Va. 374.)

All agree that it must be a valid, binding act of extension to tie the hands of the bank. (Caston vs. Dunlap, 23 Am. Dec. 194.) Here we have the same question discussed in the first opinion. Had the Cashier power to make a promise to extend time and prevent suit by the bank or Smith's estate? Now, all would say that the law given in 5 Cyc. 475 is sound, that a Cashier has no authority "to release the maker of a note, or a party or surety thereon." Yet it is claimed that he may, by extending time, indirectly do what he cannot directly do—release a surety. What more vital act is to be done by a bank than making loans or renewing them? The universal usage is that the directory in assembled meeting does this. We know this by judicial cognizance, and the evidence shows that such was the rule with this bank, none but the directors having this power. Our Code of 1899, c. 53, § 49, says that the directors of a corporation "shall have power to do, or cause to be done, all things that are proper to be done by the corporation." And chapter 54, § 79, provides, as to banks, that the directors "shall administer the affairs of the company." Surely the making and renewal of loans are acts of gravity, deeply concerning a bank, not within the ordinary powers of a Cashier under the usual course of business, proper to be done only by the directory, and committed to it by those statutes, properly construed. Is not the extension of time for a future period, like the expired period, another loan or a renewal? The Cashier not merely loans, but by the loan releases an indorser. Morse on Banks, § 117, says: "Thus the making of discounts is an inalienable function of the directors. They cannot part with it, or invest any officer or officers with it. It vests with them alone and exclusively. It is a power of that degree of vital importance that it cannot be taken out of the policy of the general principle that powers of a public nature, given by the Legislature, cannot be delegated. The Legislature imposes upon the board the duty of taking charge of all those matters of business upon the wise and skillful conduct of which the property of the institution and the safety of persons dealing with it depend. This duty they cannot shift in whole or part upon others, and it covers no department of banking more unquestionably than the making of loans and discounts."

Abundant authority supports the statement of the first opinion—that a Cashier cannot release a surety or liability, or make any admission releasing any party to a debt, but only the directors can do so, if they can—in addition to authority there cited.

Gray vs. Farmers' Bank, 81 Md. 631 is apt in this case. It holds that a Cashier has no power to accept a new note so as to discharge a surety on the first note. Money was paid in, and it was claimed that it was advance interest. It was held that "if the entry on the books of the bank were to be construed as payment of interest in advance, and an agreement to extend the time, so as to discharge the surety, then the Cashier had no authority to make such contract or entry." It was held that the money should only be applied pro tanto on the note.

In our case the Cashier entered on the note: "May 3, 1898. Discount paid for four months, $34.15, to Sept. 3, 1898. Pd. by R. T. Wetzel, which is applied as a credit on within note."

Some evidence goes to show that the Cashier began the indorsement, and, before completing it, remarked that he had no authority to extend time, and added the words of credit. It is claimed that he later added the words of mere credit. Say so. Say that he received the money as discount and promised to extend time, which he denies. Under that Maryland case, and a volume of law, that entry, that promise, go for naught, do not bind the bank. We are cited 5 Cyc. 473, for the words that a Cashier may "extend time for paying a note." It is inconsistent with the passage quoted above from 5 Cyc. 475. Only one case is cited and it is relied on as pointed authority. (Wakefield Bank vs. Truesdell, 55 Barb. 602.) It is counter to a river of authority, and wholly unsatisfactory in itself. The real point of the case was whether the payment was intended to extend time. The opinion is short. As to the authority of the Cashier to extend time, the case gives no consideration, but in a few closing lines simply asserts the power, giving not a syllable of authority. Moreover, it comes from a court not of high authority, the Supreme Court of New York, it not being the highest court of that State. The Court of Appeals is.

SEALED NOTE—NON-NEGOTIABILITY OF.

Supreme Court of South Carolina, March 19, 1904.

J. C. STEVENSON & CO. *vs.* PHILIP W. BETHEA.

A sealed note is not a negotiable instrument.*

This action was brought to enforce, by claim and delivery, a chattel mortgage, after condition broken. The circuit judge, in his charge to the jury, directed them, if they found as a fact that the note and mortgage were actually made by the defendant, then they must find a verdict for the plaintiff.

Pope, *C. J.* (omitting part of the opinion): It seems to us that the pleadings themselves tend to cloud the true issue. In the complaint the note is described as a promissory note, and in the answer it is admitted to be a promissory note. In the evidence furnished by the note itself when

*This rule does not prevail in any State where the Negotiable Instruments Law has been adopted. That statute expressly provides that the negotiable character of the instrument is not affected by the fact that it bears a seal. (N. Y. Act, Sec. 25.)

it was introduced, it is shown to have been a sealed note or single bill. There is all the difference in the world, in law, between a promissory note and a single bill, for, when the former is passed for value before maturity into the hands of a new holder, the maker loses all right to question its character. Not so as to a single bill—a sealed note—for, when it is assigned to a third person, such third person or assignee takes it with all the infirmities it has when in the possession of the original obligee. The obligor can show that the single bill or sealed note was without consideration, or is void from any cause.

These matters are so fully discussed in the cases of Patterson vs. Rabb, 38 S. C. 138, and also in McLaughlin vs. Braddy, 63 S. C. 438, that it is useless to discuss them anew. We may therefore content ourselves with the bare announcement of the principles governing the two classes of notes.

The note made by Philip W. Bethea, defendant here, to B. S. Ellis, was as follows: "$1,000.00. Zion, South Carolina, June 19th, 1901. By first day of October after date I promise to pay to the order of B. S. Ellis, of Zion, S. C., the sum of one thousand dollars for value received with interest after maturity at the rate of eight per cent. per annum. The party or parties making this note agree to pay all attorney's fees and expenses which may be incurred in its collection. P. W. Bethea. [L.S.]"

It was transferred to the plaintiffs, J. S. Stevenson & Co., a few days after it was made. No notice was given by any one to P. W. Bethea of Ellis' assignment thereof. Under the principle of law governing choses in action in this State, the foregoing note was a sealed note; it was sealed by the defendant; and whatever infirmities or equities existed in favor of P. W. Bethea as to J. B. Ellis also existed in his favor against J. C. Stevenson & Co., as his assignee.

NATIONAL BANK IN LIQUIDATION—LIABILITY OF STOCKHOLDERS—SUITS AGAINST—JURISDICTION.

United States Circuit Court of Appeals, December 8, 1904.

GEORGE, *et al. vs.* WALLACE, *et al.* BROWNLEE, *et al. vs.* SAME. MORSMAN *vs.* SAME. POPPLETON *vs.* SAME. MORTON, *et al. vs.* SAME. M'GAGUE INV. CO. *vs.* SAME.

The provisions of the Act of June 30, 1876, chapter 156, § 2, conferring upon the Federal courts jurisdiction of suits in equity in the nature of a creditor's bill brought by creditors against the stockholders of National banks in liquidation, has not been repealed by any subsequent statute.

A suit against an insolvent National bank which has gone into voluntary liquidation to enforce a specific lien, or to enforce and judicially administer a trust previously created by contract, or to enforce and judicially administer the trust arising from the insolvency and proceedings in liquidation, is a suit arising under the laws of the United States, and also a suit to wind up the affairs of such bank, and hence is within the jurisdiction of the Federal courts.

Where the solvency of a National bank was accompanied by a conveyance of its assets to a trustee, and a pledge thereof for the benefit of creditors, and this was followed by affirmative proceedings in liquidation, authorized by law, and the selection by the shareholders of the same trustee as their liquidating agent, such agent held the assets under an express trust for the benefit of creditors.

Where a contract by which a National bank assumed all the obligations of an insolvent bank in contemplated liquidation was fully explained at a meeting at which 1,665 out of 2,000 shares were represented, and after the contract was executed it was ratified by a vote exceeding the proportion of stock specified by Rev. Stat., Secs. 5220, 5221, the stockholders were not thereafter entitled to claim that such contract was ultra vires.

Where a National bank assumed the debts of an insolvent bank contemplating liquidation, in consideration of a transfer of certain of the bank's available assets, and certain notes for the balance, such notes represented the "contracts, debts, and engagements" of the insolvent bank in equity, for which its stockholders were liable, as provided by Rev. Stat., § 5151.

These were appeals from a decree of the Circuit Court of the United States for the District of Nebraska enforcing the liability of the appellants as shareholders of the American National Bank of Omaha. In December, 1895, the managing officers of that bank anticipated the withdrawal, about the first of the following year, of a large amount of deposits. The condition of the bank was such that it had not available funds sufficient to meet the expected demands and to thereafter continue in business and comply with the requirements of the National Banking Act. Consequently, on December 21, 1895, a contract was entered into with the Union National Bank of the same city, the terms of which, so far as need be recited, are as follows:

The Union National assumed the payment of the liabilities of the American National to its depositors and on account of bills payable, and in return was to receive its cash, cash items, and such bills receivable as the former was willing to accept at par and without recourse. The difference between the aggregate of the amounts so received and the gross amount of liabilities assumed was to be represented by three non-negotiable promissory notes of the American National, the payment of which was to be secured by a pledge of all of its remaining assets to Thomas L. Kimball as trustee.

This contract was carried out. The Union National moved into and took possession of the quarters of the retiring bank. It was ascertained that the total indebtedness of the American National on account of deposits, demand and time certificates and bills payable, which were assumed by the Union National, amounted to $289,097.30; that the cash, cash items, and bills receivable taken without recourse by the Union National aggregated $88,097.30; that a balance of $201,000 remained. To evidence this balance the President and Cashier of the American National executed to the Union National three non-negotiable promissory notes, each for $67,000, payable, respectively, in one, two, and three years from their date, December 23, 1895.

In accordance with the contract the remaining assets of the American National were placed in the hands of Thomas L. Kimball, the President of the American National, as trustee for the contracting parties and for the protection of their respective rights under the contract. Kimball as trustee retained possession and controlled the collection of them until his death, which occurred during the pendency of the complainant's suit, when his successor, James Burness, was appointed and thereafter continued in the performance of the trust duties.

The assets which were pledged to the Union National, although of large amount in face value, were found to be of little actual worth. The execution of the contract of December 21, 1895, by the President and Cashier of the American National, was directed by resolution of the board of directors of that bank. On January 14, 1896, an annual meeting of the shareholders of that bank was held, at which were represented 1,665¾ shares out of a total of 2,000. At this meeting a resolution was adopted instructing the directors to take action looking to the liquidation of the bank. On February 25, 1896, another meeting of the shareholders was held, at which were represented 1,696 shares, and at which a resolution for the voluntary liquidation of the bank was adopted by an affirmative vote of 1,639¾ shares. Thomas L. Kimball, theretofore appointed as trustee of the remaining assets of the bank, by the contract of December 21, 1895, was designated in the resolution as the agent and trustee of the shareholders in the liquidation proceedings. All of the subsequent proceedings provided by law for voluntary liquidation were thereupon duly adopted. The Union National fulfilled its obligations under the contract, having taken up the liabilities assumed by it. It being found that the trustee was meeting with little success in the collection of the assets, and that the principal of the note first maturing had been but slightly reduced, this suit was instituted August 8, 1898, by Sumner Wallace, a citizen of New Hampshire, as the assignee of the note, against the Union National, Thomas L. Kimball, trustee, and the American National and its stockholders, including the appellants. By an amended bill the complainant sought, on behalf of himself and all of the other creditors of the American National, the winding up of the affairs of that bank, the determination of the amount due him upon his note, the subjection of the remaining assets to the payment of his claim, the ascertainment of all the creditors and the amounts of their claims, and the enforcement of the liability of the stockholders. The complainant had not reduced his note to judgment prior to the institution of the suit. During the progress of the suit the uncollected assets were sold by order of the court and the proceeds accounted for. Upon final hearing a decree was entered ascertaining the amounts due the complainant and the Union National after the application of all credits, the number of shares of stock held by each shareholder of the American National, and against each defendant shareholder for $97.23 per share of stock held by him. The amount of the recovery was appropriately apportioned between the two creditors. From this decree the appeals were prosecuted.

Before SANBORN, THAYER, and HOOK, Circuit Judges.

HOOK, *C. J.*: The complainant, a citizen of New Hampshire, sued as the assignee of a non-negotiable promissory note. His assignor, the payee of the note, is a National bank located in the State of Nebraska, and is therefore to be deemed a citizen of that State so far as concerns the question of jurisdiction. Most of the appellants are also citizens of Nebraska. This being so, some ground of Federal jurisdiction other than diversity of citizenship must be found to exist to justify the maintenance of the suit against them. May it be found in the provisions of the acts of Congress relating to cases for the winding up of the affairs of National banking associations and to enforce the liability of shareholders of such associations as may have gone into voluntary liquidation? It is obvious that any case of such a character would be one arising under the laws of the United States of which, in the absence of some specific limitation of the general grant of jurisdiction, a Circuit Court would have cognizance irrespective of the citizenship of the parties.

The statutes which are pertinent to this question are as follows:

"Any [National banking] association may go into liquidation and be closed by the vote of its shareholders owning two-thirds of its stock." (Section 5220 Rev. St. [U. S. Comp. St. 1901, p. 3503].)

"That when any National banking association shall have gone into liquidation under the provisions of section five thousand two hundred and twenty of said statutes, the individual liability of the shareholders provided for by section fifty-one hundred and fifty-one of said statutes may be enforced by any creditor of such association by bill in equity, in the nature of a creditor's bill, brought by such creditor on behalf of himself and of all other creditors of the association, against the shareholders thereof, in any court of the United States having original jurisdiction in equity for the district in which such association may have been located or established." (Act of June 30, 1876, c. 156, § 2, 19 Stat. 63 [U. S. Comp. St. 1901, p. 3509].)

That the jurisdiction for suits hereafter brought by or against any association established under any law providing for National banking associations, except suits between them and the United States, or its officers and agents, shall be the same as, and not other than, the jurisdiction for suits by or against banks not organized under any law of the United States which do or might do banking business where such National banking association may be doing business when such suits may be begun: and all laws and parts of laws of the United States inconsistent with this proviso be, and the same are, hereby repealed." (Proviso to section 4, Act of July 12, 1882, c. 290, 22 Stat. 163 [U. S. Comp. St. 1901, p. 3458].)

That all National banking associations established under the laws of the United States shall, for the purpose of all actions by or against them, real, personal, or mixed, and all suits in equity, be deemed citizens of the States in which they are respectively located; and in such cases the circuit and district court shall not have jurisdiction other than such as they would have in cases between individual citizens of the same State. The provisions of this section shall not be held to affect the jurisdiction of the courts of the United States in cases commenced by the United States or by direction of any officer thereof, or cases for winding up the affairs of any such bank. (Act of Aug. 13, 1888, c. 866, § 4, 25 Stat. 436 [U. S. Comp. St. 1901, p. 514].)

Section 2 of the act of June 30, 1876, was not repealed either by the act of July 12, 1882, or by the judiciary act of August 13, 1888. The former authorizes suits against shareholders for the enforcement of their statutory liability, while the two latter relate exclusively to suits by or against the banking associations themselves. These subject-matters, while closely related, are in a legal sense quite different. But even if the later acts could be said to cover in a general way the purpose of the first, nevertheless, under well-known rules of statutory construction, the law prescribing the special remedy in a particular case would stand unrepealed. That it is still in force and operative has been judicially recognized. (Commercial Nat. Bank vs. Weinhard, 192 U. S. 243, 250; McDonald vs. Thompson, 184 U. S. 71, 75; King vs. Pomeroy, 121 Fed. Rep. 287, 58 C. C. A. 209; Williamson vs. Bank, 115 Fed. Rep. 793, 52 C. C. A. 1.)

Prior to the act of July 12, 1882, relating to National banking associations, the Circuit Courts of the United States had general cognizance of suits by or against National banks, but by the proviso of section 4 of that act such banks were placed, for purposes of jurisdiction, in the category of domestic corporations of the States in which they were respectively located, with an exception as to "suits between them and the United States or its officers and agents." This proviso was excerpted from the act of 1882, and embodied, with some change of phraseology, in section 4 of the judiciary act of March 3, 1887, and of the corrective act of August 13, 1888, the exception being expressed as follows:

"The provisions of this section shall not be held to affect the jurisdiction of the courts of the United States in cases commenced by the United States or by direction of any officer thereof or cases for winding up the affairs of any such bank."

Cases of the latter character were not in terms excepted from the prohibition of the act of 1882. It seems clear that section 4 of the act of 1888 was intended to displace and to be a substitute for the proviso of section 4 of the earlier act.

It was not the purpose of Congress, by either of these acts, to wholly deprive the circuit courts of jurisdiction of suits by or against National banks arising from the subject-matter thereof. A suit which may be brought in a circuit court by or against a citizen of a State because it arises under the Constitution, laws, or treaties of the United States may for the same reason be brought in such court by or against a National bank located in the same State. (Petri vs. National Bank, 142 U. S. 644, 647.) All that was intended was that jurisdiction should no longer be asserted solely on the ground of the Federal origin of such banks—merely because of the source of their incorporation. In respect of jurisdiction they are to be considered as though they were organized under the laws of the States in which they are respectively located.

So far, therefore, as the case at bar may be considered as one to enforce the liability of the stockholders of a National bank which has gone into voluntary liquidation, the jurisdiction of the circuit court is sustained by section 2 of the act of June 30, 1876.

But a broader and more satisfactory ground may be found in the provisions of the act of August 13, 1888. Section 1 of that act in general terms confers jurisdiction of causes arising under the laws of the United States, while those which are brought to wind up the affairs of National banks are expressly excepted from the prohibitions of section 4.

A suit against an insolvent National bank which has gone into voluntary liquidation to enforce a specific lien, or to enforce and judicially administer a trust previously created by contract, or to enforce and judicially administer the trust arising from the insolvency and proceedings in liquidation, is a suit arising under the laws of the United States. It is also a suit to wind up the affairs of such bank. The same is true of a suit to enforce the liability of the stockholders of such a bank.

In Guarantee Co. vs. Hanway, 104 Fed. Rep. 369, 44 C. C. A. 312, it was held by this court that an action to recover a judgment against an agent selected by the stockholders of a National bank to succeed a receiver appointed by the Comptroller of the Currency, and to enforce the same against the assets of the bank, is in effect a case to wind up its affairs, under section 4 of the act of 1888. This case was followed in International Trust Co. vs. Weeks (C. C.) 116 Fed. Rep. 898, a suit to recover on a covenant in a lease from an agent appointed by the stockholders of a National bank to close its affairs. On appeal the jurisdiction of the court was upheld by virtue of section 4 of the act of 1888. (Weeks vs. Trust Co., 125 Fed. Rep. 379, 60 C. C. A. 236.) See, also, Snohomish County vs. National Bank (C. C.) 81 Fed. Rep. 518, which was a suit to enjoin the stockholders' agent, engaged in winding up the affairs of the bank, from proceeding further, and to procure the appointment of a Receiver to take charge of the remaining assets.

The tangible assets of an insolvent National bank which is in the process of liquidation constitute, in the hands of the liquidating agent, a trust fund for the primary benefit of creditors, and so of the liability of the shareholders of a bank similarly circumstanced.

In King vs. Pomeroy, supra, it was said that the enforcement of the liability of the stockholders of a National bank in process of liquidation and the distribution of the proceeds "is as much a part of the liquidation of the debts of the bank as the collection and distribution of the proceeds of its bills receivable or any other of its assets."

There is no sound reason why, at the suit of one or more creditors on behalf of all for the winding up of the affairs of the bank, there may not be had, if so desired, a complete judicial administration of the affairs of the bank, an ascertainment of the valid and subsisting claims against it, an enforcement of the trusts in respect of both the assets and the capital stock, and, finally, the distribution of the avails. Nor would a bill for such comprehensive relief be multifarious. (Richmond vs. Irons, 121 U. S. 27.) All of these results are accomplished in an involuntary proceeding in liquidation under the direction of the Comptroller of the Currency, which is said to constitute but one continuous transaction; and, as was observed by the Supreme Court:

"When in the case of voluntary liquidation the proceeding is instituted by one or more creditors for the benefit of all, by means of the jurisdiction of a court of equity, there seems to be no reason why the nature of the proceeding should be considered as changed. * * * The two subjects of applying the assets of the bank and enforcing the liability of the stockholders, however otherwise distinct, are by the statute made connected parts of the whole series of transactions which constitute the liquidation of the affairs of the bank." (Richmond vs. Irons, supra.)

* * * * * * * * *

It is contended that in making the contract, executing the notes, and transferring its assets the American National transcended its corporate powers, and that no debt was thereby created which could be enforced against its shareholders. (Ward vs. Joslin, 186 U. S. 142.)

We may at the outset omit any consideration of what might be the case were these transactions dependent alone upon the authority of the officers and board of directors of the bank, for the evidence shows clearly that what was done by them was ratified and confirmed by the shareholders. The contract of December 21, 1895, was executed by Thomas L. Kimball as President of the American National pursuant to the instruction of a resolution of its board of directors. At the annual meeting of the shareholders held January 14, 1896, at which 1,665 out of a total of 2,000 shares of stock were represented, the contract was read, and an explanation made by the President of the condition of the bank which led up to and made its execution necessary. This was followed at the same meeting by the adoption of a resolution, by the votes of those representing more than 1,600 shares of stock, instructing the directors to take action looking to the liquidation of the bank. Pursuant to this resolution another meeting of the shareholders was held February 25, 1896, 1,696 shares being represented, at which a formal resolution for liquidation in accordance with sections 5220 and 5221 of the Revised Statutes was adopted by a vote of those owning 1,639¾ shares, being some 300 more than were necessary under the law. In this resolution it was provided that "Thos. L. Kimball be and he is hereby appointed the agent and trustee of the shareholders of such bank to effect such liquidation."

The significance of this appointment is apparent when it is recalled that Kimball was also designated as the agent or liquidating trustee in the contract of December 21, 1895. Another shareholders' meeting was held January 12, 1897, at which 1,531 shares were represented, and at this meeting there was presented a comparative statement over the signature of Thomas L. Kimball, trustee, showing the condition of the bank on December 21, 1895, when the contract was made, and on January 1, 1897. It included an account of transactions during the progress of the liquidation, and an expression of views as to the best course to be pursued with reference to the remaining assets. Reference was definitely and explicitly made in this statement to the Union National and to the payment to it of proceeds of collections which had been made by the trustee. It was ordered to be spread upon the records of the bank.

Shortly after the execution of the contract of December 21, 1895, and before the adoption of the resolution for liquidation, a writing containing an express ratification of the action of the directors in respect of the contract between the two banks was executed by the owners of more than two-thirds of the stock of the American National. At no meeting of the shareholders, so far as the record shows, was there any word of criticism or objection to the transaction with the Union National except so far as it may be gathered from the mere fact that a small number of shares were voted against the resolution for liquidation. When it is considered that the Union National was engaged in carrying out its part of the contract, was disbursing its funds in taking up and caring for the contracts, debts, and engagements of the American National, the duty of the shareholders of the latter in meeting assembled to then repudiate the transaction, if they ever desired to do so, was imperative. Instead of so doing they supplemented the transaction with the Union National by proceedings in voluntary liquidation adopted by a vote largely in excess of that required by law and conducted such liquidation in connection with and as part of the performance of the contract of December 21, 1895. Every consideration of equity, good conscience, and justice leads to the conclusion that the shareholders should be held to have ratified and approved of what was done and what was then being done.

So far as the Union National was concerned the transaction between the two banks was in the exercise of its ordinary powers as a banking association. (Schofield vs. Bank, 97 Fed. Rep. 282, 38 C. C. A. 179.) When the contract was entered into the American National was confronted by an emergency. A withdrawal from the bank of a large amount of deposits was anticipated, and it had not the money or available cash resources to meet it and thereafter continue business. At the time, as subsequent experience demonstrated, the bank was in fact hopelessly insolvent. But in the light of the conditions which were known it was within the power of the officers and directors of that bank to make the contract of December 21, 1895, with the approval of the shareholders owning a larger proportion of the capital stock than was necessary under the law in case of a voluntary liquidation.

The expression "usual course of business" as one of limitation upon the powers of a corporation is generally referable to the activities of a going concern, and has little, if any, application to one which is upon the threshold of liquidation because of insolvency. In the latter condition the managing officers of a corporation, with the approval of the shareholders, may make any fair and equitable disposition of its assets which, not being in violation of any provision of law, will insure the payment of all of its debts and is reasonably calculated to preserve the largest equity for its shareholders. In such an emergency a corporation should not be held to be helpless and incapable of an act of duty to creditors, and of preservation of the interests of its shareholders merely because it may be outside of the usual routine or course of its business.

In the case at bar all of the obligations of the American National to the government were fully performed, no duty was omitted which called for the interposition of the Comptroller of the Currency, and no Federal statute was violated. Upon insolvency and the institution of proceedings in liquidation the assets of a National bank stand pledged by law to the payment of the debts, and the surplus, if any, to a ratable distribution among the shareholders. The contract which is attacked by the appellants was intended to accomplish nothing substantially different. Instead of many creditors to be dealt with, it was arranged that there should be one whose demands should embrace those of all of the others. And in considering the relation of the Union National and the complainant, its assignee, to the American National, we need not stop at the three notes which they hold. In the same sense that a shareholder may go behind a judgment recovered against his corporation to show the character of the indebtedness which it represents, so in a case like the one in hand may a creditor, holding a note of the bank, show, if necessary, the nature of the debt which is evidenced thereby. In equity the claims of the complainant and the Union National represent the "contracts, debts, and engagements" of the American National for which the stockholders of the latter are responsible in accordance with the provisions of section 5151 of the Revised Statutes (U. S. Comp. St. 1901, p. 3465).

The complaint made on behalf of some of the appellants on account of the computation of interest upon the claims of the creditors was not made the subject of an assignment of error, and is therefore not considered.

The decree of the circuit court is affirmed.

COLLECTIONS—NOTES PAID WITH MISAPPROPRIATED FUNDS—RECOVERY THEREOF.

Supreme Court of Indiana, June 30, 1905.

PORTER *vs.* ROSEMAN.

Where a note lodged with a bank for collection is transmitted to another bank for this purpose, payment to the latter constitutes payment to the holder.

Where the maker of a note misappropriated his employer's money, and used the same in taking up the note which had been transmitted by the payee to a bank for collection, the payee acquired no title to the money, although he received the same in innocence and good faith, and without knowledge of its source, and although it was impossible to trace the identical money from the bank into the payee's possession.

This was an action upon open account for goods sold and delivered. The defendant interposed a set-off based upon the following facts:

Prior to the commencement of this action there was owing the plaintiff (appellee), a resident of New York, from the appellant, $249, for goods sold and delivered. There was also owing the plaintiff from one William Mount, a former merchant of Elwood, for goods sold and delivered prior and subsequent to June 10, 1897, $432. On said June 10, 1897, Mount was in the employ of the defendant, and had charge of the defendant's jewelry store in Elwood on a fixed salary.

On the latter date the plaintiff's agent, knowing that Mount had no interest in the defendant's said store except as salesman, called upon Mount therein for a settlement of his indebtedness to the plaintiff, and during the call assisted Mount in making sale of a diamond belonging to the defendant, and received $35 of the proceeds which he credited to the account of Mount, and turned it over to the plaintiff. The balance of the account was arranged by Mount executing to the plaintiff and delivering to said agent his notes for the amount, payable in monthly installments of $20 each, beginning October 31, 1899. The notes were delivered to the plaintiff in New York, and, as they severally became due, were placed by the plaintiff in a bank in New York for collection, and by that bank forwarded to a bank in Elwood, at which latter bank eight of said notes first maturing were paid by Mount from money belonging to the defendant, which he had received from sales made from said store.

The plaintiff had no knowledge of the ownership of the money used in the payment of his notes. As they were paid the Elwood bank remitted a like sum of money to the New York bank, where it was credited to plaintiff's account, but there was no evidence that any part of the identical money paid by Mount was remitted to New York or received by the plaintiff.

HADLEY, *J.* (Omitting part of the opinion): The conclusion of law is that the defendant is entitled to a set-off for the $35 knowingly received by the plaintiff's agent from the sale of the defendant's diamond, and that the plaintiff is entitled to recover the balance of his claim. The facts pleaded as an answer and equitable set-off are substantially the same as those found to be true in the special finding, and the exception reserved to the conclusion of law raises the question, do these facts show appellant to be entitled to set off against the claim of appellee an amount equal to the sum of appellant's money found to have been converted and used by Mount in payment of the latter's debt to the appellee? The $35 received directly by appellee's agent from the purchase money for the diamond, with knowledge that it was appellant's money, was allowed by the court as a proper set-off, but the sum converted by Mount in the payment of his notes to the bank, to wit, $160, was disallowed, presumably, because (1) the identical money converted was not traced to appellee; and (2) when received appellee had no knowledge of the conversion. Was the conclusion of law right?

One of the facts found is that Mount wrongfully converted $160 of appellant's money and delivered it to appellee in discharge of a debt. It is true, the immediate delivery of the money was to the bank at Elwood, which bank transmitted it to the bank in New York, where it was credited to appellee. These banks constituted the agency selected by appellee for the collection of his notes, and in every proper sense a payment to the bank was payment to appellee. (Jones vs. Kilbreth, 49 Ohio St. 401, 413; Bank vs. Union Trust Co. 149 Ill. 343, 351.)

It is plain that Mount acquired no title by the conversion, and that he transferred to appellee no better title to the money than he himself possessed. (Alexander vs. Swackhamer, 105 Ind. 81; Shearer vs. Evans, 89 Ind. 400; Breckenridge vs. McAfee, 54 Ind. 141.)

Appellant's money, having reached the possession of appellee without authority or right, remained as much his property in the hands of appellee as it was in the hands of Mount (Shearer vs. Evans, 89 Ind. 403); and this, too, without reference to whether appellee at the time of his receipt did, or not, know whose money it was. He received it from one who had no authority to dispose of it, and its appropriation to his own use was conversion. (Alexander vs. Swackhamer, supra; Harlan vs. Brown, 4 Ind. App. 319, 323.) Appellee's innocence and good faith afford no protection against the rightful owner who has been tortiously dispossessed. (Breckenridge vs. McAfee, 54 Ind. 149.)

To charge appellee, it is not essential that appellant shall trace his identical money into the possession of appellee. It is sufficient to show that it went into his bank account. (Pearce vs. Dill, 149 Ind. 136, 143, and cases cited.)

DEPOSIT—WHEN GENERAL AND NOT SPECIAL.

Supreme Court of Kansas, July 7, 1905.

STATE, *ex rel.*, COLEMAN, ATTORNEY GENERAL, *et al. vs.* DICKERSON, *et al.*

When a deposit is made under such circumstances that the only duty resting upon the bank is to pay in money on demand, the deposit is general and not special.

BIRCH, *J.*: The question in this case is whether a certain bank deposit is general or special. The plaintiff in error, a woman, left money at a private bank, stating to the banker that she believed she would leave it for a few days, and that she wanted him to keep it for a few days. The money consisted of a roll of bills, neither wrapped nor tied, and not inclosed within any bag or box or other kind of receptacle. Upon the delivery of the money she was given an ordinary pass book in which the transaction was entered as an ordinary deposit. No request was made that the money be kept apart from the funds of the bank, no special agreement was made as to the character of the deposit, and ordinary deposit slips were prepared at the time, from which the books of the bank were afterwards written up. The bank failed, and a receiver was appointed to take charge of its affairs.

Upon the hearing of an application for an order upon the receiver for a return of the deposit to the plaintiff in error, she testified that when the deposit was made she did not expect a return of the identical roll of bills; that she knew her money would be handled, maybe, several times before she would get it out again; and that it made no difference to her whether she received gold or silver or paper, so she got it. No attempt was made to identify in the Receiver's hands the bills which had been deposited. Under all the authorities these facts show a general deposit. (Plano Mfg. Co. *vs.* Auld [S. D.] 86 Am. St. Rep. 775, note; Zane on Banks & Banking, §§ 129, 136, 162; 3 A. & E. Encycl. of L. [2d Ed.] 827; 5 Cyc. 513.)

When the deposit was made the plaintiff said she did not want a check book, because she intended drawing all the money in a few days, and that it was not necessary that she have a bank book. But these facts did not change the essential character of the deposit. She did take a bank book, and the money was subject to check for any amount whenever she saw fit to demand it. She further said she did not want to become a regular depositor at the bank. But this observation could mean no more than that she did not contemplate making a practice of leaving money there. At the time the deposit was made the banker remarked that he understood she was going to build, and she then explained to him something of her plans with reference to the use of the money when she should withdraw it. But this fact did not change the legal relation of the parties. The only duty resting upon the bank was to pay in kind, on demand, whatever the purpose of the withdrawal might be. The plaintiff in error was the only witness in the case, and in view of her conduct and admissions, her declaration at the hearing that she did not intend to deposit her money was, of course, nugatory.

In the application to the court, facts were alleged tending to show a right in the plaintiff in error to rescind the deposit and charge the bank as a trustee ex maleficio, but no evidence concerning them was offered. It was not necessary that the receiver should deny the charges of the motion in order to put the plaintiff in error upon proof of them.

The judgment of the district court having been rendered in accordance with these views, it is affirmed. All the justices concurring.

CREDIT GIVEN BY TELEGRAPH—REVOCATION OF.

Supreme Court of Idaho, May 19, 1905.

BRINTON *VS.* LEWISTON NATIONAL BANK.

Where the bank of C wired the L. N. Bank that the Alamance Mining Company had deposited with it for credit of L. N. Bank, for use of Brinton, $1,000, which telegram was received after banking hours, and the order countermanded by wire the following day before credit had been given thereof, and before any rights or liabilities of B or other parties had been incurred in regard thereto; held, that the L. N. Bank was not liable to B for such deposit.

SULLIVAN, *J.*: This is an action to recover $1,000, with interest thereon, alleged to have been deposited in the appellant bank to the credit of the respondent.

The following among other facts appear in the record: On the 12th day of June, 1900, the respondent, for Thomas W. Jones, entered into a contract with John N. Ward for the sale to said Ward of the Republic and the Republic No. 2 mining claims situated about three miles from Elk City, Idaho County, for the sum of $15,000, payments to be made as follows: $3,000 on or before April 1, 1901, $3,000 on or before November 1, 1901, $3,000 on or before February 1, 1902, $6,000 on or before June 7, 1902; and promissory notes were executed in the usual form of negotiable notes, with interest at the rate of 7 per cent. per annum, payable semi-annually. Ward, the second party to said contract, agreed to do certain work on said mining claims and erect certain machinery thereon and a mill in connection therewith.

It is not necessary for a decision of this case to set out the full terms of said agreement. It appears that said Ward proceeded and complied with the said agreement up to a certain date, and the mill erected thereon was destroyed by fire; and thereafter a supplementary agreement was made between said parties, whereby they stipulated that in case $9,000 were paid as specified in said contract, that sum was to be taken as a full and complete discharge and satisfaction of all demands that said Jones had against Ward arising out of the transaction referred to in said contract. It was provided, among other things, in said supplementary contract, that if the said sum of $9,000 ($2,000 of which had been paid on the day of execution of the contract, leaving a balance of $7,000) was not paid at the time specified, then the promissory notes and other documents executed in connection therewith, which had been deposited with the Lewiston National Bank in escrow, were to be delivered as follows: The deed deposited in escrow was to be delivered to J. N. Ward or his agent; the notes of $15,000, or the mortgages securing the payment thereof, were to be delivered to Thomas W. Jones, or his authorized agent, and were to be of full effect except as to the payments made thereon. And it was provided that the execution of said supplementary agreement did not affect the liability of Ward to Jones to the full extent of $15,000, unless the $9,000 referred to were paid at the time and in the manner specified. All payments thereon were to be made to the Lewiston National Bank, deposited there to the credit of Caleb Brinton, as attorney in fact of said Jones. It was expressly stipulated that time was of the essence of said agreement, except that, if the performance of any act required under this agreement was prevented at the time specified therein by either (1) the act of God, (2) the elements, or (3) unavoidable delay in the transmission of the money called for, or any part thereof, or of the machinery and necessary appurtenances to erect and operate the mill called for therein, that such matters so happening should operate to excuse the non-performance of such agreement for the period of five days only.

It appears that when the note of $3,000 due November 1, 1901, became due, payment was not made; that on November 15, 1901, the Bank of California wired the Lewiston National Bank as follows: "San Francisco, November 15, 1901. Lewiston National Bank, Lewiston, Idaho. Alamance Mining Company has deposited with us, for your credit, for use of Caleb Brinton, one thousand dollars." Said dispatch was received by the Lewiston National Bank at 4:50 o'clock p. m., which was after banking hours. Before the books of the First National Bank were written up on the 16th, and before any credit of said sum was made, and on November 16, 1901, at 11:40 o'clock a. m., a telegram was received by the Lewiston National Bank ordering the credit of said $1,000 canceled, and no credit was entered on the books of the First National Bank in favor of said Brinton or Jones. In the telegram directing the cancellation of said credit the Bank of California requested the First National Bank of Lewiston to wire it if the request was complied with, and the bank at Lewiston wired them immediately that the request had been complied with. The question arises, on the above stated facts, as to whether the appellant bank is liable. There has been considerable controversy, as shown by the record and briefs of counsel of the relations existing between the various parties, and especially Ward and the Alamance Mining Company. But we think it is sufficiently shown by the record that the Alamance Mining Company was the assignee of the contract between Ward and Jones, and we think that the record clearly shows that the Lewiston National Bank sustained the relation to the parties of the holder of the escrow agreement and other papers executed in connection with said transaction.

It further appears that neither the Alamance Mining Company nor Ward paid said $3,000 note when it became due on the 1st of November, 1901. Time was made of the essence of the contract. In case such payments were not made as stipulated, the deed of said property was to be delivered to Ward or his agent, and the promissory notes and other papers were to be delivered to Jones or his agent. That being true, the escrow holder had no authority to receive any payments, after such time had transpired, without the consent of both parties. That point, however, we do not consider vital to this case. It clearly appears from the record that the secretary of said mining company made the deposit of said $1,000 on the 15th of November, 1901, with the Bank of California,.and requested it to wire the Bank of Lewiston to that effect. That wire was received by the bank at Lewiston after banking hours, and the next morning, before the credit had been entered on the books of the bank, the Bank of California requested the bank at Lewiston not to give said credit, and the Bank of Lewiston immediately wired back that the request was granted.

It appears from the record that soon after the secretary of said mining company had made such deposit with the Bank of California the president of said company and one of the directors ascertained that said deposit had been made without their knowledge or consent, and at once went to the Bank of California, and requested to withdraw said deposit, as we think they had a right to do. And Brinton, the attorney in fact for Jones, had not been informed of the receipt of said telegram, and no one had incurred any loss or damage or had assumed any new rights or liabilities because of the first telegram above referred to. And we are of the opinion that the Bank of California, or, through it, the Alamance Mining Company, had the right to countermand said order for credit before any rights or liabilities had been incurred or losses sustained in consequence of it by either Brinton, as attorney in fact, or any third parties. (See Second National Bank of Baltimore vs. The Western Nat. Bank, 51 Md. 128, 34 Am. Rep. 300. The First National Bank of Lewiston received no money from the Bank of California.)

The above stated facts show how the transaction occurred; that it was impossible to transmit the money itself from San Francisco to Lewiston in the space of time that occurred between the two telegrams; and, even if it had actually received the money, and the depositor had appeared and requested that the instructed credit be not given, before any rights or liabilities or losses had been sustained by any one in consequence of it, they would have the right to recall the credit.

The judgment of the court below is reversed, and the cause remanded, with instructions to enter judgment in favor of the appellant. Costs are awarded to the appellant.

CHECK AS PAYMENT IN FULL—EFFECT OF ACCEPTANCE OF.

United States Circuit Court of Appeals, First Circuit, November 2, 1904.

UNITED STATES BOBBIN & SHUTTLE COMPANY *vs.* THISSELL.

The plaintiff, being in the defendant's employ at a disputed rate of wages, the defendant sent him a statement showing the rate at which the wages were computed, a check for the sum so ascertained, and a receipt in full to a date named, to be signed and returned. The plaintiff used the check, but did not sign the receipt. Held, that this was an accord and satisfaction of the claim, and also was an acceptance of wages at that rate during the continuance of the employment.

LOWELL, *District Judge*: This is an action at law to recover the balance of wages due upon an account annexed. The jury returned a verdict for the plaintiff, and the defendants exceptions are before us. We need consider but one question.

The plaintiff was in the defendant's employ at a rate of wages in dispute between the plaintiff and the defendant. The defendant admitted that it owed the plaintiff a certain sum. The plaintiff contended that the debt was larger. Under these circumstances the defendant wrote the plaintiff as follows:

"Dear Sir: Referring to yours of the 17th, calling our attention that you had not drawn full amount of salary at hand. We are enclosing statement made up by our bookkeeper, and he understands you have drawn only thirty dollars ($30.00) per week since September 1, 1900. We are also enclosing our check No. 6151, payable to your order for four hundred sixty-four dollars and twenty-two cents ($464.22) which is in full settlement for balance of your salary up to and including September 7, 1901. Unless you find above correct, you will return our check and statement. In future you will please draw full amount due you weekly."

An account was inclosed, and a receipt as follows:

"$464.22 Check No. 6151 No. ———.

"Received from U. S. Bobbin & Shuttle Co., Four hundred and sixty-four 22-100 Dollars, being balance of salary due to and including week ending Sept. 7, 1901, as per statement rendered."

To this the plaintiff replied as follows:

"Dear Sir: Your several communications of the 20th inst. with two checks, respectively for $464.22 & $376.71, are received. I have deposited the checks. When I have time and opportunity affords the privilege, I will examine the communications and if found correct, they shall receive proper attention."

The receipt was neither signed nor returned.

The defendant moved that the jury be instructed to return a verdict for the defendant on the grounds:

"(5) That it appears that there was an accord and satisfaction of plaintiff's claim to September 7, 1901, and that from said September 7, 1901, the rate was fixed by the then acceptance of the check sent to plaintiff September 20, 1901, at $1,800 a year, and that plaintiff has been fully paid at said rate.

"(6) That on the whole testimony the jury should be instructed to return a verdict for the defendant."

This motion was refused, and the defendant thereupon requested the following instructions:

"(5) That the plaintiff, by accepting and cashing the check inclosed in the letter of September 20, 1901, from the treasurer of the defendant corporation to him, and in which was also inclosed the statement showing that the wages or salary of the plaintiff were computed at the rate of eighteen hundred dollars ($1,800) per year from October 11, 1899, became entitled to be paid thereafter for his services at the rate of only eighteen hundred dollars per year.

(7) That the acceptance and cashing of the check sent to the plaintiff in the letter to him of September 20, 1901, from the treasurer of the defendant corporation, with the acts of the parties, was an accord and satisfaction of the claim of the plaintiff against the defendant for salary from the time when he commenced working for the defendant corporation, down to September ,7 1901.

(8) That on all evidence in the case the plaintiff is not entitled to recover, and the verdict must be for the defendant."

These requests were refused by the learned judge, who charged the jury:

"(3) That it was for the jury to determine whether the correspondence of September 20 and 21, 1901, and the acts of the parties thereunder, were an accord and satisfaction."

The plaintiff did not sign the inclosed receipt, and his letter shows that he wished to keep the matter open. Notwithstanding this, we are of opinion that his appropriation of the check, under the circumstances stated, was an acceptance of the terms upon which payment was offered. The weight of authority is to this effect. (Nassoiy vs. Tomlinson, 148 N. Y. 326; Talbott vs. English, 156 Ind. 299, 315; Neely vs. Thompson [Kan. Sup.], 75 Pac. 117; Ostrander vs. Scott, 161 Ill. 339; Hull vs. Johnson, 22 R. I. 66; McDaniels vs. Bank of Rutland, 29 Vt. 230.) Some of these decisions have been approved by the Supreme Court in Chic., Mil. & St. Paul R. R. vs. Clark, 178 U. S. 353, 367. There are, indeed, decisions to the contrary (see Day vs. McLea, 22 Q. B. D. 610; Rosenfield vs. Fortier, 94 Mich. 29; 17 Harv. Law Rev. 459, 469), but the great weight of authority is with the defendant.

It follows that the seventh instruction requested should have been given, and that the third instruction given was erroneous.

If the plaintiff's cashing the check above mentioned was conclusive evidence of an accord and satisfaction, it amounted also to an acceptance by the plaintiff of wages at the rate of $1,800 a year. We find no evidence of a contract to increase the rate of wages after the date of the defendant's letter. It follows that the learned judge should have directed a general verdict for the defendant. We have thus disposed of the whole case, and need not consider the defendant's other exceptions.

The judgment of the circuit court is reversed, and the plaintiff in error recovers its costs of appeal.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

DISCOVERY—CORPORATION—EXAMINATION OF OFFICER—DUTY OF OFFICER TO SUPPLY HIMSELF WITH INFORMATION.

CLARKSON VS. BANK OF HAMILTON (9 Ontario Law Reports, page 317).

STATEMENT OF FACTS: This was an action brought by the plaintiff as liquidator of an insolvent company to set aside a chattel mortgage given to the bank, on the ground that it was an unjust preference over the other creditors. Ordinarily only one officer of the corporation may be examined before trial by the opposite side. This motion was for an order permitting the examination under oath before trial of a third officer of the defendant bank. The General Manager had been examined and found to have no personal knowledge of the transaction; similarly with the inspector. It was now sought to examine the Manager of the branch at which the insolvent company had the bank.

JUDGMENT: Where a corporation or other company is a party to an action, it would seem reasonable and convenient that the company should suggest for examination the officer or servant best qualified to give all the information to which the opposite party is entitled. Such officer should prepare himself by obtaining full knowledge of all relevant facts so that the examining party may be in as good a position as if he were contending with an individual. The cases show that this is no more than is required by rules of court.

BANK IN LIQUIDATION—WINDING UP ACT—SECTIONS 72 AND 73—COMPENSATION—SET-OFF.

LA COMMUNAUTE DES SOEURS DE LA CHARITE DE LA PROVIDENCE VS. KENT, *et al* (Quebec Reports, 13 K. B. 483).

After a bank has suspended payment and its insolvency is notorious, compensation of a debt due to the bank cannot be effected by a transfer to the debtor of debts due by the bank to third parties where such transfer has been made to the debtor after the suspension and within thirty days prior to winding up proceedings under the "Winding-up Act."

This rule is not affected by the circumstance that the moneys offered in compensation consisted of moneys deposited with the bank by such third parties for the special purpose of aiding the debtor to meet his indebtedness to the bank but not transferred to the debtor until after the suspension of payment.

STATEMENT OF FACTS: On July 25, 1899, the Banque Ville Marie closed its doors and from that date ceased to do any banking business. Two days later the newspapers of Montreal announced the suspension of the bank, and one journal, "La Presse," published an interview with the President, in which it was stated by the President that he did not expect the bank ever to resume business. On August 9 following an order was made by the court declaring the bank insolvent and directing a liquidation under the Winding-up Act. On August 21 Kent and his associates were named as liquidators of the bank.

The defendants had discounted with the bank a note for twenty thousand dollars dated July 1, 1899, and payable one month after date. On November 29, 1899, the defendants commenced this action to recover the said sum of $20,000 and $383.33 interest since maturity.

La Communauté des Soeurs de la Congregation de Notre Dame de Montreal, who were a branch of La Communauté des Soeurs de la Charité de la Providence, had on deposit at various branches of Banque Ville Marie sums amounting to $15,000. During July they had been advised by the parent society that a sum of $20,000 would be required early in August, and had agreed to make up as much as possible of that sum. Apparently on August 1 the Soeurs de Notre-Dame had drawn checks on the various branches of the bank in which they had deposits for the full amount of their deposits, and had endorsed them over to the parent society, and not content with this transfer by endorsement they had on August 2 made a notarial transfer of all the said checks before a Notary. On August 4 the officers of the Soeurs de la Charité went to the bank and tendered in payment of their note for twenty thousand dollars all the said checks and a further sum in money sufficient to make up the twenty thousand dollars, which tender was refused by the officials of the bank. Later in the same day a formal tender was made by the attorney for the bank which was also refused on the ground that they could not accept as a set-off against the debt due to the bank the moneys on deposit which had been transferred to the maker of the note.

After the action had been commenced, the defendants paid in with their defence all the checks referred to and a sufficient sum in money to make up the sum of $20,000, and alleged that they took the assignments of these checks in ignorance of the insolvency of the bank. The liquidators alleged knowledge on the part of the society of the bank's insolvency sufficient to invalidate the transfer under the Winding-up Act.

JUDGMENT (ROBIDOUX, *J.*): The first question which the court is called upon to decide is whether on August 4, 1899, the defendants could rightfully offer in compensation to the bank the different checks which had been transferred to them by the Soeurs de Notre Dame.

The first section of the Winding-up Act which deals with set-off is section 57 in these terms: "The law of set-off as administered by the courts, whether of law or equity, shall apply to all claims upon the estate of the company and to all proceedings for the recovery of debts due or accruing due to the company at the commencement of the winding-up in the same manner and to the same extent as if the business of the company was not being wound up under this act." This is the general principle which regulates set-off where companies are in liquidation.

In the case of Vanier vs. Kent the Court of Appeal applying this section has held that set-off operates to the full extent between a deposit made in a bank and a debt due to the same bank by the depositor even up to the day upon which the bank went into liquidation; but this case is different from the one now before us. There was in it no question of a set-off effected by means of a transfer made by a depositor to a debtor of a bank after the bank had suspended payment. In this case the liquidators relied upon the exception created by section 73 of the Winding-up Act. It is declared by that section that set-off cannot be allowed where the person who claims the right of set-off has become a creditor of the insolvent company only by the transfer of a claim made to him in order that he may set it up as compensation for his debt and at a time when he had reason to believe the company of which he was a debtor to be insolvent.

Section 73 reads as follows: "When a debt due or owing by the company has been transferred within the time and under the circumstances in the next preceding section mentioned, or at any time afterwards, to a contributory who knows or has probable cause for believing the company to be unable to meet its engagements or in contemplation of its insolvency under this act for the purpose of enabling such contributory to set up, by way of compensation or set-off, the debt so transferred, such debt shall not be set up by way of compensation or set-off against the claim upon such contributory."

Section 72, referred to, provides: "Every payment within thirty days next before the commencement of the winding-up under this act by a company unable to meet its engagements in full, to a person knowing such inability, or having probable cause for believing the same to exist, shall be void; and the amount paid may be recovered back by the liquidator, etc."

From these sections it follows that a debt due to a bank cannot be paid by a set-off of a debt due by the bank which has been transferred to the bank's debtor within the thirty days before its liquidation if the debtor knew or had probable cause to believe such bank incapable of fulfilling its engagements at the time such transfer was made.

The question then is, Had the Soeurs de la Charité at the time when the Soeurs de Notre Dame transferred these checks to them knowledge or probable cause to believe that the bank was incapable of fulfilling its engagements?

It was shown that the representatives of both societies had seen the papers announcing the closing of the bank's doors, and had read the interview with the President, published in "La Presse"; they had presented their checks for payment on August 4, and they had been refused: in the notarial transfer it was recited that the parties had been unable to obtain payment of their checks by the bank and a provision was made in the agreement whereby any legal expenses incurred by the transferees in obtaining payment was to be borne by the transferrers. In view of this evidence, it is not possible to conclude that the two societies did not believe it probable that the bank could not at that time fulfil its engagements.

What is to be understood by the word "probable" in section 73 of the act? It is that which is probable in general; that which has an appearance of truth; that which is founded in reason; that which is reasonable to suppose, to conjecture; that which is plausible.

When a bank closes its doors and suspends its operations, is it more reasonable to suppose or to conjecture that it will be able to fulfil its obligations? Has it not a greater appearance of truth, does it not appear more reasonable and probable, that the bank will not be able to carry out its engagements? It appears to me that in the case when a bank suspends its operations and closes its doors (without some cause apart from its own affairs, sudden and unforeseen) in the middle of the normal pursuit of its business, the probabilities are strongly that it will be incapable of resuming business.

I do not forget that in the case of the Banque de Peuple vs. Langois, the Court of Appeal has held that a claim by the bank was set off by an accepted check and a deposit receipt issued by it at the very time when the bank suspended payment; but I consider the present case presents many differences from that one.

The Banque de Peuple it is true had suspended its operations on July 15, 1895, without having been forced to do so by any violent external cause; the check which was offered in set off was accepted by it on September 3, 1895, while the deposit receipt was issued on November 1, 1895, and the two were accepted as a set-off. The presumption of the insolvency of this bank which would have resulted from the suspension of its operations was overcome by the declarations of the directors of the bank that they would be able to pay the entire amount of the money which they had received on deposit. On these declarations and the general confidence of the public that the bank would pay everyone in full the trial judge allowed the set-off and the Court of Appeal confirmed this judgment.

The probable cause for believing in the insolvency of the company which exists in this case did not exist in the case of the Banque de Peuple vs. Langois. I therefore hold that the defendants have no right of set-off in this action.

From this judgment an appeal was taken and was heard by the Court of King's Bench (Bosse, Blanchet, Hall, Ouimet, *JJ.;* and Charbonneau, *J. Ad Hoc*). The judgment in appeal was delivered by Hall, *J.*

In a very elaborate and carefully-considered judgment, the learned trial judge, Mr. Justice Robidoux, reached the conclusion that the closing of the bank's doors and the cessation of payments on July 25 were legal and sufficient evidence of the bank's insolvency, and that payments could not have been legally enforced nor even voluntarily made after that date; that the transfer of depositors' funds by means of checks or otherwise to debtors of the bank, and their application to the liquidation of maturing liabilities of such debtors, would be equivalent to payment by the bank, and therefore prohibited by the statute. He made a distinction between deposits thus attempted to be transferred by others, and the application of the debtors' own deposits in compensation pro tanto of their own indebtedness. He held, therefore, that all the checks tendered by the appellants toward payment of their note were ineffective for that purpose, except the one for $314.57, drawn upon their own funds previously deposited in the bank to their credit, and maintained the action for the balance of the note, with interest and costs.

There is not, after all, much difference between the parties in their appreciation of the facts of the case, and it is only as to their application that we are seriously called upon to interfere. The closing of the bank's doors and the cessation of payments on July 25 are admitted, and the superior officers of the appellants' community admit their familiarity with the newspaper comments succeeding that event, and specially with those of "La Presse," which they regularly received and read. Now, it is significant that there appeared in that very newspaper, on the day succeeding the bank's stoppage of payments, an article on the subject, advising the holders of the bank's bills not to part with them at a discount, as they would certainly be redeemed in full, but adding this ominous remark, which must have attracted the attention of all, who, like the appellants and their sister communities, were interested in the question of the deposits: "The depositors, unfortunately very numerous, are in danger of losing a portion of their capital." All this class of creditors, including the appellants, must have felt, from the first, the great uncertainty of being able to recover the amount of their deposits. With the bank's doors closed, none could have presented a check at the bank's counters on or after July 25 with any expectation of being paid; but there was the hope—the natural and honest hope—that the benefit of these deposits might be secured, indirectly, by their transfer to persons, like the appellants, actually indebted to the bank, and actually engaged, as the appellants had been, prior to July 25, in securing funds with which to meet their indebtedness; but that such hope was mingled with serious doubt as to the result is evident from the notarial transfer previously mentioned, executed by the appellants at the time of the transfers.

Admitting, as the appellants must, that the makers of the checks could not have themselves presented and cashed their own checks on or after July 25, how can they expect that greater rights could be secured by a transfer of the checks than by their use by those to whom the funds actually belonged? Clearly they could not convey to others greater rights or more effective privileges than they themselves possessed. In the face of the Winding-up Act, compensation of debts due to the bank could not be effected, after the bank's stoppage of payment, by transfer to such debtors of debts due by the bank. Section 73 of the act is explicit in this respect. Compensation of a debt actually and directly due to the debtor by the bank is legitimate, and admitted in the present case in regard to the appellants' check of $314.57, but this results from the operation of law and not from the intervention or act of the parties.

CONTRACT—DEBENTURES—RIGHTS OF HOLDERS OF DETACHED COUPONS.

THE LEVIS COUNTY RAILWAY COMPANY *vs.* FONTAINE. (Quebec Reports 13 King's Bench, p. 523).

STATEMENT OF FACTS: This was an action to recover the sum of $500 brought by Fontaine as the holder of twenty coupons.

The railway company had issued a series of five hundred bonds for $1,000 each, payable to bearer, in the body of which bonds reference was made to a debenture mortgage given to secure bonds. The attached coupons were in the following words: "The Levis County Railway will pay to bearer at the office of the New York Security & Trust Company in the city of New York $25.00 in gold coin of the United States of America on the ——— day of ———, being semi-annual interest on its first mortgage gold bonds."

As a defence to Fontaine's action the company set up that the debenture mortgage expressly provided that any action to enforce payment on principal or interest could be brought only by and in the name of the New York Security & Trust Company, and that Fontaine was bound by this stipulation.

The Superior Court rejected this defence and gave judgment for the plaintiff. An appeal was then taken in the Court of King's Bench, whose judgment was delivered by Blanchet, *J.*

JUDGMENT. (SIR ALEXANDRE LACOSTE, *C.J.*; BOSSE, BLANCHET, HALL, and OUIMET, *J.J.*): The Superior Court had decided that, even admitting that the mortgage gave to the trustee the sole right of action to recover capital and interest, this stipulation could not bind Fontaine, because the coupons in his possession stated on their face that they were payable to bearer, without any condition or restriction; and in the second place that the clause relied on did not have the meaning sought to be given it by the company and meant only that if the capital and interest of the bonds became exigible before maturity, or if it became necessary to act upon the mortgage the trustee alone could take the necessary proceedings.

It is not denied that the holders of the bonds are bound by the terms of the debenture mortgage and that the trustee has the sole right to take proceedings as provided by the mortgage. They are in fact presumed to have accepted these conditions and to have renounced their right of action in their own name.

The legality of this term cannot be denied because the Legislature, which has exclusive jurisdiction in the matter, has validated this agreement; and as the object of the agreement is to limit the costs of action and to ensure that the security will be realized upon and evenly distributed among all those interested, the courts ought to give it a liberal interpretation having in view the object aimed at by the parties to it.

The plaintiff contends that this clause ought to receive a restrictive interpretation, because it takes away from creditors a certain and absolute right of action to recover a debt due to them. I would be of this opinion if it were a law or statute which we had to interpret; but we have here an agreement consented to and accepted by both parties, both of whom have received a sufficient consideration and in such a case a liberal interpretation should be placed on the document.

From this point of view I must conclude that the trustee is alone authorized, to the exclusion of creditors, to bring action on the securities where proceedings become necessary either before or after maturity. Moreover, the wording of the clause is not exclusive, but inclusive, and it follows that all proceedings must be taken by the trustee in its own name. It would be strange if it were otherwise, because to obtain the double object which was in view; that is to say, the protection of the company against a multiplicity of actions which would affect its credit and to preserve the security to be evenly distributed among all those interested, it was necessary to give to the trustee the exclusive control of proceedings to recover either capital or interest.

Another objection is raised on behalf of Fontaine. It is contended that the words, "any proceeding for the purpose of enforcing the payment of the principle and interest of said bonds," did not affect this action, which is to recover interest without principal.

This distinction does not appear to us well founded. The word "and" has frequently been interpreted to mean "or"; and as ordinarily no proceedings to recover the principal could be brought until after thirty years, while interest becomes due every half-year, it is fair to suppose that, in the intention of the contracting parties, the word "and" had the effect of a disjunctive participle. Therefore, as the recovery of interest independently of principal is a right which arises from the bond and the debenture mortgage, it must be enforced by the trustee alone.

It was held in the court below that the coupons being made payable to bearer became, as soon as they were detached from the bond, independent and distinct from the security of which they formed a part, and that those who became the purchasers were no longer bound by the terms attaching to them while they formed part of the bond. This contention does not seem to us to be better founded than the former.

It must not be forgotten that at the date when the company stipulated that the trustee alone should have the right to enforce payment of the bonds and interest, the coupons formed part of the bond, and that those who have since purchased the bonds have received them with the coupons which were then attached, and are accordingly bound by this condition. Can they, in transferring the coupons alone to third parties, give to such third parties greater rights than they themselves had? This question has been decided in the negative by several judgments in the United States, which have declared "that a detached coupon though having many of the incidents of commercial paper is still subject to the covenants contained in the bond."

A simple reading of the coupon advises the reader of the existence of a debenture mortgage made between the Railway Company and the Trust Company, and he ought to know that this mortgage would contain the terms and conditions under which the bonds were issued and which are ordinarily found in such contracts. Ordinary prudence would counsel him to become acquainted with the contents of this agreement, and if he had done so he would have bought the coupons at his own risk, and he is now presumed to have accepted all the terms which are contained in that agreement; among others that of not being able to bring an action to recover payment of the coupons without the interposition of the trustee. He finds himself therefore in the same position as a purchaser of a bond before the coupons were detached.

The appeal is therefore allowed and the action dismissed.

A PRACTICAL TREATISE ON BANKING AND COMMERCE.

ELEMENTS OF SUCCESSFUL BANKING.

WHY A BANKER COMES AFTER A MERCHANT AND MANUFACTURER—PRIMARY ELEMENTS OF SUCCESS—CAPITAL—ITS MINIMUM—HOW DISPOSED OF—LOCATION AND STYLE OF OFFICE—OFFICERS AND CLERKS—THE MACHINERY OF THE OFFICE—ULTIMATE END AND SUMMING UP OF WHAT A BANKER SHOULD BE.

In a treatise on banking and commerce it is perfectly in accordance with the reason of things that the successful merchant and successful manufacturer should be treated of before the successful banker. There must be merchants and manufacturers before there can be a remunerative business for the banker; and unless there are successful men in these callings, a banker, though he may take care of the surplus money of the community, will find it dangerous to lend money amongst them.

He will be pressed to do this beyond doubt, and every kind of influence will be brought to bear upon him to induce him to comply. He will, for example, be told that he must do his duty as a citizen. The town supports him, and he ought to support the town. It is a matter of plain obligation to help its industries along, for these, it will be said, are the very foundation of his own business. So the people will say, and what they say is sufficiently plausible to make a strong impression. But many a banker has had to suffer severely for listening to such representations. In such circumstances, that is, when there are few desirable customers in the locality, the banker will be offered high rates of discount. From some of the applicants he knows that he could take, practically, whatever he pleased; and from the best of them, or those who seem so, he will be offered rates such as he might think would enable him to provide a safety fund. But on the supposition that the business of the town is in such a state that there are as yet few or no successful men in it, high rates of interest will be no protection. No safety fund can be built up that is large enough to offset the losses which will inevitably ensue. The successful merchant and the successful manufacturer therefore must come in order of time before a banker can do a successful business.*

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*It may be said that such a state of things as has been imagined thus far is impossible. But experience refutes this opinion. A case is known to the writer in which in the collapse in a certain town of a remarkable "boom" every single storekeeper in it, except one, failed. The town itself became bankrupt and could neither pay interest nor principal on its indebtedness. Its population decreased from 3,500 to 700, its main streets became grass-grown, and handsome buildings became tenantless. Of the money lent by a branch bank in that town more than three-fourths was lost. If the banker had been a private individual, he would have gone down in the crash and been ruined beyond redemption.

This case was in Manitoba, but even in Ontario the writer can recall instances almost equalling it in disaster. During a period of heavy collapse

But now on the supposition that in a certain locality sufficient savings have been accumulated to give business to a banker, and also that there are a number of prosperous men of business in the locality; what are the elements that make a banking enterprise successful?

(1) CAPITAL is certainly as much a necessity for a banker as for a merchant; for, speaking of him in this personal style, no man can expect a community to trust him with the care of their money unless he has shown ability to take care of his own.

(2) But how much capital ought a banker to have? What is reasonable in the case?

Putting aside for the present the private banker, it may be noticed that the legislatures both of Canada and the United States have dealt with this question in their banking laws.†

In Canada where the system of chartered banks *issuing circulation* is firmly established, the Bank Act provides that no bank shall possess a *smaller paid-up capital* than $250,000. This sum is certainly small enough for a corporation which has the power to issue notes for circulation—which notes, are, in effect, guaranteed by the whole body of the banks of the country.

In the United States, however, every banking office is owned by a separate corporation and some of them, owing to the absence of branch system, are permitted to be organized on a capital of only $25,000.

This must be conceded to be running near the danger point. It certainly imposes upon a bank of such small dimensions the duty of incurring only the most moderate risks, and confining the business within limits more like those of a storekeeper than a banker.

England has no legal requirement of minimum capital in banking; and the tendency from the beginning has been for banks in England (as distinguished from Scotland) to have a smaller capital in proportion to the business done than is common in Canada; the Bank of England alone excepted.

The reason for this is twofold: First, the branch system, until lately, has never been developed in England to the extent that it has in Scotland and in Canada. The banks of England, as a rule, do a much more localized business than those of Scotland and Canada. Secondly, but a more important and pertinent reason is, that business conditions in Great Britain are so much more settled that banks may safely work on a smaller relative capital than is necessary in this country.

Beyond the minimum required by the Banking Act the members of each corporation in Canada decide for themselves what the capital shall be. It depends largely on the sphere they intend to occupy, and how far they mean to extend it.

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the losses suffered by banks in certain towns have amounted to a large percentage of their assessed value.

†There are no laws, properly speaking, in Canada, on the subject of private banking, though, as experience has shown, some regulations might have been embodied in specific legislation with advantage. The only provisions affecting this class of bankers are contained in two clauses of the General Banking Act, viz., one to prohibit them from issuing circulating notes; the other to prohibit them from assuming a corporate name, such as that of the "Iroquois Banking Company." These provisions are obviously reasonable.

A few Canadian banks have their headquarters in small towns, and some have no branches. For these the minimum of $250,000 is sufficient.

At the other end of the scale is an immense corporation like the BANK OF MONTREAL, with its head office in a large commercial centre, branches all over the Dominion, agencies in the United States and England, and doing business not only with the mercantile community but with governments and great railways.

An institution like this can well employ such a capital as $14,000,000 or more.

Between these limits are banks with capital ranging from $250,000 to $8,000,000.

Tracing now the business of a bank from its origin, the first consideration will be *in what form* shall the capital be held before business is actually commenced. Our Bank Act answers this question by requiring that a joint stock bank before commencing business under its provisions shall have the whole amount of its capital in cash. To ensure this it is required that the cash shall be placed in the hands of the Government, and that no business shall be done before an authorization is issued.

A bank before opening for business in Canada will need to arrange for correspondents in England and the United States. Much will depend upon a proper choice and satisfactory arrangements in these matters. It will also be prudent, as soon as possible, to invest some portion of the capital in realizable securities, and not hold the whole amount for discounting. Such bonds would form part of the reserve against the liabilities which the bank would begin to incur to depositors and noteholders, and yet bear a moderate interest. They are useful also to further needful arrangements with English correspondents. Moreover, the holding of such securities strengthens the position of the bank, and its credit with the public.

THE ARRANGEMENTS OF THE OFFICE.

In the choice of an office, two questions arise, the first of which will be its *locality;* a matter of as much importance to a bank as to a merchant. It should, if possible, occupy a corner, for the sake of light. It should be in the wholesale quarter of the city, or if there be no such quarter, then not far from other banks if there are others, not far from the post office; near the market, or the exchange, or board of trade; and also, if possible, near to the retail shops.

A building will naturally be *rented* at the outset, for it would be imprudent to devote capital to building at so early a stage, and one should be sought that is substantially built, a good fire risk, with other good buildings about it, and with a lofty main floor to give the bank a respectable appearance.

As to the internal economy of the office, *convenience for doing business* should be the dominant consideration, and not show or ornament; too much of which displays bad taste, though the fittings should be solid and as good as money can buy.

Light should be carefully studied in the internal arrangements, for it is of the utmost importance both to those who handle money and those who keep books.

A bad bill, or forged paper, may be discovered in a good light, where it would be passed when light is dim. A mistake also in bookkeeping which would be readily apparent in a good light may easily be passed by when light is insufficient.

The next important element is a judicious choice of *officers*, who should be men who understand their business, and display civility and attention to customers and the public. The subject of officers, the division of their work, their duties and qualifications will be fully discussed later. It will be sufficient to note here that upon a proper selection of officers, a convenient arrangement of their work, and an efficient system of check and supervision no little of the success of a banker depends, especially in times of competition. Without going into detail as to what constitutes the special qualification of each, let it be noted that there are certain qualities which are essential to the success of any of them.

A bank officer should be of good character, honorable and trustworthy in the instincts of his nature; in fact he should be what is generally understood as "a gentleman" not in outward manners merely, but in character. He should have a good natural aptitude for *arithmetic* and have been well trained therein. No matter how intelligent and well educated a young man may be in other respects, a want of aptitude for arithmetic will prove a fatal bar to progress.‡

A bank officer should write a good plain hand and make plain figures. Many a mistake, costing the labor of scores of hours of officers to find out, has been occasioned by carelessly-formed figures. He should have a good general education. What is known as a good English education may be said to be essential. Some drilling in mathematics, as distinct from arithmetic, will be found highly useful as a young officer advances in his profession. A university education is not necessary in the case of a young banker; indeed, it is rather undesirable than otherwise, for to acquire it a young man will be carried too far on in years before the long course of training begins to fit him for the work that is to occupy his life.

Bank officers, like other employees, require to cultivate habits of civility and patience. All sorts of people are to be found at the counter of a bank. Some of them are ignorant, who want much telling what to do; some are impatient and unreasonable, who are nevertheless good customers. A bank officer who is fretful and impatient will drive away both classes of customers. He will need also to cultivate a habit of *reticence*. It is a cardinal rule in all banks that clerks and officers must never talk outside of what they see or hear inside. The whole business is confidential. A banker who is master of his business will, amongst other things, sufficiently understand human nature to gather about him such men as are here indicated. One by one, and during a considerable time, he will pursue this end, selecting and training his officers until they are thoroughly efficient. With such men about him, a banker can carry on his business satisfactorily so far as its internal economy is concerned, and fulfil the purpose for which the business was commenced.

Thus far with regard to a banker's staff and machinery. A banker, how-

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‡A former General Manager and President of the Bank of Montreal was well known to have an extraordinary faculty for arithmetical calculations. To this he owed all his early advancement, and some of his later remarkable success. He had, of course, other prominent qualities which would have made him a notable man in any sphere. But it was his arithmetical faculty that laid the foundation of his success as a banker.

ever, may carry on every department of his routine business efficiently, and yet fail in the essential object of doing well for himself. He may fail so far as not only to lose part or the whole of his own capital, but a part also, or even the whole, of the money deposited with him. These, unfortunately, are not suppositions and possibilities only; they have become in not a few instances very exasperating facts; causing distress in thousands of households, and embarrassment to men in business. Success, then, to the banker is primarily what it is to the merchant, viz., that he should continue to fulfil his functions and meet his daily obligations to the end, preserving his own capital intact, to say the least, but adding to it from time to time in prosperous seasons until he accumulates a reserve fund to provide for contingencies. For, as a merchant desires to increase his capital until it amounts to a competence, so a banker, with equal propriety, desires to accumulate such a surplus, after a reasonable distribution of profits, as will amount to a reserve sufficient to render impairment of his capital impossible. But to attain this he must be thoroughly *au fait* in the art of lending money and avoiding losses. A summing up of what the banker should be himself, may be indicated as follows:

(1) A successful banker, like a successful merchant must not only understand the theory and practice of his business and the laws with which it is carried on, but must, as a rule, have gone through such a preparatory training in the office as will enable him to see that every part of it is carried on with economy and efficiency.

(2) He must possess a sound judgment, and be able to discern between good loans and bad, desirable accounts and undesirable, and such a knowledge of human nature as will enable him to know whom to trust and whom to avoid.

(3) He must possess, and keep himself possessed, of a good stock of information, well-sifted, and kept up-to-date.

(4) To enable him to make a right use of these qualities, he must have a well-balanced character, viz., a due combination of caution and enterprise, and neither of them in undue measure. Excess of caution will prevent him from taking up accounts and transactions that are safe, for to the over-cautious man risks loom up in unreasonable proportions.

On the other hand, if a banker has an excess of enterprise he will take up accounts that are undesirable, enter upon lines of operation that will result in lock-ups or losses; and so conduct his business with regard to reserves as to endanger the bank's very existence. The over-cautious banker may lose opportunities of business, but the interest of depositors and stockholders will always be safe in his hands. The over-enterprising banker will always have a tendency to enlarge his business beyond safe bounds, and possibly place himself in the position of being compelled in a time of pressure to ask assistance from his more prudent neighbors.

(5) The banker should have firmness and strength of character, combined with good will and courtesy.

Of these the first are by far the more important. While a banker, in his intercourse with men, is bound, like other men, to be courteous, he has to beware of being what is generally known as "*a good-natured man.*" For a man whose predominant trait is good nature and benevolence runs great risk of becoming the prey of schemers or enthusiasts. If he is a banker on his own account, he will almost certainly ruin *himself*. If he is an officer in charge of the general business of a corporation, he will almost certainly bring it into embarrassment.

On the front page of the New York BANKERS' MAGAZINE there used to appear the following motto: "*Favor and benevolence are not attributes of sound banking. Strict justice and the fulfillment of contracts* are its essential elements." This witness is true.

It is the commonest of truisms that a banker must be able to say *no*, and stick to it; but, on the other hand, a banker who is always saying no, will drive away good business. If a banker gets a reputation for being crusty and sour-tempered, people who have desirable business to offer will avoid him. Such a reputation will not drive away men of the *un*desirable sort; for, as a rule, they care nothing about the reception they get, if they can only get the money. But men of standing and position, who know that what they propose is reasonable, will not put up with surly criticisms.

The old Latin motto, *Suaviter in modo, fortiter in re*, exactly expresses the combination of temper needful to a banker. *Courteous in manner*, he will give even a negative answer without giving offence; firm in his position, he will maintain it in spite of all the importunities of customers if what is asked is undesirable.

(6) A banker should have a shrewd judgment as to subordinates. Men have various capacities; and to know how to put "the right man in the right place" is all-important. Especially is this the case under a banking system like that of Canada, where branches are put under charge of men who exercise almost all the powers given to the corporation. On the exercise of a sound judgment in this respect, a large part of the success of a joint-stock bank with branches depends.

Finally, it should be said, that a banker especially in the highest post, needs to be a man of considerable "nerve." There always have occurred, at times, and always will occur, crises, times of difficulty, emergencies that could not be foreseen, and sometimes startling events that come like "a bolt out of a clear sky," sufficient to try the nerves of the strongest man.

A great bank suspends payment: confidence in all banks is shaken, depositors and noteholders crowd round the counter all day long, and for days together. In these circumstances a banker needs to keep his head cool, and will not only avoid yielding to panic himself, but will be a centre of strength and confidence to others.

Two instances of this kind of courage and coolness may be given.

On the occasion of the failure of the Commercial Bank of Canada, some thirty years ago, a panic seized upon the public of Toronto, and a severe run set in on the banks having their head offices in Ontario. Their counters were crowded with an excited multitude for several days, and one of the banks had to be supplied with gold by its strong neighbors. There was excitement in Montreal, too, and on the third day a telegram was received from a well-known public man there stating it as the opinion of some prominent financiers, that a general suspension of specie payments by the Western banks should take place. This advice was under consideration by bank Presidents and directors in Toronto, and some were so alarmed that they recommended its acceptance. But the Cashier of one of the banks, a young man, strenuously opposed such a humiliating course, and declared that so far as his bank was concerned, his advice would be to stand out to the last dollar. This counsel prevailed, and the banks were saved from a step which would have damaged their credit beyond recall. Shortly afterwards, a step was taken by the Government which stopped the panic.

The other case was that memorable action of the Governor of the Bank of England on the occasion of the crisis which had overtaken the great firm of Baring Brothers. This is referred to elsewhere, but may be briefly noticed here. Had that house suspended, some eighty million dollars of bills would have gone to protest, followed by an incalculable number of failures in all parts of the world. The prospect of a world-wide financial panic was sufficient to shake the strongest nerves. But the Governor of the Bank was equal to the occasion. He clearly perceived it was a case for the co-operation of the whole banking interest of the United Kingdom, and called on every bank of importance to join in taking the risk of paying this enormous amount of bills on the security of the assets of the house. The call was responded to at once. The risk was divided amongst the banks without difficulty; whereupon the Bank of England made it known that arrangements were made to pay the bills, and the whole financial world in every quarter of the globe breathed a sigh of relief. The courage and coolness of one man saved the situation.

G. H.,

Former Gen. Manager Merchants' Bank of Canada.

Meaning of Dollar and Peso.—According to a ruling which was recently made by the department of finance of Mexico, the word dollar is equivalent in meaning to a dollar American gold, whereas the word peso means the Mexican silver dollar.

This decision is of great importance to Americans, especially because by it, the order is included that in the writing of checks, the word peso must be written in every case where Mexican silver is intended, else the cashier will pay gold values for the check.

Not long ago an American made this error and the check was taken to a Tampico bank, where the cashier paid out the sum in gold values, where the drawer of the check only intended that silver should be paid.

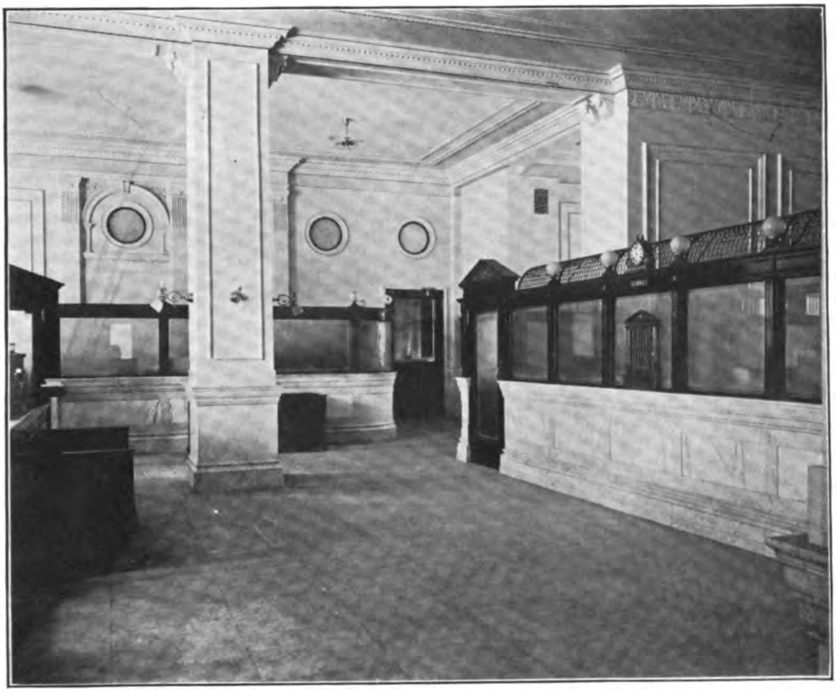
The matter was taken up with the authorities, but the drawer of the check lost, on account of the recent ruling by the finance department. It was shown that Americans and others should be more careful to specify peso where they meant silver values, as otherwise gold would be paid on all checks reading dollars.

This ruling refers as well to all documents, notes, drafts, etc., etc., made after its taking effect.—*Bulletin of the International Financial Association, Mexico.*

Insurance of Bank Deposits.—John Schuette, President of the Manitowoc, Wis., Savings Bank, sends to the Magazine a plan for insuring bank deposits, of which he writes as follows:

"I am pleased to notice that depositors' insurance, for which I agitated over twelve years, has at last brought forth favorable discussion in financial circles and in the public press generally. I am confident that if the public once more fully understand the plan it will become so popular that Congress will be compelled to adopt it.

If after another bank panic the depositors are not insured, I am sure the plan will be a plank in one of our national platforms."



GUARANTY TRUST COMPANY OF NEW YORK.—VIEW IN MAIN LOBBY.

GUARANTY TRUST COMPANY OF NEW YORK.

The swift and sure advancement of the United States toward a position of supreme industrial and commercial power, the growth and diffusion of wealth, accompanied by a rapid and steady increase of population, have demanded a perfection of the instrumentalities employed in carrying on the financial transactions without which this marvelous development could not have taken place. Not only has wealth grown enormously, and been more widely distributed than ever before, but the changed conditions under which industry is carried on have called imperatively for financial institutions combining large and varied powers, with a capital equipment adequate to the successful handling of enterprises of the largest magnitude.

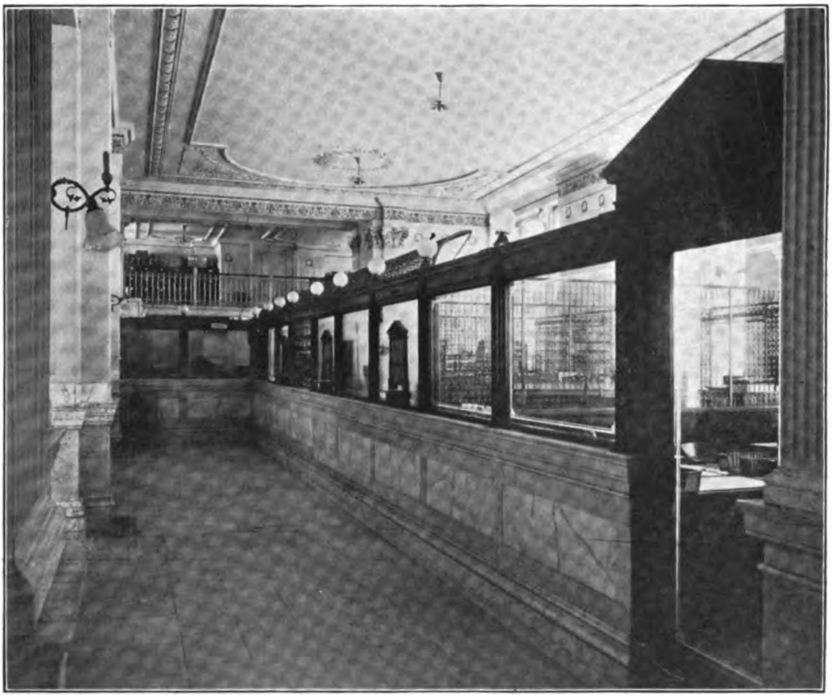
The modern trust company is not a sudden creation, however, born of the exigencies of the present era of unexampled development. It is a growth springing up from roots firmly planted and carefully nurtured by the State. When the necessities of modern finance became evident, it was seen that the trust company was perfectly equipped to meet them—having the strength, the skill and the authority requisite to care for the accumulations of the past and to extend judicious and effectual aid to the advancement of worthy enterprise.

Twentieth century progress has been quick to recognize the value of the trust companies and has made use of them, to the advantage of the commerce and industries of the country, and to the greater security of invested funds.

The remarkable record of growth made by the trust companies has been due to an intelligent foresight in providing the means for taking

JOHN W. CASTLES,

President Guaranty Trust Company of New York.



GUARANTY TRUST COMPANY OF NEW YORK.—REGISTRAR AND TRANSFER DEPARTMENT.

proper care of the accretions to the country's wealth, and to the high standard of fidelity to their trusts which has characterized the management of the majority of these institutions.

New York as the financial centre of America has naturally witnessed the greater increase in the number and resources of these companies, and notwithstanding the large number of companies and the stupendous totals of their deposits, no depositor has ever lost a dollar by the failure of a New York trust company. This has been due to intelligent and careful management, and to the wise laws and careful supervision under which the companies operate.

How firmly the trust company is establishing itself in the public estimation is shown by the unequalled growth of the business of the Guaranty Trust Company, of New York.

On April 13, 1904, John W. Castles became President, the deposits of the company at that time being about $43,000,000, while on June 30, 1905, they amounted to $67,966,612.14. A still better idea of the progress of the company may be gained from the following comparative figures:

RESOURCES.	June 30, 1895.	June 30, 1905.
New York city and State bonds..........	$1,179,054.20	$7,673,621.26
Other bonds and stocks..................	4,127,693.33	12,616,679.76
Loans—demand and time................	4,868,965.13	35,881,779.18
Bills purchased...........................	33,621.40	5,019,010.14
Bonds and mortgages.....................	95,000.00	
Real estate...............................	100,159.33	
Cash on hand and in bank................	4,583,343.08	9,447,617.34
Foreign exchange.........................		3,881,999.55
Due from banks and bankers..............		997,794.44
Accrued interest and accounts receivable..	59,824.72	360,776.62
Total	$15,047,661.19	$75,879,278.29

OSCAR L. GUBELMAN,

Vice-President Guaranty Trust Company of New York.

LIABILITIES.		
Capital	$2,000,000.00	$2,000,000.00
Surplus	1,500,000.00	5,500,000.00
Undivided profits	402,919.97	209,817.57
Deposits	11,123,406.61	67,966,612.14
Accrued interest payable	15,334.61	28,848.58
Reserve for taxes	6,000.00	74,000.00
Quarterly dividend, five per cent		100,000.00
Total	$15,047,661.19	$75,879,278.29

This is a remarkable demonstration of the results possible to a combination of energy and experience, in conjunction with a known degree of solidity and strength—the prime requisites of the success of a bank or trust company.

The Guaranty Trust Company has reached a leading place among the trust companies of America by no adventitious circumstances. Its success may be ascribed to the following sources:

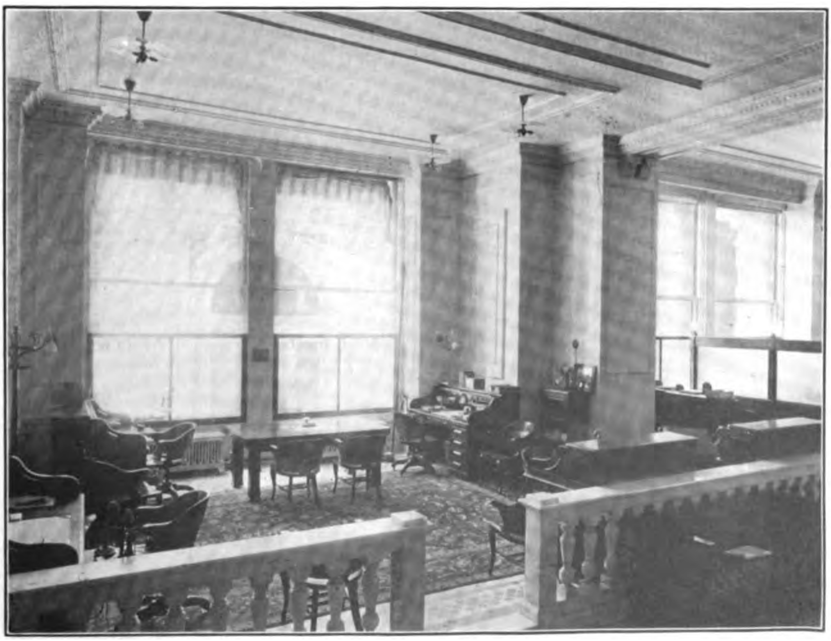
(1) Its capital, surplus and profits and large resources are an assurance of great strength, and of ability to successfully carry through large undertakings.

(2) The officers are men of known and proved integrity and capacity.

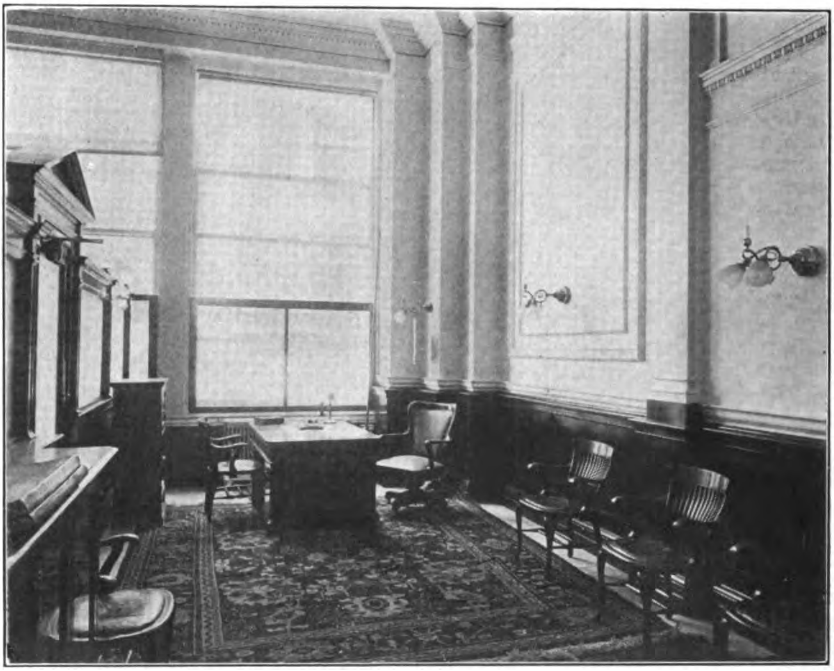
(3) The Board of Directors embraces some of the leading financiers in the United States, constituting a controlling influence that inspires absolute confidence and respect.

(4) In all the numerous functions that may be exercised, the Guaranty Trust Company offers in its several departments the very best facilities that experience and diligence can procure.

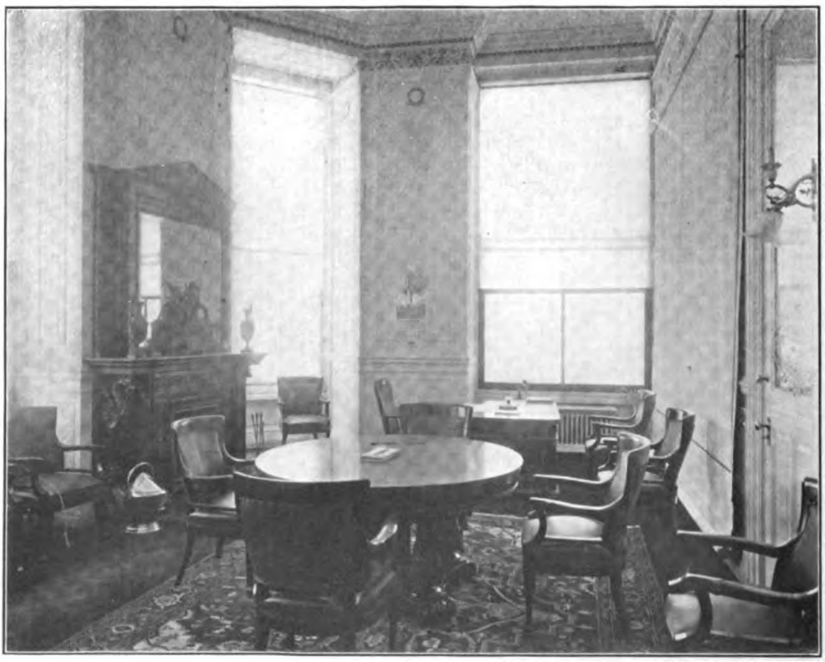
In point of responsibility, strength and trained equipment alone the position of the Guaranty Trust Company is such as to commend its services to the most discriminating, whether such services be the financing of an



GUARANTY TRUST COMPANY OF NEW YORK.—PARTIAL VIEW OF OFFICERS' QUARTERS.



GUARANTY TRUST COMPANY OF NEW YORK.—PRESIDENT'S OFFICE.



GUARANTY TRUST COMPANY OF NEW YORK.—DIRECTORS' ROOM.

enterprise of the first magnitude, or investing the funds of a modest estate, or discharging any of the duties of corporate trusteeship.

By the very nature of its organization and the character of its transactions the Company has become expert in all matters relating to investments, and as National and State banks and Savings banks are placing their funds more and more in such securities, they will find this service of the highest value.

As a depository for banks the Guaranty Trust Company has established a very large connection, based on a practical understanding of the requirements of out-of-town banks.

With the strides being made in our foreign commerce and the increased demand for international remittances, the banks of the country are finding it advantageous to give closer attention to the possibilities of profit by dealing in foreign exchange, furnishing letters of credit, etc. The Guaranty Trust Company has exceptional means of supplying the wants of American banks, having a branch office in Lombard Street, London, and close connection with all the world's great centres of money and trade.

The complete list of officers and directors of the Company follows. Officers: John W. Castles, President; Oscar L. Gubelman, Vice-President; A. J. Hemphill, Vice-President; Max May, Manager Foreign Department; Wm. C. Edwards, Treasurer; E. C. Hebbard, Secretary; F. C. Harriman, Assistant Treasurer; R. C. Newton, Trust Officer. Directors: Walter G. Oakman, Chairman; George F. Baker, Geo. S. Bowdoin, John W. Castles, Frederic Cromwell, Walter R. Gillette, E. H. Harriman, G. G. Haven, Edwin Hawley, Charles R. Henderson, Adrain Iselin, Jr., James N. Jarvie, Augustus D. Juilliard, Richard A. McCurdy, Levi P. Morton, Oscar G. Murray, Norman B. Ream, Daniel G. Reid, Henry H. Rogers, James Speyer, H. McK. Twombly, Frederick W. Vanderbilt, Harry Payne Whitney.

The Company's London offices, at 33 Lombard Street, are under the direction of the London Committee, composed of Arthur John Fraser, Donald G. Haldeman and James Tyhurst.

COST OF LIVING IN FRANCE.—The "Economiste Francais," of Paris, says that the cost of living abroad, especially in France, is a subject upon which wide variance of opinion exists. There is no doubt that the English, on the average, have one-third more to spend than the French, and, all things being equal, more money is earned in England than in France. Further, the cost of life in England is far less than it is in France. The contrary was true in former days, but now the high tariff in France and free trade in England have produced their results.

Butter in France costs thirty to sixty cents per pound, Swiss cheese twenty-five to thirty cents per pound, and fowls thirty to fifty cents each. Milk is ten cents per quart, bread four cents per pound, and meat thirty to fifty cents per pound. Fruits, which are grown abundantly in France, cost twice as much as they do in England; bananas and oranges, which Algiers exports by millions, cost four cents each. Coffee is fifty to sixty cents per pound, tea as much as $1.40 to $1.80 per pound, and sugar ten to twelve cents per pound. Coal in Paris is worth $14 per ton, and in many houses heat is a great rarity. In London two boxes of matches are given for one cent, but in France each box costs two cents and the matches are bad. Drugs are almost prohibitively expensive.

M. de Foville says that it "lies in the innate inclination, one might say the passion, for economy. With a few francs the little Parisian, who may be hungry many days during the year, is able to make herself a hat and frock which many wealthy women might well envy. And it is with the table as it is with the toilet. The art of utilizing the remnants is an art essentially French, whether the subject be ribbons or ragouts. The spirit of economy is as common in our country as it is rare in England. Fathers and mothers in France consider themselves the debtors of their children, and even the bachelors think they should leave something behind."

THE BURGLAR-PROOF SAFE.

The first consideration in fitting up a banking building or room must always be the means which are to be provided for safeguarding funds and valuables. Protection must be afforded both against fire and attacks by burglars and mobs. The former danger is not difficult to meet in properly constructed buildings; for if the banking room be upon the ground floor, a brick vault, with a fireproof door and proper air spaces, affords the necessary security, and in instances where such a vault is impossible a well-constructed fireproof safe, of which there are many on the market, will guard against the destroying element.

A much more difficult problem is presented in the task of securing valuables against felonious attacks. It seems a far cry from the primitive chest of one hundred years ago, made of wood and secured by steel bands and a massive key lock, to the latest design of burglar-proof safes, but the evolution may be easily traced and the development of bank safes has, generally speaking, kept pace with the discoveries of commerce and science. Increased facilities in handling metals resulted in an iron safe instead of a wooden box. With the advance in the science of explosives, safes which had previously been considered invulnerable to lawless attack became susceptible of easy destruction, thus making necessary corresponding progress in safe construction.

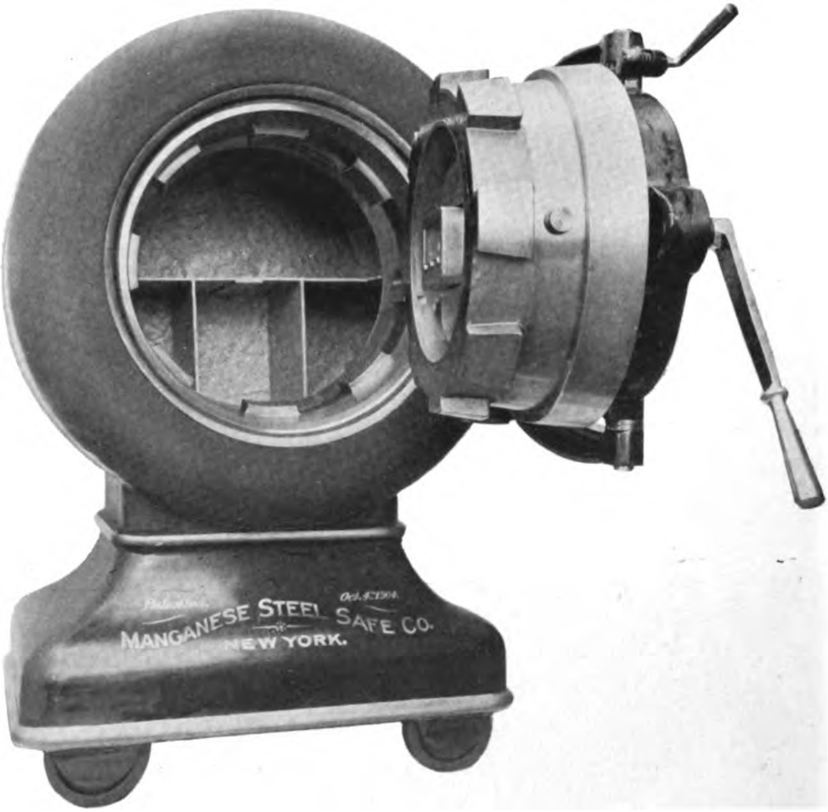
Protection against burglarious attack is commonly afforded either by a vault or safe. The former consists practically of a room, having solid steel walls and massive doors sufficiently strong to defy assault. An illustration accompanying this article shows a vault in process of construction. Its walls, of solid steel three inches thick, are being joined by shrinking on red hot steel links around each pair of lugs on the adjoining plates.

The cost of a vault, however, is usually so great that few banks of limited capital feel justified in incurring the expense and rely for protection on burglar-proof safes.

The term "burglar-proof" is frequently misunderstood and is often construed to mean a safe or vault which cannot be forcibly opened. Manufacturers of safes are in a large measure to blame for this misconception by permitting their over-enthusiastic salesmen to make extravagant claims for their manufacture. No safe ever has been, could or ought to be made which could not be opened under any circumstances. Such a receptacle would be too dangerously secure to use with safety. Accidents will happen to the best mechanism, and no safe should be beyond the power of experts to open under orderly circumstances. But the conditions which surround a burglarious assault are such as to place a decided limit on the means of attack employed. The necessity for secrecy and haste and a regard for the security of the building in which the safe stands, make the operation a very different one from the legitimate operation of opening a safe accidentally locked out. The aim therefore of every manufacturer is to make a safe which will withstand any unlawful attack upon it by burglars or mobs and yet leave possible the opening of the safe in case of accident.

Burglarious attacks are made in two ways: by mechanical means and by the use of explosives. The facility acquired by the light-fingered gentry in mechanics practically drove from the market safes built up of a number of separate pieces. These are known as plate or laminated safes. The weakness of this safe consisted in the fact that whatever could be put together could be taken apart, and an hour or two with wedges, chisels and "jimmies" sufficed to rip open a plate safe without noise or danger. If the burglar was so situated as to permit the use of a small quantity of nitroglycerine in the joints of these safes, the operation of opening them was practically instan-

MANGANESE STEEL SAFE, CLOSED.



MANGANESE STEEL SAFE, OPEN.

taneous. It was early seen that a solid safe alone would remedy this defect.

The advent of the solid safe cast in one piece obviated the possibility of working upon the safe body by mechanical means and remitted the burglar to the use of dynamite or nitroglycerine. Then it was found that the safe-makers had placed themselves in a serious dilemma. If the metal used was sufficiently hard to resist the action of a drill, it was so brittle that a shock from dynamite would crack it in pieces.

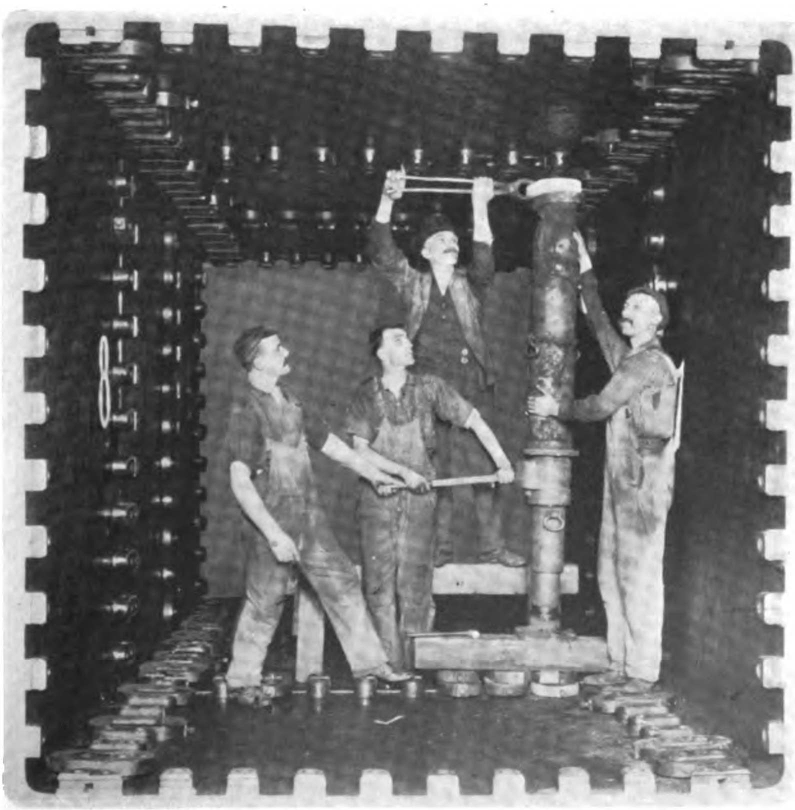
This fact prevented the general manufacture of solid safes; and, unsatisfactory as they were, manufacturers continued to place plate safes on the market, in the construction of which they could use alternate thin layers of metal, some of which were hard and some tough, thus accomplishing the desired double result.

It was not until Robert Hadfield, of Sheffield, England, discovered the alloy known as Manganese Steel, in the year 1883, that a solution of the difficulty was promised. His first experiments developed the fact that the introduction of Ferro-Manganese into steel resulted in a material of extreme hardness and yet, when properly treated, of such toughness as to be practically unbreakable. This metal possessed a natural temper which could not be taken away by reheating or other means. His discovery was almost immediately patented in England and subsequently in the United States, in the expectation that it would prove of great commercial value.

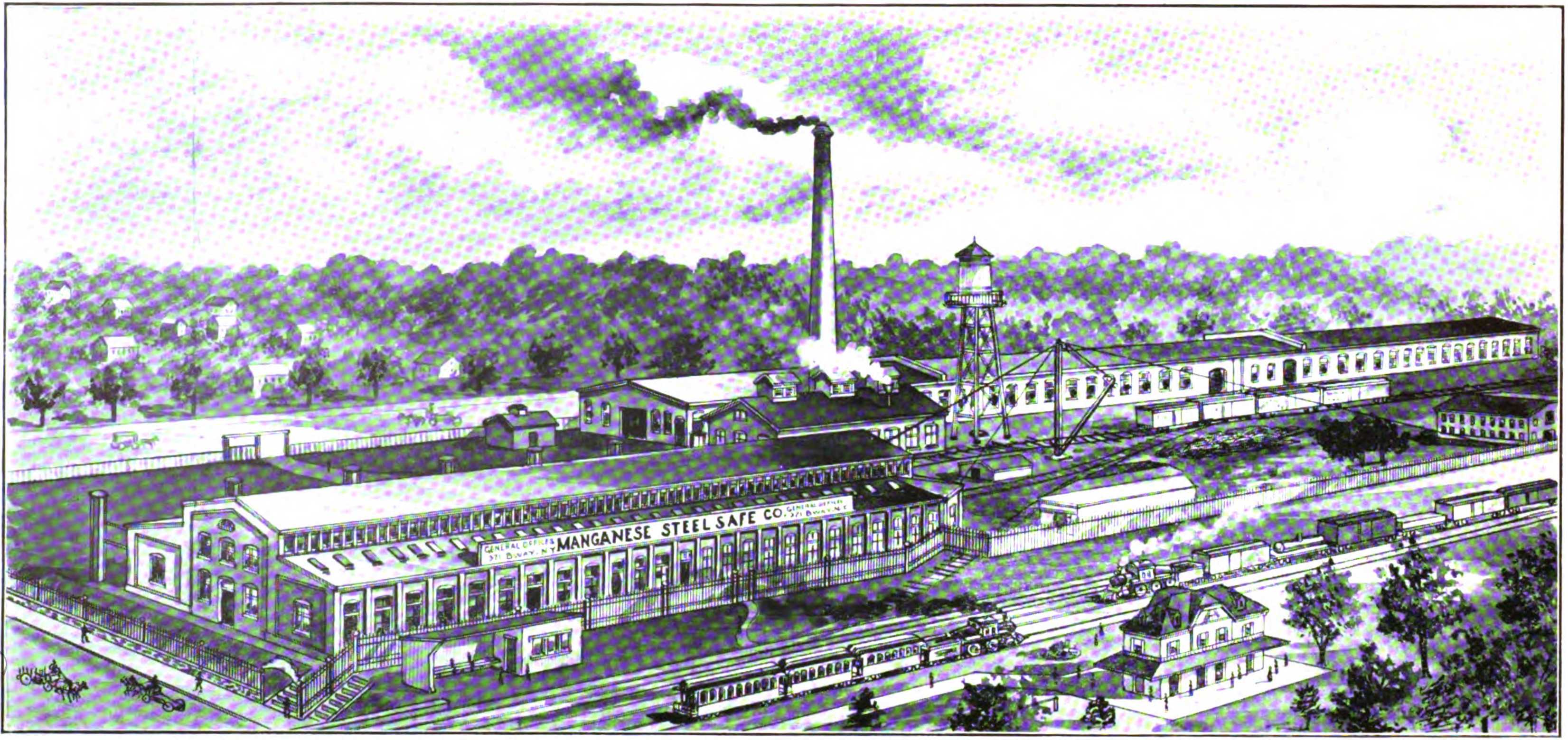
This expectation of general commercial utility was not, however, fulfilled; for it was found that castings of Manganese Steel manufactured in accordance with the original patents and processes could not be made of a greater thickness than one inch, without serious danger of effecting a change in the metal which radically impaired its strength. A number of manufacturers in succession were granted provisional licenses in the United States and one by one abandoned the attempt to utilize Manganese Steel for general commercial purposes. In 1891 Hadfield canceled all existing licenses and granted an exclusive right to the Taylor Iron & Steel Company of High Bridge, N. J., to use Manganese Steel in the United States. This company entered upon a course of exhaustive experiment and development which ultimately resulted in the discovery of a new method of treatment which obviated the difficulties previously experienced and made it possible to obtain large and intricate castings of Manganese Steel which possessed the qualities of the small specimens. This process was patented in the year 1895. Manganese Steel manufactured under this patent became commercially known in the United States as Hadfield-Taylor Manganese Steel, and is to-day recognized as a standard commercial product.

Among other uses for the new metal was the manufacture of solid safes and vaults. For this purpose was formed the company now known as the Manganese Steel Safe Company, which entered into a long term contract with the Taylor Iron & Steel Company for the exclusive use of Hadfield-Taylor Manganese Steel in the manufacture of safes and vaults.

It was at once recognized that solid safes made of Hadfield-Taylor Manganese Steel were practically secure from attack unless the locking mechanism could be destroyed. So far as is known, no person has ever successfully attempted to penetrate the body of this safe; and although several



MODERN STEEL VAULT CONSTRUCTION.



Manganese Steel Safe Company's Plant, Plainfield, N. J.

severe attacks have been made upon the safe by burglars, the attempt has never been successful. For some years the Manganese Steel Safe Company had no competition and the demand for their safes exceeded the possible output of the factory. In the year 1898 the original patent granted to Robert Hadfield expired, and the way was thus opened to competitors to place upon the market safes made of metal containing more Manganese than ordinary steel, which were styled Manganese Steel safes.

The subsequent treatment patents granted to Hadfield and the Taylor Iron & Steel Company under which the commercial use of heavy Manganese Steel castings was made possible, are still in force and exclusively at the disposal of the Taylor Iron & Steel Company and the Manganese Steel Safe Company.

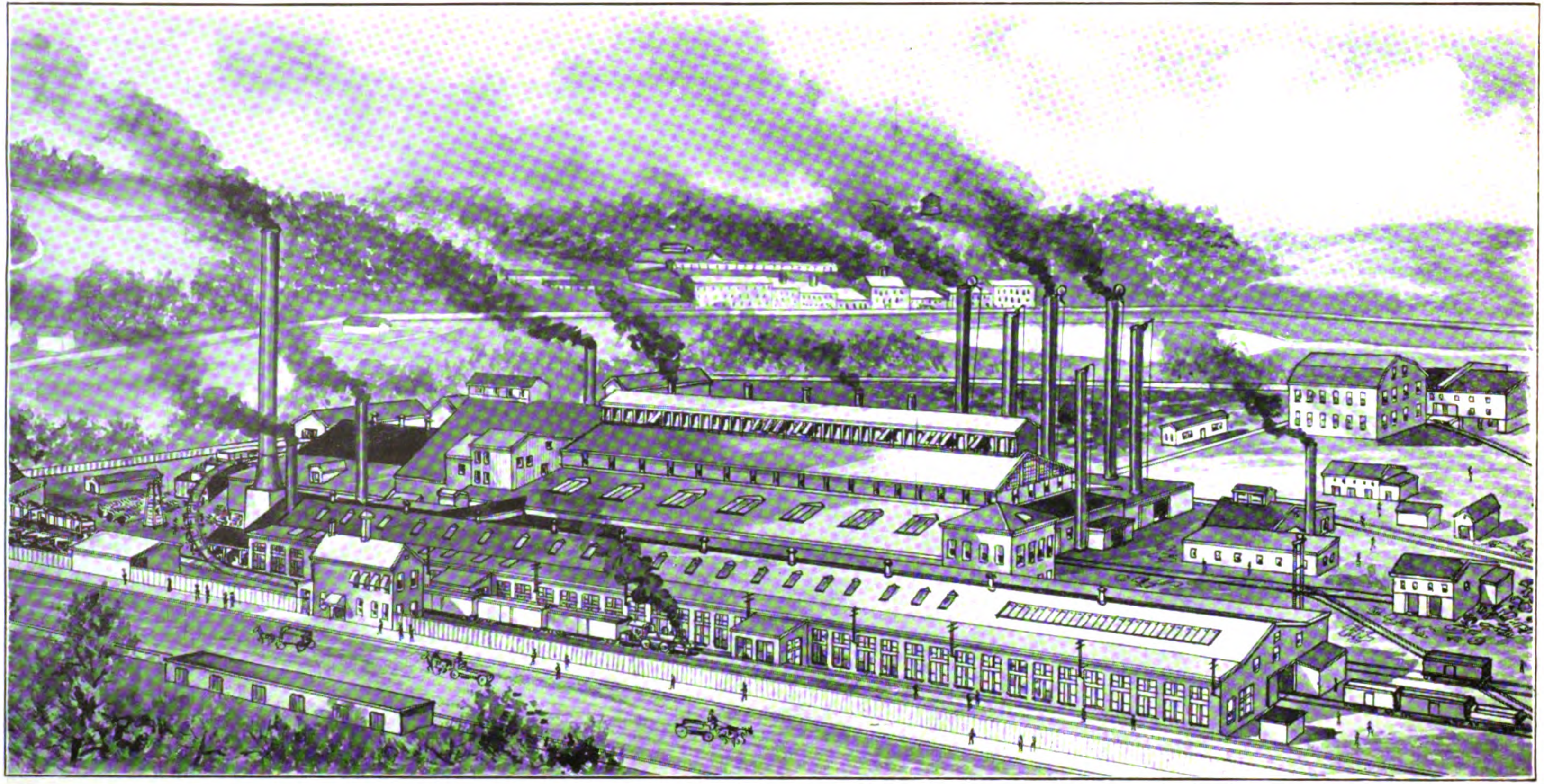
This article is illustrated with cuts of the latest safes manufactured by the Manganese Steel Safe Company, the illustrations being presented through the courtesy of that company, which, as already noted, originated the use of Manganese Steel in the manufacture of safes, and is responsible for introducing a change in safe material and construction which practically obviates the danger of burglarious attack by any methods now employed by burglars. Furthermore, by reason of the connection of this company with the makers of the standard Hadfield-Taylor Manganese Steel, it is presumably best equipped to put upon the market Manganese Steel safes possessing the requisite attributes of hardness and toughness.

The contention of this company is that the safes sold by its competitors which purport to be made of Manganese Steel lack the quality of toughness, and under shock show the same tendency to crack which made the original solid safes unsatisfactory. Without endeavoring to pass upon this question, it may be said that in the opinion of experts the highest type of burglar-proof safe now made is a solid safe of Manganese Steel, provided that metal is both hard and tough. Unless it possesses this latter attribute it is rather more vulnerable than the old style plate safes.

The safes shown in the illustrations are of a type recently adopted by the Manganese Steel Safe Company and known as the "Bayonet Joint" safe. The novel feature of this safe consists in the method by which the door is secured to the body. Reference to the picture of the open-door safe shows that a part of the body casting of the safe consists in lugs which project slightly into the door opening, these lugs being so spaced as to permit the passage between them of similar lugs which form a part of the casting of the door. The safe being closed, the system of lugs upon the door passes through these openings to a point behind the lugs attached to the body. The entire door is then mechanically rotated on its own axis for a distance of approximately four inches. This brings the lugs upon the door immediately back of the lugs attached to the body and for all practical purposes the door has become an integral part of the body of the safe. To hold the door in this locked position two steel bolts 1¼ inches in diameter are screwed out from opposite sides of the door into two of the body lugs. These bolts have no function to perform in withstanding a strain tending directly to remove the door from the safe, but prevent its rotation to a point where the door lugs cease to engage with those attached to the body. The door of the Manganese Steel safe fits so closely into the opening prepared for it that the joint between the body and door is practically invisible. This result is accomplished in much the same way that a metal valve is made. The door and jamb are first ground to an approximate fit by emery wheels. The adjacent surfaces are then coated with a mixture of oil and abrasive material and the door is replaced in position. It is then mechanically rotated until it is ground to such an accurate fit that the introduction of a piece of paper will prevent its closing. By similar means the spindles used in this safe are so accurately fitted that the insertion of a hair will prevent their proper adjustment.

When the door of this safe is once closed and the lugs placed in engagement, it is claimed by the makers that the door cannot be removed unless the entire safe be shattered, a result which it is said has never been accomplished.

In attacking a safe of solid construction a burglar's only chance of success lies in slightly opening by mechanical means the joint surrounding the



Plant of Taylor Iron and Steel Co., High Bridge, N. J.—Manufacturers Hadfield-Taylor Manganese Steel.

door. He then inserts in this opening a small quantity of nitroglycerine and by successive charges seeks to enlarge it until the door is finally forced outward. This result cannot be attained unless the construction of the safe is such that the nitroglycerine so introduced can be closely confined and the full force of the explosion utilized. If the expanding gases have free access either into the interior of the safe or outward into the open air, the force of the explosion is largely lost. The manufacturers of the safes illustrated herein claim for their safe that the construction of the door joint is such that it is impossible to confine the force of the explosion. The instant the joint between the door and the body is in the slightest degree enlarged, a channel is opened which permits the escape of the force generated by any explosion, into the interior of the safe. The wider the crack the less the chance of utilizing the explosive force. To accomplish this result the manufacturers state that they refused to adopt a door screwed into position in a continuous thread, which necessarily affords a receptacle to confine the explosive and make possible the exertion of its full force.

A test was recently made upon a safe of this type by the Marietta Torpedo Company, experts in explosives, at the request of the Manganese Steel Safe Co. The attack lasted from 9 A. M. to 4 P. M. and involved the explosion of sixty-four ounces of nitroglycerine in charges which varied in amount from one-quarter of an ounce to sixteen ounces. The safe remained intact and could not be opened. The attempt was finally abandoned as useless.

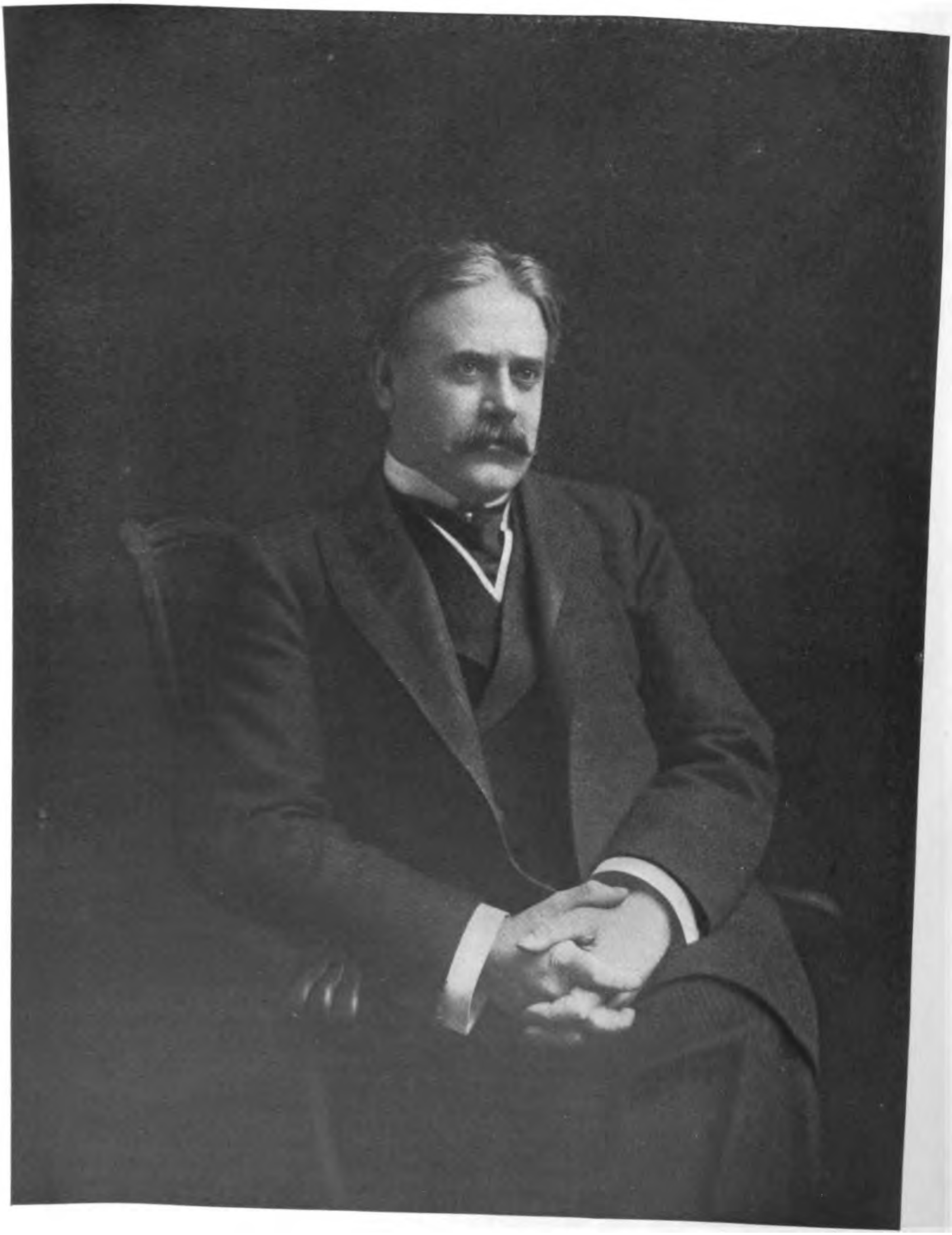
It will be of interest to note that in the manufacture of a Manganese Steel safe the metal is so hard that it is impossible to work upon it with steel tools. The entire process is effected by the use of emery or corundum wheels, revolved at high speed.

The custom of manufacturers who encourage public competitive tests of safes is strongly condemned by many of those familiar with such contests. These exhibitions, it is believed, prove little or nothing as to the practical merits of the safes exhibited, for the conditions are so radically dissimilar to those of an actual burglarious attack that no light is shed upon the burglar-proof qualities of the safes in question. Such tests, however, do serve to educate the lawless element in the community to a dangerous degree of proficiency and beget a feeling of uneasiness and uncertainty among bankers which is totally without justification. Many of the reputable companies are showing a strong disinclination to participate in such exhibitions. The bankers who encourage them should realize that they are permitting themselves to be used by rival safe manufacturers as a means of commercial advertisement.

THE BANKS OF SCOTLAND.—Consul Fleming, of Edinburgh, sends the following information in regard to the banks of Scotland:

There are ten banks in Scotland, having an aggregate of 1,132 branches, or one office to each 4,000 inhabitants. The present amount of paid-up capital is $45,268,183, to which there attaches an uncalled liability of $96,517,294.50, of which liability $22,595,159.50 is callable for the purposes of business and $73,881,835 reserved for liquidation only. The average market value of the paid-up capital during 1904 was $152,204,644, as against $155,114,811 in 1903. The average holding per shareholder was $2,086 in 1894 and $1,724 in 1904. The reserve funds were $27,245.931 in 1894 and $36,040,699 last year.

The total value of real estate held by the banks is $21,208.932. The note circulation last year was $36,484,150; in 1902 it was $38,192,292. The total amount of deposits in 1904 was $497,808,784, considerably less than the deposits in 1902, when the figures were $521.294,716. It is believed that the shrinkage was due principally to the competition of municipal corporations for temporary loans at rates higher than the banks are willing to pay. The total profit declared for 1904 was $7.939,115 against $8.268,932 for 1903, a decrease of $329.817. The dividends paid for 1904 ranged from 7 to 20 per cent., averaging 14.58 per cent.



GEORGE W. YOUNG.

GEORGE W. YOUNG & CO.

With the growth of New York in financial importance, the field of private banking—already occupied by some of the strongest houses in the monetary world—becomes more and more attractive. Freedom from the restrictions of State and Federal banking laws affords a wider field of operations and greater possibilities of profits, without implying any necessary relaxation of the rules always imposed by considerations of safety. For, primarily, safety in banking is not a matter that can be assured by law. It depends chiefly upon the character of the management.

The head of the new private banking firm of Geo. W. Young & Co., New York city, has justly earned a reputation for financial sagacity. His achievements are of a kind entitling him to rank among the most successful bankers of the country. That these are not mere random statements is amply shown by the history of the United States Mortgage and Trust Company, of New York, under his management. From 1893 to the close of 1904, under his direction, the deposits increased from $3,228,658 to $30,269,789, and surplus and profits accumulated to the extent of $4,072,734. During Mr. Young's management the earnings of the company were in excess of $6,250,000; of this amount $2,250,000 was paid in dividends and $4,000,000 added to surplus account.

Mr. Young has had such a notably successful business career, that a brief record of it will be found interesting.

He was born of Scotch-Irish parentage in Jersey City, on July 1, 1864, and attended the public schools of that city, afterwards taking the evening scientific course at Cooper Union.

At the age of thirteen, he entered the employ of the law firm of L. & A. Zabriskie as an office boy, and subsequently, for a time, studied law.

Shortly after, he secured a position in the Hudson County Bank, of Jersey City, and when only eighteen was promoted to the position of receiving teller. At this time he successfully passed a competitive examination for a cadetship at West Point, and received his commission from President Arthur; but the death of his father rendered necessary his retaining his position in the bank.

When barely past his majority, he became Secretary and Treasurer of the New Jersey Title Guarantee and Trust Company. At twenty-eight he was elected Second Vice-President and Treasurer of the United States Mortgage Company (now United States Mortgage and Trust Company), and at the age of twenty-nine was chosen its President; commanding recognition at once as not only one of the youngest but one of the most able New York leaders in the world of business and finance.

The results of his management of this company have been referred to above.

On March 30, 1905, Mr. Young resigned as President of the United States Mortgage and Trust Company, to found the banking house of Geo. W. Young & Co. He continues, as chairman of the board of directors, to give the company the benefit of his knowledge of investments and his wide experience in financial affairs. On his resignation as President, the board of directors of the United States Mortgage and Trust Company adopted the following:

"*Whereas*, Mr. George W. Young, who for the past ten years has been President of this company, now declines to be a candidate for re-election, we desire to spread the following resolution on the minutes:

Resolved, That we recognize the exellent, energetic and intelligent services which Mr. Young has rendered the company during his incumbency, and we feel that the high position which the company has attained has been in large measure owing to his earnest efforts and untiring devotion.

Resolved, That in recognition of his services to this company, he be elected chairman to preside at the meetings of the board for the ensuing year; also, *Resolved*, That we tender Mr. Young our best wishes for success in the banking firm which he has established."

The estimation in which he was held, not only by his official associates but by the employees of the company, was evidenced by the presentation to him of a handsome chiming clock, every one in the service of the company uniting in the testimonial. At a dinner, given by Mr. Young, about one hundred officers and employees were present to express their good will.

In addition to being so long at the head of the company named, Mr. Young was instrumental in the formation and successful establishment of The Audit Company of New York, Commercial Trust Company of New Jersey, Jersey City Trust Company, Perth Amboy Trust Company and the Windsor Trust Company; and, in addition to being a director in these and in his own company, serves as a director in the following corporations: National Bank of Commerce, Acker, Merrall & Condit Co., Anacostia & Potomac River Railroad Co., Atlantic Securities Co., Bayonne Bank, Brightwood Railway Co., Buffalo Hump Mining Co., Casualty Company of America, City and Suburban Homes Co., City and Suburban Railway Co., Clarksburg Fuel Co., Columbia Railway Co., Continental Investment Co., Eastern Steel Company, Empire State-Idaho Mining & Developing Co., Fairmont Coal Co., Federal Mining & Smelting Co., Georgetown & Tennallytown Railway Co., Interborough Rapid Transit Co., Lawyers' Surety Co. of N. Y.; Mechanics' Trust Co. of Bayonne; Metropolitan Railway Co., Washington, D. C.; N. J. & Hudson River Railway & Ferry Co., N. Y. Dock Co., Northern N. J. Land Co., O'Rourke Engineering Construction Co., Potomac Electric Power Co., Rapid Transit Subway Construction Co., Registrar & Transfer Co., Somerset Coal Co., Third National Bank, Jersey City, N. J.; Trinity County Gold Mining Co., U. S. Fidelity & Guaranty Co., U. S. Safe Deposit Co., Washington Investment Co., Washington Railway & Electric Co., Washington & Rockville Railroad Co., Wolff National Chemical Co.

Mr. Young is a member of the Country Club of Lakewood, Deal Golf, Downtown, Lawyers', Manhattan, Maryland, Metropolitan of Washington, Players', Racquet and Tennis, Riding, and Rockaway Hunting Club.

In November, 1889, Mr. Young married Miss Natalie Bray, of Jersey City, and their children are Dorothy and George Washington, Jr.

Besides their New York residence, they have a charming summer home, "Oakwood Farm," adjoining the Deal Golf Club at Deal Beach, of which club Mr. Young is President.

When Mr. Young established the firm of Geo. W. Young & Co. he purchased the Stock Exchange seat of Bayard Dominick, Sr., paying $83,000 therefor.

It may be regarded as certain, in view of the honorable and successful record already made by Mr. Young, that his firm will become among the strongest and most successful in the city.

Matawan, N. J., August 24, 1905.

Editor Bankers' Magazine:

Sir: As a subscriber, may I have an answer to the following: Is this indorsement a restrictive one, viz.: "Pay to the order of the Seaboard Nat. Bank, New York, for deposit"? HAROLD POWELSON.

Answer.—As the words "for deposit" in the indorsement indicate that the paper has been transferred to the bank for a particular purpose, viz., to give the indorsee credit for it in his deposit account, it is properly a restrictive indorsement. If the bank should fail to treat it as a deposit, then the title would not pass to the bank, and this fact, that the title is not to vest under any and all conditions, imposes a restriction upon the use of the paper, and makes the indorsement restrictive. The statute provides that "An indorsement is restrictive which * * * vests the title in the indorsee in trust for or to the use of some other person" (Negotiable Instruments Law, sec. 66, N. Y. Act); and where paper is transferred to a bank to be credited to the account of the indorsee, it is for his *use*.

THE VALUE OF INDEPENDENT EXAMINATION OF BANKS.

[Paper read before the convention of the Wisconsin Bankers' Association, by Seymour Walton, C. P. A.]

As strong as the force of gravitation in the physical universe is the force of habit in the moral and mental world. Men are constantly running into grooves or ruts in all their activities, whether social, religious or business. This is especially true of their business lives and arises partly from insufficient time, partly from disinclination to exert themselves and very often from lack of knowledge of anything more desirable. While these facts are true of persons engaged in any business, they are especially so in the banking profession. The work of one day is so much like that of another that the tendency to fall into routine habits is almost irresistible, and there seems little or no opportunity for originality. Yet there are few places where originality is more needed and where a proper use of brains is more valuable than behind the counter of a bank.

The great difficulty in most banks, especially in the large cities, is that the banker is so constantly occupied that he has no time to develop any ideas if he has the foundation for them. He is too busy to study the details of the bank's business in such a way as to discover the evidences of irregularities even when they would seem to have been very apparent, judged in the light of after events, or to make the proper deductions in regard to the real condition of its customers, even if he knows that a careful scrutiny of their accounts will often reveal very interesting facts. For instance, he does not take the trouble to ascertain the relations between a customer's total yearly sales and the amount of his bank movement during the same time. Yet there is no more valuable information in regard to a borrowing customer than the fact, if it exists, that his total deposits, excluding his single name paper, are considerably in excess of his total sales. The excess is suspicious, to say the least, as it must consist of items that are of a kiting nature, or otherwise illegitimate. It is far easier for the credit man of the bank to make a few preliminary investigations, accept the customer's own statement of his net worth, grant him a line of credit and then drop quietly and easily into a rut and stay there until he is rudely jostled out of it by a bankruptcy notice.

Opportunities for Misapplication of Bank Funds.

In the same way the officers of a bank acquire the habit of implicitly trusting their clerks and their fellow officers. Each one of them, working in his own particular groove, soon becomes satisfied if his own department is correctly handled and pays no attention to any one else, except when his groove happens to meet or cross that of another. As long as everything is properly adjusted to meet the requirements of his own particular balance, he pays little attention to how the adjustment is effected. In the nature of things he cannot be expected to concern himself with anything outside of his own department, and certainly is not called upon to investigate the intricacies of his neighbor's special province.

But it is this very habit of confining each man to his own peculiar rut that offers the opportunity for the misapplication of funds, when temptation assails a man too weak to resist it. Some banks attempt to obviate this difficulty by a constant exchange of duties on the part of their working force. This plan unquestionably takes the men out of their grooves and is an absolute preventive of trouble, but it is open to the objection that customers do not like to deal with different persons when they have become accustomed to having their affairs satisfactorily looked after by those who know and respect their various peculiarities. Other institutions have a general clerk or auditor whose duty it is to check up each department, but the auditor himself is liable to get into a groove and to perform his duties in a perfunctory manner. He is also subject to limitations when the irregularity that he may detect is the work of an officer of the bank, whom he does not dare to criticise unless the fault has already amounted to criminality.

Superficial Examinations.

The only other protection now employed by the majority of banks is afforded by the infrequent visits of the official examiner, whose time is too limited and whose examination is too superficial to detect any but the most glaring irregularities. As long as the requirements of the banking law as to reserves, the ten per cent. limitation on loans and other specific legal demands are satisfactorily met, his duty is fulfilled. Any ordinarily well-covered irregularity is sure to escape his attention, and he should not be blamed if it does. It is the duty of the directors to see that the officers are properly discharging the functions of their respective positions and of the officers to properly supervise the work of the employees. It would be difficult to find a case in banking history where a defalcation would not have been prevented if all the officers had been properly alert in their attention to facts whose significance became apparent after the discovery of the shortage, but which had been overlooked in the hurry of daily work or ignored because the surface routine had not been disturbed by the malign forces at work underneath.

It is hardly fair to blame very seriously the bank officers for their neglect to cover all the points at which an attack may be made on the defenses of the bank against manipulation of the accounts. They have usually enough to do to protect themselves from assault by outside enemies, the danger from which is more apparent and also more frequent than that from traitors inside their own walls. Constant intercourse with their daily associates makes the idea of any treachery on their part almost an unthinkable proposition. The universal exclamation when the wrong is discovered is: "I would as soon have thought of suspecting myself." It is natural that this condition should exist, and it would be a very unfortunate thing if this mutual confidence and esteem were broken up and each man in a bank were to be an Ishmael with "his hand against every man, and every man's hand against him." Each would feel that his neighbor was a spy and every little suspicious circumstance would be exaggerated into a crime. Yet between this impossible condition and the indifference which results from the inertia of routine habit, there seems no middle course possible to those inside the walls of the bank.

Remedy Must Come from Outside.

We are then forced to the conclusion that if any remedy is to be found it must be looked for outside of the bank itself. The present Comptroller of the Currency has already suggested this in his able address to the Illinois bankers last October, in which he said, "In addition to such exhibitions as are made at regular meetings, the directors should have frequent thorough examinations by committees of the board or experts employed for the purpose. These should be made independently of the active officers of the bank. Every clerk and every officer of the bank should be examined and checked up as thoroughly as possible, and required to show the examining committee or auditor just how the matters in his charge stand. No man who is in a position of trust has any right to resent such an examination and one who has a proper appreciation of the relations he bears to those who have reposed trust and confidence in him will welcome such an opportunity to show that he has been faithful and efficient."

With such high authority in favor of the outside auditor no argument should be needed to demonstrate his value. A word may be said about the auditing committee of the board of directors. In connection with the value of the contents of the portfolio their advice is probably the best obtainable. They are in a position to know the financial condition of their borrowing customers as well as it can be ascertained in any way, except by requiring periodical statements made by an outside trained accountant. But when it comes to the intricacies of the accounts, it is a rare thing to find on the board of any bank a director who is qualified by experience to understand them sufficiently to detect any but the most glaring irregularities.

The ordinary board of directors is composed of busy men who have time to give only the most cursory attention to the affairs of the bank. The officers and clerks have grown up perhaps from boyhood under their eyes and for many long years have faithfully executed the trusts confided to them. It is no wonder that the directors learn to rely upon them implicitly, even to the extent of refusing to appoint an examining committee when requested to do so by some officer who desires to force them into taking their just share in the responsibility of the active management.

With the directors deep in the rut of absolute confidence in the officers and the officers equally deep in their own rut of perfect reliance on the clerks, it is easy for a designing man to find an opportunity to take advantage of the situation, knowing that he will be secure as long as he does not allow any of his operations to encroach on any one's else particular rut.

In such a condition of affairs, not by any means an uncommon condition, as every banker knows, there would seem to be no possibility of protecting the bank from the unlooked-for traitor by any means now in common use. The profession which I represent asks you to consider the claim of the certified public accountant to be the best person to offer protection to the bank, as he has for years successfully given it to the merchant and manufacturer.

It is only within the last few years that the profession of the public accountant has been brought into prominence, and it is still not as well understood as it should be by those to whom his services are of value. He is a man whose training is entirely along the lines of the scientific investigation of accounts, which is a very different thing from the mere verification of their mechanical accuracy. A number of the States have recognized the new profession by passing laws allowing the title of Certified Public Accountant to be borne only by those who are able by long experience or by passing a severe examination to demonstrate their fitness for the work required of them. As their clients are found in all lines of business they are constantly brought in touch with an infinite variety of accounts and are therefore in little danger of falling into ruts or grooves, and being independent of any special influence they are not liable to favor even the higher officers if there is anything that needs criticism or reform.

Their training teaches them to simplify accounts as far as possible and at the same time to make all the departments of an office fit into each other so as to make a harmonious whole, each part so closely related to every other that an irregularity in one place will throw the machinery in another out of gear. They may be said to put interlocking switches at the points where one groove crosses another, which will to a certain extent automatically prevent trouble in either.

It is difficult to formulate a universal system applicable to all officers, even in the same line of business, and while banking accounts are as simple as any, no one institution is so precisely like another that it would be safe to say that the same methods would exactly fit all cases. Each individual bank must be studied to ascertain just what its particular needs are, and how best to meet them. And where loose and slip-shod habits have been broken up, there must be constant vigilance to prevent their return or the adoption of equally dangerous new ones. The contention of the public accountants is that the most effective vigilance can be exercised by those who are fitted by their whole training to discover and remedy flaws in method and who approach the task of a periodic audit with minds free from prejudice or bias, and with sufficient time at their disposal to give the subject the attention it deserves.

The saying that each man thinks all men mortal but himself can be paralleled by the virtual certainty that each banker has that his particular office contains none but men of the most sterling integrity. Each one things that auditing precautions are excellent for every bank but his own, but is so sure of his own associates that he does not need anything of the kind himself.

To the credit of human nature it may be said that he is usually right. The vast majority of men are honest. If it were not so, the record of financial delinquencies would be far longer than it is, for there is no question but that the opportunities for wrong doing are almost limitless. The honest man, however, does not object to a proper supervision of his work, and should welcome it as a protection against the weakness of his own human nature. For nearly every case of shortage is accurately described by the phrase—"a good man gone wrong." It is very seldom a case of deliberate dishonesty. The man is usually a really good man in his intentions and his natural tendencies, but he is weak and unable to stand the temptation that comes in subtle guise when he thinks he sees an absolutely sure way to make considerable sums if he only had sufficient capital to start with. He is so sure of his calculations that he feels justified in temporarily using the funds of others, expecting to return them in a short time, after having caused them to earn a fortune of more or less magnitude for himself. It can never be known how many men have been successful in these calculations and have since returned to the straight and narrow path. We hear only of the failures and not all of them, for a very considerable proportion are hushed up for fear of the disastrous effects on the credit of the bank.

As a means of justifying the confidence of the general public in the correct management of the bank it would be a great advantage to have it known that it has adopted the precaution of having a thorough examination made by an unprejudiced and competent accountant. If his certificate, worded in general terms, were exhibited in the public banking room and with it there appeared another certificate signed by a committee of the directors, or better still by a committee of stockholders, not officially connected with the bank, that they had examined the discounted paper on hand and considered it good, the confidence engendered by the willingness to submit to this test would probably far more than pay for the expense of the examination by the additional business it would bring to the bank. This plan would also have a good effect on the directors themselves, who might be prevented from making some questionable loan, for fear it would not pass the scrutiny of the committee, and would certainly have a deterrent effect on the conduct of those bank officials whose directors allow them to have full control of the management of the bank.

The professional accountants of the country commend the subject to the careful attention of the banks, confident that a proper study of the situation will develop plans that will render less frequent the distressing occurrences that have recently shocked the financial world.

Life Insurance Investments.—In his recent testimony before the legislative investigating committee, Vice-President Geo. W. Perkins, of the New York Life Insurance Co., said:

"I believed I was working out a condition where our company, the New York Life, could get closer to the original purchaser. And I want to say, Mr. Hughes, something in relation to your inquiry the other day, when you asked why it was that the life insurance companies could not buy directly from the seller, but should suffer the intervention of the bankers. We couldn't go to the railroad company—that is, the New York Life could not. The New York Life could not take a fifteen-million-dollar bond issue and say to the railroad company: 'We will take that bond issue of you and market part of it,' because the New York Life would thus assume the moral responsibility for the validity of that bond issue and all that went with it. This company cannot go into that. These banking houses go into that; they have their organization and they put their guarantee on those bonds, and that guarantee to a reputable house means very much, and by doing that they make it possible for those life insurance companies to join them. When I was a boy the New York Life had to buy its bonds of second, third and fourth parties, but we have gradually moved up closer to the seller. I may suggest that these three greatest insurance companies should ultimately come to a point where they will be in a better control of the financial situation."

AMERICAN BANKERS' ASSOCIATION.

THIRTY-FIRST ANNUAL CONVENTION, TO BE HELD AT THE NEW NATIONAL THEATRE, WASHINGTON, D. C., OCTOBER 10, 11, 12 AND 13, 1905.

Delegates and Visitors will please register at the Secretary's temporary office, at the New Willard Hotel.

ORDER OF PROCEEDINGS.

(Subject to change by vote of the Executive Council, or by vote of the Convention.)

FIRST DAY, WEDNESDAY, OCTOBER 11, 1905.

Convention called to order at 10 o'clock, a. m., by the President, Mr. E. F. Swinney.

Prayer by Bishop Henry Y. Satterlee.

Roll Call.

Address of welcome by Hon. Henry B. F. Macfarland, President of the Board of Commissioners of the District of Columbia.

Address of welcome to the American Bankers' Association by Mr. John Joy Edson, President Bankers' Association, District of Columbia, in behalf of the Bankers of the District of Columbia.

Address of welcome to the American Bankers' Association and foreign visitors by a Representative of the United States Government.

Reply to address of welcome, and annual address by the President, Mr. E. F. Swinney.

Annual report of the Secretary, Mr. James R. Branch.

Annual report of the Treasurer, Mr. Ralph Van Vechten.

Report of the Auditing Committee.

Report of the Executive Council by the Chairman, Mr. G. S. Whitson.

Report of the Protective Committee by the Secretary.

Report of Committee on Currency by the Chairman, Mr. James M. Donald.

Report of Committee on Uniform Laws, by the Chairman, Mr. F. E. Tracey.

Report of Committee on Bureau of Education by the Chairman, Mr. J. B. Finley.

Report of Committee on Cipher Code by the Chairman, Mr. F. F. Blossom.

Report of Committee on International Form of Money Order by the Chairman, Mr. R. L. Crampton.

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.)

1. ADDRESS.—Mr. Frank A. Vanderlip, Vice-President National City Bank, New York.

2. THE EXAMINATION OF BANKS.—Hon. Wm. B. Ridgely, Comptroller of the Currency, Washington, D. C.

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, with others so selected, constitute and be a 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 adjournment, 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, First 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, THURSDAY, OCTOBER 12, 1905.

Convention called to order at 10 o'clock, a. m., by the President, Mr. E. F. Swinney.

Prayer by Rev. Teunis S. Hamlin, D.D.

Announcements.

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.)

3. COMMERCIAL EDUCATION.—Prof. Jos. French Johnson, Dean New York University School of Commerce, Accounts and Finance, New York.
4. THE SCOTCH SYSTEM OF BANKING.—Mr. Robert Blyth, General Manager Union Bank of Scotland, Limited, Glasgow, Scotland.
5. PRACTICAL BENEFITS OF MEMBERSHIP IN THE AMERICAN BANKERS' ASSOCIATION.—Mr. Walker Hill, President Mechanics-American National Bank, St. Louis, Mo.

CALL OF SECTIONS, NORTH, SOUTH, EAST AND WEST.—Statements limited to five minutes by bankers on the general condition of business in the various parts of the country from which they come.

THIRD DAY, FRIDAY, OCTOBER 13, 1905.

Convention called to order at 10 o'clock, a. m., by the President, Mr. E. F. Swinney.

Prayer by Rev. D. J. Stafford, D.D.

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.)

6. OUR COMMERCE.—Mr. Harvey L. Goulder, Cleveland, Ohio.
7. ADDRESS.—Hon. Leslie M. Shaw, Secretary of the Treasury, Washington, D. C.

Continuation of Discussion of Practical Banking Questions.

Unfinished Business.

Report of Committee on Nominations. Elections.

Installations of Officers elected.

Attention is called to the following: Article VII, Section I, of the Constitution, reads as follows:

Section 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 fifteen days before the annual Convention of the Association; but any person desiring to submit any resolution or business in open convention may do so 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 amendment of the Constitution.

TRUST COMPANY SECTION.

The Convention of this Section and its headquarters will be at the New Willard Hotel; the Convention begins at 10 o'clock, a. m., October 10, 1905.

SAVINGS BANK SECTION.

The Convention of the Savings Bank Section will be held in the Shoreham Hotel at 10 o'clock, a. m., October 10, 1905. Headquarters will be on Mezzanine Floor of the New Willard Hotel.

ORDER OF PROCEEDINGS.

(Subject to change by vote of the Convention.)

1.—Meeting called to order at 10 a. m. by the Chairman, Col. Charles E. Sprague.
2.—Prayer by Rev. J. M. Schick, Pastor Grace Reformed Church.
3.—Address of welcome by B. F. Saul, Esq., President Home Savings Bank, and Chairman Savings Bank Committee of Washington Bankers.
4.—Reply to address of welcome, and annual address by the Chairman.
5.—Informal address by Hon. Leslie M. Shaw, Secretary of the Treasury.
6.—Report of Chairman of Executive Committee.
7.—Report of Secretary.
8.—Informal remarks by Hon. W. B. Ridgely, Comptroller of the Currency, on the subject of Bank Supervision; discussion to follow.
9.—PROPOSED BANK LEGISLATION IN OHIO.—Address by N. Henchman Davis, Esq., President Central Trust & Safe Deposit Co., Cincinnati, Ohio.
10.—ACCOUNTS OPENED IN TWO NAMES; report of Committee.
11.—SAVINGS BANKS PRINTED FORMS.
12.—MONTHLY REPORT OF DEPOSITS AND WITHDRAWALS.
13.—NOMINATIONS AND ELECTIONS: (A) Chairman; (B) Vice-Chairman; (C) Three members of Executive Committee to serve three years.
14.—INSTALLATION OF OFFICERS ELECTED.

REGISTRY ROOMS.

Members of the Local Committee will be in constant attendance. Also for the convenience of the members, competent stenographers, well informed clerks and a corps of messenger boys will be provided.

Arrangements have been made with the Western Union Telegraph, Postal Telegraph, and the Telephone Companies. Long distance telephone to be placed at the headquarters of the Association at the New Willard, and to be used at the different stations throughout the city, free.

ENTERTAINMENTS.

Tuesday, October 10, 1905, at 7:30 p. m., a banquet will be given to the general Officers and Council at the New Willard Hotel.

WEDNESDAY.

On Wednesday afternoon the President will give a reception to the delegates and their ladies at the White House (the hour to be fixed hereafter).

The Trustees of the Corcoran Art Gallery will give a reception at 8 o'clock, p. m.

Secretary of the Treasury, Leslie M. Shaw and Mrs. Shaw will give the delegates and their ladies a reception on Wednesday evening at the Arlington Hotel, at 8:30 o'clock.

THURSDAY.

An excursion will be given down the Potomac River in the afternoon.

An excursion will be given to Fort Meyer and Arlington in the afternoon. At Fort Meyer an exhibition drill of cavalry and artillery will be given. These drills are extremely interesting, giving an exhibition of expert horsemanship and precision in movement.

The memmbers and their ladies will be entertained at the New National Theatre and at Chase's Opera House in the evening at 8 o'clock.

FRIDAY.

A second excursion will be given down the Potomac River in the afternoon.

A second excursion to Arlington and Fort Meyer, with exhibition drill will be given in the afternoon.

Note.—Two excursions to Fort Meyer are given for the reason that only nine hundred can be admitted to the barracks at once. Those who attend the excursion down the Potomac River Thursday can visit Fort Meyer on Friday, or vice versa.

At 8 o'clock in the evening a formal reception will be given by the Bankers' Association of the District of Columbia, to the American Bankers' Association, in the Assembly Rooms of the New Willard Hotel.

Arrangements have been made at the Congressional Library to have the same illuminated on Friday evening. All delegates will have an opportunity to inspect this beautiful building, and a corps of guides will be on hand to show them around the edifice.

Tickets will be issued to all members and ladies to visit Mt. Vernon. These tickets can be used on any trip on the trolley cars or by steamboat. Special arrangements have been made with the authorities at Mt. Vernon to see that those wearing badges of the Bankers' Association receive proper attion and courtesy.

REDUCED RAILROAD RATES TO THE CONVENTION.

Reduced rate of fare and one-third has been granted on the certificate plan, *i. e.*, full iare going and one-third fare returning, by the following Passenger Associations:

New England Passenger Association, Trunk Line Association, Central Passenger Association, Southeastern Passenger Association, Southwestern Excursion Bureau and Western Passenger Association.

PROPOSED AMENDMENTS TO THE CONSTITUTION,

offered by Committee appointed to recommend changes therein to read as follows:

ARTICLE II, SECTION I.

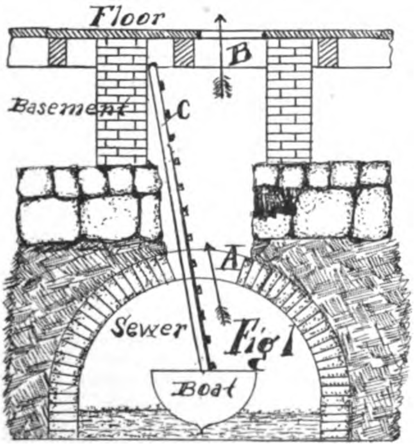
Any National or State Bank, Trust Company, Savings Bank or Banking Firm may become a member of this Association upon the payment of such annual dues as shall be provided by the By-Laws, and may send one delegate to the annual meetings of the Association; and any member may be expelled from the Association upon a vote of two-thirds of *The Executive Council.*

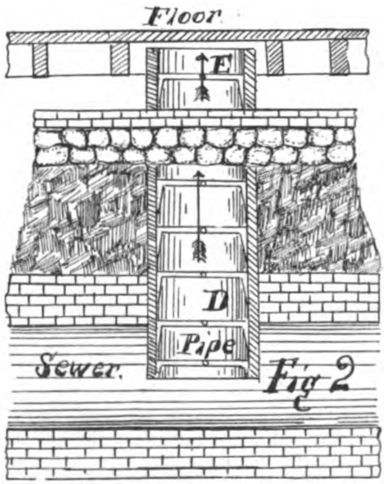
ARTICLE IV, SECTION III.

Said Committee, or a member of the American Bankers' Association, is prohibited from compromising or compounding with parties charged with crime, or with their *agents or attorneys, a Case once committed to the Association, which results in the apprehension of the criminal.*

BANK ROBBERS AND UNDERGROUND EXCAVATIONS.

Bank robbers have taken advantage of underground passages in cities to force entrance into banks for years. One of the greatest problems with which the police of Paris and many other foreign cities have had to contend with has been the plan adopted by burglars to enter buildings by means of sewers, tunnels, pipes, etc., below the buildings; thus in some of the cities of this country, objections are being made against the net-working of systems of tunnels and underground passages in general from the standpoint of the facility given the bank-breaker. The writer has been speaking with detec-

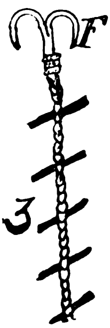




tives, ex-bank-breakers, engineers, and others, and has gathered the information herewith given from these sources. I was told of a gang of bank robbers who for months sought an opportunity to gain access to the lower floor of a certain bank building. For weeks the members of the gang worked in an underground passage just below the basement of the bank building. The burglars had access to the sewer by means of a boat, which boat had to be started from the water front and forced inward against the flow of the current, to the point below the bank building. The grated bars which had been adjusted across the outlet of the sewer were removed and tossed into the river bottom.

The boat was kept moored just inside the sewer, away from view. The method by which the man worked is illustrated in the sectional diagram in Fig. 1. A ladder had to be carried in the boat each trip. There were also a complete outfit of masonry tools, boring and chipping devices and bars for prying. First the burglars got their bearings in the sewer by a system of measurements and then they proceeded to remove particles of the masonry forming the sewer. An excavation was made at the top, as at *a* in the cut, and then the process of removing the earth just above commenced. The passage was continued upward through the wall work of the building, to *c*, where an entrance was gained to the basement of the bank. There remained only the flooring to cut through on the final break. A ladder (*c*) was employed all the time, and the base of this ladder rested in the boat. The floor hole was made the last night of the break as at *b*. This admitted the burglars to the interior of the bank building. Their scheme failed, however, as the watchman was alert, and the bank-breakers fled.

In another case that comes to mind, a regular system of pipe was employed for the purpose of installing a passage leading from the underground way to the basement of the bank building above. In Fig. 2 I give the diagram of the conditions that existed. The burglars had to force a way through the sewer under the most trying circumstances. The entrance was effected in this case by removing the metal lid of a street air-shaft, and



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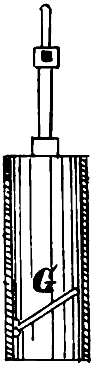

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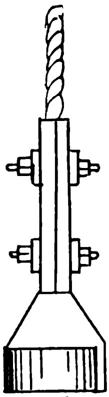
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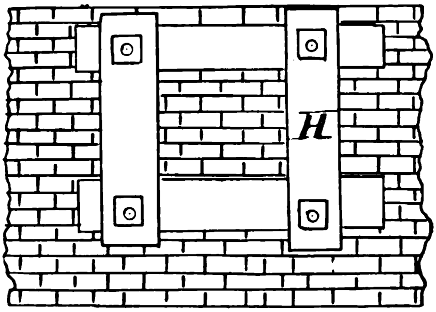

Fig 6

the men went through this place by means of a rope ladder, down to the level of the sewer line. Then upon each trip a section of pipe was carried, the interior of which was of ample dimensions to warrant the passage of a man. These sections of pipe had to be laboriously taken down to the sewer each trip, and connected up and fitted to the bore the men were making from the base of the sewer to the bottom of the bank building. In the illustration is shown the sewer line, and the pipe as it was finally set to extend upward. The sections of pipe were bolted as fast as placed. Then, in order to afford means for ascending and descending the interior of the pipe, some cross-braces were introduced. These pieces were made of hardwood, hinged in the center. The outer ends were fitted with drop pieces as shown, and these drop pieces formed the means for getting a frictional grip


Fig 7

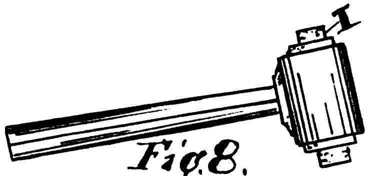

Fig. 8.

upon the sides of the pipe. Thus steps were made from the bottom up. Hence the men could enter the pipe at *d* and ascend upward to *e*, at which point the floor was reached, and entrance forced by cutting out a section. The bank-breakers in this case secured considerable money by blowing open a safe. I was interested in some of the instruments utilized by the bank-robbers, as seen upon different occasions.

Fig. 3 is a drawing of one of the types of handy rope ladders used by the profession. This form of ladder can be made very strong, light and handy. Usually strong cotton rope is used, although I have seen silk employed. The cross pieces are of hard wood, and are adjusted to form the steps. There are two hooks fixed at *f* and therefore the ladder can be used by connecting to the upper part of a ledge or projections. The processes of boring are conducted in various ways. Sometimes the bank robber devotes much time and labor to the excavation of earth to make an entrance. Then again he employs modern tools. In one case a regular sand-pump was found in service, a sketch of which is shown in Fig. 4. This is composed of a ten-inch cylinder, made of steel, with sharpened lower edge, and about three feet long. There is a lid or valve near the base, and when the contrivance is forced down into the sand, the sand enters the tube, and is held in by the lid, which drops as the pump is raised. Thus a quantity of sand is obtained and dumped each time. Fig. 5 is a sketching of one of the edge tools used for the same work. The chisel edge is caused to drop on the earth base of the bore repeatedly by lifting and releasing the rope. Thus the chisel edge pulverizes the sand or earth, making it easy to remove the same in buckets. In cases in which an entrance is made through a brick wall, various plans are adopted. Where concealment is necessary, the workers sometime arrange a wood frame like that in Fig. 6 at *a*. This frame is adjusted to the wall work by means of bolts. Then when the square of masonry is carefully loosened by chiselling out the mortar, the entire loosened section is carefully removed so that this section is like that in Fig. 7. Hence the section can be replaced at will and the freed masonry hardly detected. One of the forms of hard rubber-tipped hammers is exhibited in Fig. 8. The rubber tip is marked *i*. With this tool, the cracksmen are able to deliver blows upon masonry, metal or wood, with a softened sound.

AN OBSERVER.

Beaver Dam, Wis., September 23, 1905.

Editor Bankers' Magazine:

Sir: One of our patrons recently sent some shares of mining stock to the Western Bank, of Denver, Colorado, to be delivered to the purchaser upon receipt of the purchase price. The bank returned their draft on New York, which with due diligence was presented for payment, and refused, as the Denver bank had made an assignment. Is not the owner of the protested draft entitled to preference in dividing the assets of the Denver bank?

J. E. McCLURE, Cashier.

Answer.—In this case, the Western Bank, of Denver, was acting as agent only, and the title to the money received by it did not, as in the case of an ordinary deposit, pass to it, but belonged to the seller of the stock. He, therefore, has a right to claim the money as a trust fund, and is not required to claim as a general creditor of the bank. (National Bank vs. Insurance Co., 104 U. S. 54; People vs. City Bank of Rochester, 96 N. Y. 32; McLeod vs. Evans, 66 Wis. 405.) Nor is this right affected by the fact that the Western Bank remitted its draft for the amount; for the draft, having been dishonored, did not discharge the obligation. In Hoder vs. Western German Bank (reported in THE BANKERS' MAGAZINE for June, 1905, p. 732), the United States Circuit Court of Appeals, speaking of a similar instance, said: "The Florida Bank was an agent in making the collection. When it had made the collection, it held it in trust. If it mingled it with its own funds, the trust attached pro tanto to the funds. (National Bank vs. Insurance Co., 104 U. S. 54, where the principle vindicated in Knatchbull vs. Hallett, 13 Ch. Div. 696, by Sir George Jessel, M. R., is fully confirmed.) When it sent its own draft as the remittance, it did not operate as a satisfaction of its obligation, unless the draft should be paid, there being no agreement to receive the draft as payment. This would be so in the case of a common debt. And certainly the reasons for the same rule are not less where an agent transmits to his principal his own note or draft to provide means for the satisfaction of a trust obligation on account of funds received for his principal."

POLITICAL AND OTHER CONTRIBUTIONS BY LIFE INSURANCE COMPANIES.

President John A. McCall, of the New York Life Insurance Company, has sent out to all agents of the company the following circular relating to his testimony on the subject of contribution by the New York Life to the Republican campaign funds in the last three Presidential campaigns:

"Referring to my testimony before the Legislative Committee of the State of New York, now investigating life insurance as practiced by all companies doing business in the State of New York, I desire to call your attention to the following statement, made, of course, under oath before the committee:

'I was a Democrat up to the nomination of Bryan when he adopted the free silver platform in 1896. I made up my mind that I would do all in my power to defeat that candidate and that platform, and I did it with my heart and soul. I had no idea in my mind about politics at all, but I had a duty and a trust regarding New York Life policy-holders, and I felt that if free silver coinage was going to prevail and Bryan was going to be elected President of the United States that we might put up our shutters on the New York Life doors. Knowing that and believing it in 1896, I consented to a payment to defeat free silver—not to defeat the Democratic party, but to defeat the free silver platform—and I thank God that I did it.'

In other portions of my testimony I stated the contribution of 1900 was made for the same reason, and that the contribution of 1904 was made because the convention which nominated the candidate of one of the parties refused, by a vote of two to one, to incorporate in its platform a gold plank, while the opposition party adopted a gold plank.

My testimony shows further that this company has never, within my knowledge, except in the three instances named and for the reasons and purposes stated, contributed a dollar to any campaign fund of any party in any election, general or local.

It goes without saying that the business of this company is not politics under any guise. The contributions made in the years in question had no reference whatever to politics. They were made through a political party solely because it was not possible otherwise to reach the danger that menaced our assets.

If you ask me whether I think it right to take insurance moneys and devote them to political campaigns, I answer, 'No, a thousand times no.'

Now, as to the future: The gold standard has been irrevocably adopted. Therefore, the question of similar contributions cannot arise again during this or any subsequent administration of the New York Life.

However, in order definitely to express the company's position, I shall ask the board of trustees, at its next regular meeting, to pass a resolution which will make it clear to every policy-holder and to the public that the New York Life will never contribute to any political organization for any purpose whatever."

Col. J. J. Hayes, chairman of the Vicksburg, Miss., committee of health, has written to President McCurdy, of the Mutual Life Insurance Company, in acknowledgment of a contribution to the fund being raised to fight yellow fever in Vicksburg. Col. Hayes says that Mr. McCurdy's contribution was all the more acceptable because several of the large life insurance companies declined to give on the ground that they did not feel it proper to use the company's funds for such a purpose. The loss of the smallest policy-holder, says Col. Hayes, would cost any company much more than the subscription which was asked for. As a business investment he believes that the companies could do nothing which would advance their interest more than to help stamp out an epidemic of yellow fever. He says that there is every prospect of holding the epidemic in check.—*N. Y. Sun.*

REPUTATION AND CHARACTER.

Men of reputation but without character were denounced by Dr. Nicholas Murray Butler, President of Columbia University, in his address to the students at the opening of the one hundred and fifty-second academic year on September 27. He said:

"May I detain you a moment to point out one fundamental fact? Diverse as our intellectual interests here are, and various as are our daily tasks, there is one aim which all faculties and schools, all teachers and scholars, have in common—the building of character. Whether we pursue the older liberal studies or the newer applications of knowledge or some one of the learned professions, we are all concerned, first and foremost, with the forming of those traits and habits which together constitute character. If we fail in this, all our learning is an evil.

Just now the American people are receiving some painful lessons in practical ethics. They are having brought home to them, with severe emphasis, the distinction between character and reputation. A man's true character, it abundantly appears, may be quite in conflict with his reputation, which is the public estimate of him. Of late we have been watching reputations melt away like snow before the sun; and the sun in this case is mere publicity. Men who for years have been trusted implicitly by their fellows and so placed in positions of honor and grave responsibility are seen to be mere reckless speculators with the money of others and petty pilferers of the savings of the poor and needy. With all this shameful story spread before us it takes some courage to follow Emerson's advice not to bark against the bad, but rather to chant the beauty of the good.

Put bluntly, the situation which confronts Americans to-day is due to lack of moral principle. New statutes may be needed, but statutes will not put moral principle where it does not exist. The greed for gain and the greed for power have blinded men to the time-old distinction between right and wrong. Both among business men and at the bar are to be found advisers, counted shrewd and successful, who have substituted the Penal Code for the moral law as the standard of conduct. Right and wrong have given way to the subtler distinction between legal, not illegal, and illegal; or better, perhaps, between honest, law-honest, and dishonest. This new triumph of mind over morals is bad enough in itself, but when, in addition, its exponents secure material gain and professional prosperity it becomes a menace to our integrity as a people.

Against this casuistry of the counting house and of the law office, against this subterfuge and deceit, real character will stand like a rock. This university, and all universities, in season and out of season, must keep clearly in view before themselves and the public the real meaning of character, and they must never tire of preaching that character and character alone makes knowledge, skill and wealth a help rather than a harm to those who possess them and to the community as a whole."

OUR "COLOSSAL IMMORALITY."

President Schurman, in his address at the opening of the thirty-seventh year of Cornell University, September 29, denounced "the colossal immorality in the management of public trusts."

"An event has occurred during vacation," he declared, "which has attracted all eyes at home and many abroad, and is still attracting them. It is in regard to the management of public funds and trusts, and the manner in which trustees are dishonestly, and I may say criminally, using the funds of widows and orphans in all parts of the United States. This colossal immorality in the management of public trusts has brought forth just and severe criticism. Nothing will come of this outburst of indignation unless it makes each one of us feel that there is something wrong in the public spirit of the country.

We have in this country during the last twenty years accumulated colossal fortunes. In the gift of acquiring money the American people have far outrun any other people. We are continually using money and the money of others to make more. Consequently, there is before our young men a distorted view of the end of life and a laxity in regard to means which may be adopted in attaining this false end.

I believe that we need to go back to the old ground that a man's life consists, not in attainment of this world's possessions, but in the development of the best character and power that is in him. I believe that human beings, the highest as well as the lowest, are bound by the same moral laws, and these laws are as inevitable as the physical laws of the universe.

Recently eminent men in the financial world have become mere notorious characters. We are criticising them severely; but, I repeat, this criticism will come to nothing unless it reacts upon ourselves and individually gives us saner views as to the chief good of life and the way to walk to attain it."

Resumption of Refunding.—On September 27 the following was made public:

The Secretary of the Treasury makes the announcement that on the second of October next he will resume refunding operations under the Act of March 14, 1900, receiving four per cent. bonds of the funded loan of 1907 and three per cent. bonds of the loan of 1908-1918, at a valuation equal to their present worth, to yield an annual income of 2¼ per cent., and issuing in place thereof two per cent. bonds, consols of 1930, at 101, subject to discontinuance at any time without notice.

The Secretary announces that his purpose is not to stimulate circulation, but to gradually reduce the amount of indebtedness maturing in 1907 and 1908. He deems it better to get some of the present indebtedness out of the way before any great volume of Isthmian Canal bonds are issued.

Pity for John D. Rockefeller.—In his old age the richest man in the world finds his greatest satisfaction not in the contemplation of his vast possessions and power, but in the visit of respect paid him by a body of his old friends and associates in the city where he has made his home. There is something pathetic in the eagerness with which Mr. Rockefeller greeted these neighbors and associates of his business life. His $500,000,000 or more have brought him—what? Great power, no doubt, but power which is accompanied by the fear of millions, the hatred of multitudes, fierce attacks upon his character and public record. The methods by which he has acquired this wealth have been called into question and even the money which he has bestowed in charity has been spoken of as "tainted." There is not in the United States to-day a man of standing who is held in less general esteem than John D. Rockefeller. That is what his money has earned for him. It has put him in a solitary place of power and left him there, as in a pillory where everybody may throw stones at him. The mere fact of his enormous wealth, regardless of the methods of its acquisition, has brought him this burden of loneliness, distrust and envy.

No wonder he turns to the business men who called upon him in Cleveland Tuesday, with eager gratitude for their sympathy, and said that mere money getting is not all there is in this world. "Turn your thoughts," he said, "to higher things." Mr. Rockefeller's life points an impressive moral, but is it not about time to stop throwing stones at him. Attack his system of financial concentration, if you please, but let Mr. Rockefeller alone with his millions. Further attacks upon him will appear in the nature of persecution, and will make him an object of sympathy.—*Wall Street Journal.*

A Noted Forgery.—A case of forgery that bids fair to rank among the largest of such transactions in recent times was brought to light in New York city recently. The facts in connection with the case are thus reported:

Messrs. Pearl & Co., a firm of brokers, obtained from the National City Bank a loan on some securities valued at $300,000 deposited as collateral. This loan was made at 4½ per cent., but by what appears to have been a mistake the rate was entered as 4¼ per cent. on the firm's books. On September 27 a messenger presented to the City Bank a certified check on the Hanover National Bank for $300,037.50, in payment for Pearl & Company's loan, and received the stocks and bonds deposited as collateral. The check was a forgery. As the transfer agents have been notified, it is thought that the loss will be slight. Whatever it is will be met by the bank. The forgery of the check is pronounced an exceedingly clever one—the check being one of the same blank form as those used by the bank on which it was drawn, and having the name of Pearl & Co. printed in one corner.

It is regarded as a peculiar feature of the case that the amount of the check should have been exactly the sum required to take up the loan at the bank's rate; but it is said to be the custom to write on the envelopes containing the collateral the facts in regard to such loans, and it is thought possible the forger may have obtained the information by looking over the shoulder of the messenger who brought the securities to the bank when the loan was negotiated.

Banks in Great Britain.—Commercial circles in Great Britain are much interested in recent consolidations of banking institutions in the United Kingdom. On this subject Consul Stevens, of Plymouth, writes:

"In banking and commercial circles much interest has been excited by the recent amalgamation of the Consolidated Bank of Cornwall and the great London banking house of Barclay & Co. The high position which the Consolidated Bank of Cornwall holds among provincial banks and the prestige of Barclay's make the union of interests one of the most important that has taken place in recent years.

The amalgamated concern with its headquarters in London has 382 branches throughout the country and an authorized capital of £8,500,000, with assets close to £46,000,000. It thus becomes one of the largest and most powerful banks in England.

This case of consolidation furnishes the latest instance of what has become an inevitable tendency in the banking world. Each succeeding year witnesses a diminution in the number of independent provincial banks by the process of absorption and a corresponding enlargement of the great London institutions. Doubtless the fusion of interests which is continually going on in this way adds to the strength and solidity of the banking resources of the country, besides furthering in many ways the convenience of the mercantile community. These consolidations receive the hearty support of the British press and public."

A Good Word for High Finance.—At the recent opening of the New York University School of Commerce, Accounts and Finance Chancellor MacCracken and Dean Johnson made addresses. Dean Johnson had this to say about high finance:

"Our latest craze is the notion that every rich man has acquired his wealth by dishonest, if not illegal, methods. Things have come to such a pass that no university that wishes to escape criticism can afford to be without a sort of psychologico-financial microscope in order that it may be sure there are no microbes on any dollars that are offered it. Just at present the managers of our great insurance companies are undergoing the test. The popular craze on this subject, I am told, is so great that people are ready to cry 'stop thief!' at every manager or director.

There is no evidence yet at hand warranting pessimism with regard to the prevailing standard of morality and integrity in our world of business and finance. Certain trustees may have abused their trust and have exceeded their prerogatives, but we must beware of assuming on that account that all our great captains of finance and industry are moral freebooters.

Personally, I believe in the honesty and integrity of our successful men, and I will not surrender that belief until I have been convinced by facts which are irrefutable. We must not let isolated cases betray our judgment into general conclusions. We must not condemn the motives of men, whether we are preachers, teachers or students, unless we have a full statement of facts on both sides. This popular readiness to suspect and condemn the methods of our successful men can be corrected by only one remedy, and that is by a more general education in the laws and phenomena of the business world."

LET US TAKE LEAVE OF HASTE.

By Clinton Scollard.

Let us take leave of haste awhile,
And loiter well content
With little pleasure to beguile,
And small habiliment—

Just a wide sweep of rain-washed sky,
A flower, a bird-note sweet;
Some easy trappings worn awry;
Loose latches for our feet;

A wheaten loaf within our scrip;
For drink the hillside spring,
And for true heart companionship
The love of loitering.

We want so much, and yet we need
So very slight a store,
But in the age's grip of greed
We hurry more and more.

The woodland weaves its gold-green net;
The warm wind lazes by;
Can we forego? can we forget?
Come, comrade, let us try!

—From The Outlook.

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.

—Owing to the increase of its business the Bankers' Trust Company has been obliged to enlarge its offices at 7 Wall street, and to take a large amount of space on the ground floor. A recent report of the company to the Superintended of Banking shows undivided profits of about $276,000, and deposits of $25,436,000.

—The Dime Savings Bank of Brooklyn is to erect a new building at DeKalb avenue and Fleet street, which will be its future home. The lot fronts sixty-two feet on DeKalb avenue and 114 feet on Fleet street. The building will be finished within a year.

—Marcel Kahle, President of Messrs. Geo. Borgfeldt & Co., importers and commission merchants, has been elected a director of the Citizens' Central National Bank.

—The People's Bank, of Brooklyn, will shortly open a branch at 1550 Broadway, Brooklyn—the first branch to be established by this bank.

—On September 29 the Windsor Trust Company opened a downtown branch in the Mutual Life Building, Nassau and Cedar streets.

—A correspondent, in the following letter, calls attention to a matter of interest to the city banks:

"The use of the word 'Greater' as a part of the title of New York city is practically obsolete. Even the names of the boroughs, 'Brooklyn,' etc., are being abandoned except for political purposes. It is, therefore, important that as few names as possible be duplicated in the city. This is especially true of banks. Numberless mistakes are being constantly made over the duplication of the names of the banks of the city. They are the First National, Merchants', Mechanics', National City, Nassau and People's. Of course, the banks located in the Borough of Brooklyn usually have the name of the borough printed on their checks, etc., but practically all their larger depositors, for business reasons, have the date line New York city. It will probably be a slow and expensive operation to change the name of these banks, but it will have to be done sooner or later, as the legal complications, the errors of bank clerks, wrongly delivered mail and the troubles in the clearing-house will sooner or later make the change absolutely necessary. Why not start in at once to bring about the change?"

NEW ENGLAND STATES.

Holyoke, Mass.—The Holyoke National Bank's statement of August 25 shows surplus and undivided profits of $194,453, all of which has been earned, not paid in by stockholders. Besides this $194,453 over $50,000 has been earned and charged off in bond premiums, real estate and furniture improvement, etc., in the last twenty years. Also in that same period $360,000 has been earned and paid in regular nine per cent. dividends. These figures are evidence of good management and safe banking. The Holyoke National makes its customers interests its own, cheerfully extending in good times and bad all the accommodation consistent with sound banking.

Boston.—An illustrated booklet has been issued by the Bay State Trust Company telling "How to Keep a Trust Account." It will be found full of useful suggestions to depositors who keep their funds with trust companies.

—The Boylston National Bank recently acquired the business of the

Mount Vernon National Bank, and the latter institution will go into liquidation.

MIDDLE STATES.

Baltimore, Md.—The Commercial and Farmers' National Bank lately issued a pamphlet containing a fine full-page portrait of Cashier Harry M. Mason. A detailed analyzed statement of the resources and liabilities of the bank is also presented. Deposits increased from $386,000 in January, 1904, to $3,467,000 in August of the present year.

New York Bankers, Group IV.—The members of Group IV. of the New York State Bankers' Association met in annual session at Oswego, September 28, and discussed a number of banking topics.

The following officers were chosen for the ensuing year: E. S. Tefft of Syracuse, chairman; Luther W. Mott of Oswego, secretary. Executive committee: N. P. Wardwell of Watertown, E. Alley of Cortland, A. Youmans of Fulton, L. F. Burdick of Tully and George L. Bradford of Utica.

SOUTHERN STATES.

Louisiana and Arkansas Railway.—Satisfactory results attended the operation of the Louisiana and Arkansas Railway during the fiscal year ending June 30, 1905. The gross earnings increased from $704,000 to $844,000, the gain amounting to twenty per cent. Operating expenses and taxes were only seven per cent. while net income was almost forty per cent. greater than in the previous year.

The average length of road operated was 167.48 miles as compared with 147.77 miles in 1904. An extension of about forty miles from Winnfield to Jena, La., was added to the operated mileage during the year.

WESTERN STATES.

St. Louis.—Festus J. Wade, President of the Mercantile Trust Co., recently returned to this city after a six weeks' absence in Europe. Mr. Wade stated: "I have succeeded in establishing agencies and foreign connections throughout Europe for our institution and found that the trade position of this country is becoming stronger and stronger abroad. Conditions not only here but through Europe seem to be very promising. The attitude of foreign investors toward American securities I found to be very favorable indeed and this to my mind, is an exceptionally hopeful sign."

Shenandoah, Iowa.—President Thomas H. Read, President of the First National Bank, denies that his bank has sustained a loss of $40,000, or any other sum, through the operations of a forger, as recently reported in the press.

The First National Bank has $50,000 capital, $50,000 surplus, $16,850 undivided profits and $498,088 deposits—a very strong showing.

Valparaiso, Ind.—A very handsome and substantial structure has been erected for the State Bank and the Thrift Trust Company. It is a fire-proof building, constructed of Bedford stone, and equipped with modern safe-deposit vaults.

South Bend, Ind.—On March 28, 1904, the American Trust Company commenced business, with 100 accounts and $104,676 deposits. At the end of six months the number of accounts had increased to 737 and the deposits to $354,-779. On July 10, 1905, the company had 1627 accounts and deposits amounting to $559,997.

Indianapolis, Ind.—At a special meeting of the shareholders of the American National Bank on September 13, it was voted to increase the capital stock from $1,000,000 to $1,500,000. The new issue will be used to purchase the building formerly used as the post office, to which the bank will be moved.

Chicago.—This city is to have an "organized labor" bank—the Commonwealth Trust and Savings Bank, capitalized at $2,000,000, the par value of shares being $5.

Kokomo, Ind.—The Kokomo National Bank occupies one of the finest banking rooms in the State. Its furniture is solid mahogany, and grille work of bronze, with tile floor and steel ceiling. Improved vaults also comprise an important part of the equipment.

La Porte, Ind.—Extensive alterations have been made in the exterior and interior of the building of the La Porte Savings Bank, a considerable addition being made to the rear in order to give room for the new vaults.

Ohio Bankers' Association.—Members of the Ohio Bankers' Association met in their fifteenth annual convention, at Cleveland, September 27 and 28, C. A. Hinsch, President of the Fifth National Bank, Cincinnati, presiding. There was a large attendance. Addresses were made by Governor Herrick and Secretary Shaw, the latter favoring an emergency circulation issued by National banks to the extent of fifty per cent of their bond-secured circulation and subject to a tax of five or six per cent.

Harvey D. Goulder, of Cleveland, delivered an address on foreign commerce. Others who spoke were James R. Branch, Secretary of the American Bankers' Association, whose subject was "The American Bankers' Association's Money Order"; Geo. Guckenberger, Cincinnati; R. W. Firestone, Lisbon, O., and W. A. Graham, Sidney, O. Various reports were submitted and acted upon.

The convention elected the following officers: T. C. Stevens, Toledo, president; Thos. H. Wilson, Cleveland, vice-president; H. C. Herbig, Coshocton, treasurer; S. B. Rankin, South Charleston, secretary, and S. C. Arbuckle, South Charleston, assistant secretary.

The executive council will later elect a new chairman to succeed A. B. Voorheis, of Cincinnati, who has resigned. The convention voted not to recommend for passage by the next Legislature a new banking law providing for the inspection of all banks, both State and private.

Evansville, Ind.—On October 1, the American Trust and Savings Bank, which began business December 1, 1904, with $200,000 capital stock ($100,000 of which was paid up), moved into the company's own building, at Sixth and Main streets. This location is in the jobbing, manufacturing and retail center and is one of the best in the city. The building is of Bedford stone, is three stories high, and has a front of seventy-five feet on Main street and 150 feet deep on Sixth street. The bank occupies the corner rooms, which have been fitted up with everything necessary to the safe and convenient transaction of business.

Peru, Ind.—An evidence of the progress of the Citizens' National Bank is afforded by the recent improvement made in the bank's premises, which have undergone extensive alterations and improvements, a new and up-to-date vault having been built. The fixtures are of cherry, marble and bronze, and the floor of interlocking tile, making on the whole a very pleasing effect.

PACIFIC SLOPE.

San Francisco.—The American National Bank, which aims to be an exponent of conservatism combined with enterprise, is meeting with marked success in following this policy, deposits having grown from $387,728 on March 8, 1902—the date of the change in management—to $5,066,660.78 on September 15, 1905. Capital, surplus and profits amount to $1,289,811

The officers of the American National Bank are: President, P. E. Bowles; Vice-Presidents, Francis Cutting and E. W. Wilson; Cashier, Geo. N. O'Brien; Assistant Cashiers, E. J. Broberg and O. D. Jacoby; Manager Foreign Exchange Department, H. de Saint Seine.

—The San Francisco National Bank has purchased the property on California street formerly occupied by the London and San Francisco Bank. On July 1 of the present year the San Francisco National Bank increased its capital stock from $500,000 to $1,000,000. James K. Wilson is President, F. W. Wolfe, Cashier, and C. L. Davis, Assistant Cashier.

CANADA.

Sovereign Bank of Canada.—Through the courtesy of Duncan M. Stewart, second Vice-President and General Manager of the Sovereign Bank of Canada, of Toronto, we have received the third annual report of the bank. Assets of the bank now amount to $11,669,905.58—an increase of $3,065,831.49 over last year's report. Net profits for the year ending April 29, 1905, were $133,975.67.

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.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

Dexter National Bank, Dexter, N. M.; by G. A. Richardson, et al.
First National Bank, Fairfax, Okla.; by Charles Pasche, et al.
First National Bank, Keota, I. T.; by H. D. Price, et al.
Hansboro National Bank, Hansboro, N. D.; by David H. Beecher, et al.
First National Bank, Spartansburg, Pa.; by L. A. Burnett, et al.
First National Bank, North Conway, N. H.; by A. C. Kennett, et al.
First National Bank, Wakonda, S. D.; by E. W. Babb, et al.
First National Bank, Towner, N. D.; by J. Christianson, et al.
First National Bank, Baldwin, Kan.; by A. B. Pomeroy, et al.
People's National Bank, Hillsboro, Ill.; by E. Douglas, et al.
First National Bank, Goodrich; N. D.; by A. F. Pratt, et al.
Wind River National Bank, Shoshoni, Wyo.; by A. J. Cunningham, et al.
First National Bank, Attalla, Ala.; by L. M. Dyke, et al.
Collingswood National Bank, Collingswood, N. J.; by Henry R. Tatem, et al.
Canyon National Bank, Canyon, Tex.; by I. L. Hunt, et al.
First National Bank, Tolar, Tex.; by R. P. Campbell, et al.
First National Bank, Bovey, Minn.; by L. M. Bolter, et al.
Allendale National Bank, Allendale, S. C.; by R. H. Walker, et al.
First National Bank, Enfield, Ill.; by J. E. Willis, et al.
First National Bank, West Derry, N. H.; by R. W. Pillsbury, et al.
First National Bank, San Mateo, Cal.; by George T. Hawley, et al.
First National Bank, Clinton, S. C.; by S. H. McGhee, et al.
Warren National Bank, Franklin, O.; by W. T. S. Blackburn, et al.
First National Bank, Norwood, O.; by Edward D. Baker, et al.
First National Bank, Chico, Tex.; by R. L. Morris, et al.
Shelby National Bank, Shelby, N. C., by James T. Bowman, et al.
First National Bank, West Point, Ga.; by L. Bernheimer, et al.
First National Bank, Mound Valley, Kan.; by F. H. Foster, et al.
Commercial National Bank, Abilene, Tex.; by J. C. Russell, et al.

APPLICATION FOR CONVERSION TO NATIONAL BANKS APPROVED.

White City State Bank, White City, Kan.; into First National Bank.

NATIONAL BANKS ORGANIZED.

7897—First National Bank, New Berlin, Pa.; capital, $25,000; Pres., G. Alfred Schoch; Vice-Pres., F. H. Maurer; Cashier, Cyrus A. Eaton.
7898—National Bank of Waupun, Waupun, Wis.; capital, $50,000; Pres., L. D. Hinkley; Vice-Pres., W. E. Caldwell and C. A. Shaler; Cashier, B. W. Davis; Asst. Cashier, Ben. Kastein.
7899—First National Bank, Waynesboro, Ga.; capital, $50,000; Pres., P. L. Corker; Vice-Pres., G. O. Warnock and Edwin Fulcher; Cashier, Thomas F. Buxton.
7900—First National Bank, Ludlow, Mo.; capital, $25,000; Pres., Scott Miller; Vice-Pres., Perry Borders.
7901—First National Bank, Richland Center, Wis.; capital, $30,000; Pres., H. J. Clark; Vice-Pres., Robert R. Benton; Cashier, C. R. Thomson; Asst. Cashier, J. L. Johns.
7902—First National Bank, Hagerstown, Ind.; capital, $30,000; Pres., Geo. H. Eggemeyer; Vice-Pres., Thomas B. Millikan; Cashier, Robert A. Hicks.
7903—Gillespie National Bank, Gillespie, Ill.; capital, $50,000; Pres., Henry H. Behrens; Vice-Pres., Marnel Thomas; Cashier, W. J. Joyce.
7904—American National Bank, Alamosa, Colo.; capital, $50,000; Cashier, Max Buchmann.
7905—Farmers & Merchants' National Bank, Hatton, N. D.; capital, $25,000; Pres., Wm. Bohning; Vice-Pres., D. M. Jacobs; Cashier, D. E. Jones.
7906—Capital National Bank, Topeka, Kan.; capital, $100,000; Pres., Edwin Knowles; Vice-Pres., E. H. Crosby; Cashier, A. H. Bates; Asst. Cashier, C. S. Bowman.
7908—First National Bank, Sedro-Woolley, Wash.; capital, $25,000; Pres., Aug. Peterson; Vice-Pres., Wm. J. Thompson; Cashier, Fred Bentley; Asst. Cashier, Henry P. Johnson.
7909—Dearborn National Bank, Lawrenceburg, Ind.; capital, $50,000; Pres., Ambrose E. Nowlin; Vice-Pres., William Mitchell; Cashier, Lew. W. Hill.
7910—First National Bank, Nicholson, Pa.; capital, $50,000; Pres., G. G. Rought; Vice-Pres., Harry W. Seamans; Cashier, F. H. McIntyre.

7911—Marion National Bank, Marion, Kan.; capital, $25,000; Pres., Christ Siebert; Cashier, Brown Corby.
7912—American National Bank, Sparta, Tenn.; capital, $50,000; Pres., J. T. Anderson; Vice-Pres., S. S. Dibrell; Cashier, James N. Cox; Asst. Cashier, G. A. Nowlin.
7913—Southern National Bank, Wilmington, N. C.; capital, $200,000; Pres., Matt J. Heyer; Vice-Pres., D. L. Gore; Cashier, C. N. Evans.
7914—First National Bank, Edgeley, N. D.; capital, $25,000; Pres., Wm. T. Martin; Vice-Pres., J. B. Kesler; Cashier, A. J. Kesler; Asst. Cashier, A. M. Oakley.
7915—Citizens' National Bank, Whitney Tex.; capital, $25,000; Pres., W. L. Sanderson; Vice-Pres., Gip Smith; Cashier, Mark Wheeler.
7916—First National Bank, West Liberty, Ky.; capital, $25,000; Pres., S. W. Cecil; Vice-Pres., Wm. Green Blair; Cashier, Henry C. Thompson.
7917—Biglerville National Bank, Biglerville, Pa.; capital, $25,000; Pres., C. L. Longsdorf; Vice-Pres., R. H. Lupp; Cashier, U. S. Klinefelter.
7918—First National Bank, Crystal, N. D.; capital, $25,000; Pres., Albert F. Appleton; Vice-Pres., John F. Appleton; Cashier, Charles A. Appleton; Asst. Cashier, Clara O'Sullivan.
7919—H. Y. Davis National Bank, Cave City, Ky.; capital, $25,000; Pres., H. Y. Davis; Cashier, S. B. Davis; Asst. Cashier, E. C. Davis.
7920—Hyde Park National Bank, Hyde Park, Mass.; capital, $100,000; Pres., Fred L. Childs; Vice-Pres., Artemas S. Raymond; Cashier, Arthur E. Smith.
7921—First National Bank, Salem, Mo.; capital, $25,000; Pres., Geo. W. Peck; Vice-Pres., Wm. C. Askin; Cashier, W. J. Bennett; Asst. Cashier, Geo. W. Peck.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Gordo—Merchants & Farmers' Bank; capital, $15,000; Pres., A. H. Dabbs; Vice-Pres., J. L. Davis; Cashier, E. T. Watlington.

CALIFORNIA.

Los Banos—Bank of Los Banos; capital, $50,000; Pres., Henry Miller; Vice-Pres., W. T. White; Cashier, Wm. Lees; Asst. Cashier, E. D. Heron.

COLORADO.

Canon City—Citizens' State Bank; capital, $30,000; Pres., T. B. Coulter; Vice-Pres., J. W. Cannon; Cashier, M. J. Evans.

CONNECTICUT.

Hartford—Richter & Co.
Manchester—Savings Bank of Manchester; Pres., Frank Cheney, Jr.; Vice-Pres., Wm. J. McGurk; Treas. and Sec., Frank G. Vibberts.

GEORGIA.

Coleman—Hammack, Rish & Sons.
Collins—Bank of Collins; capital, $15,000; Pres., L. O. Benton; Vice-Pres., J. J. Kennedy; Cashier, Emmet Langford.
Harlem—Bank of Harlem; capital, $15,000; Pres., John D. Walker; Vice-Pres., F. H. Phillips.
Jeffersonville—Bank of Jeffersonville; capital, $25,000; Pres., J. A. Smith; Vice-Pres., L. O. Benton; Cashier, D. P. Edwards.
Mansfield—Mansfield Banking Co.; capital, $25,000; Pres., J. M. Hurst, Jr.; Vice-Pres., E. L. Almand; Cashier, F. W. Freeman.
Vienna—Dooly County Savings Bank; capital, $15,000; Pres., J. O. Hamilton; Vice-Pres., W. C. Hamilton, ton; Cashier, K. R. Lewis.

IDAHO.

Rexburg—Rexburg State Bank; capital, $20,000; Pres., J. E. Cosgriff; Vice-Pres., John D. C. Kruger; Cashier, James R. Wright.

ILLINOIS.

Ashland—Farmers' State Bank; capital, $30,000; Pres., F. C. Wallbaum; Vice-Pres., Wm. Mau; Cashier, T. C. Richardson; Asst. Cashier, C. J. Savage.
Bloomington—State Trust & Savings Bank; capital, $100,000; Pres., R. F. Evans; Vice-Pres., LaFayette Funk; Sec., E. M. Hoblit.
Chicago—Mutual Bank; capital, $250,000; surplus, $50,000; Pres., Lawrence Heyworth; Vice-Pres. and Cashier, E. F. Olson.—West Side Trust & Savings Bank; capital, $200,000; Pres., S. R. Flynn; Vice-Pres., Ira N. Morris; Cashier, Charles F. Hoerr; Asst. Cashier, C. N. Stanton.
Glen Ellyn—Glen Ellyn State Bank; capital, $25,000; Pres., Orrin D. Dodge; Vice-Pres., E. H. McChesney; Cashier, J. D. McChesney.
Harmon—Kugler & Co.; capital, $10,000; Pres., H. L. Fordham; Cashier, W. H. Kugler.
Pleasant Plains—Atherton & Greene Bank (successor to Atherton, Richardson & Co.)

INDIANA.

Freelandville — Freelandville State Bank; capital, $12,500; Pres., Fred Telligman; Vice-Pres., James Mumaw; Cashier, W. F. Buescher.

INDIAN TERRITORY.

Council Hill—First International Bank & Trust Co.; capital, $100,000; Pres., R. L. Nay; Vice-Pres., N. A. Gibson; Cashier, Otto E. Sump.
McAlester—Bank of McAlester; Pres., J. J. McAlester; Vice-Pres., C. Springer; Cashier, Ed. Hocker.
Muskogee—First International Bank & Trust Co. (Branch of Council Hill.)
Pauls Valley—Pauls Valley Trust Co.; capital, $25,000; Pres., T. A. Vaughn; Vice-Pres., A. J. Hallum; Cashier, A. R. Hickam.
Velma—Bank of Velma; Pres., J. M. Robberson; Vice-Pres., Milton M.

Bowman; Cashier, J. R. Frensley; Asst. Cashier, T. J. Nichols.

IOWA.

Albion—Albion Savings Bank; capital, $14,000; Pres., A. L. Burgett; Vice-Pres., W. B. Mantle; Cashier, A. C. Harter.

Harlan—Farmers & Merchants' Savings Bank (successor to Security Bank); capital, $50,000; Pres., E. C. Clapp; Vice-Pres., E. M. Hertert; Cashier, R. D. Prouty.

Lidderdale—State Savings Bank (successor to Bank of Lidderdale); capital, $10,000; Pres., Martin Emmeck; Vice-Pres., G. A. Dreeszen; Cashier, H. Harris.

Malcom—Malcom Savings Bank; (successor to Malcom Bank); capital, $25,000; Pres., J. F. Eistle; Vice-Pres., V. S. Wilcox; Cashier, C. O. Bowers; Asst. Cashier, A. P. Meigs.

Whitten—W. C. Yenerich & Son; capital, $10,000; Pres., W. C. Yenerich; Cashier, E. J. Yenerich.

KANSAS.

Beattie—Beattie State Bank; capital, $10,000; Pres., W. E. Ham; Vice-Pres., Wm. Hunter; Cashier, Frank Bell.

Gem—Gem State Bank; capital, $10,000; Pres., E. T. Smith; Vice-Pres., John Houston; Cashier, W. O. Eaton; Asst. Cashier, B. A. Gpire.

Lenora—Union State Bank; capital, $15,000; Pres., W. A. Reeder; Vice-Pres., R. A. Richmond and John McClun; Cashier, W. B. Larrick.

Woodruff—Woodruff State Bank; capital, $10,000; Pres., F. R. Beall; Vice-Pres., T. A. Beall; Cashier, M. W. Beall.

LOUISIANA.

Slaughter—Bank of Slaughter; capital, $15,000; B. R. Carney; Vice-Pres., C. R. Lemon; Cashier, A. A. Wren.

MARYLAND.

Solomons—Solomons Bank of the Eastern Shore Trust Co.; Pres., Wm. H. Hellen.

MICHIGAN.

Camden—First State Bank (successor to Bank of Camden); capital, $20,000; Pres., C. B. Alward; Vice-Pres., W. S. Blair; Cashier, B. R. Alward; Asst. Cashier, C. A Curtiss.

Decatur—Citizens' State Bank (successor to Citizens' Bank); capital, $20,000; Pres., S. B. Monroe; Vice-Pres., D. E. Brigham; Cashier, Geo. T. Pomeroy; Asst. Cashier, Geo. B. Rogers.

Holland—People's State Bank; capital, $50,000; Pres., Arend Visscher; Vice-Pres., B. D. Keppel; Cashier, J. G. Rutgers; Asst. Cashier, Henry Winter.

North Adams—Citizens' Bank; capital, $7,000; Pres., D. H. Power; Cashier, Clare Cummings.

MINNESOTA.

Akeley—State Bank (successor to Bank of Akeley); capital, $10,000; Pres., Wm. M. Faber; Vice-Pres., L. E. Davis; Cashier, Bert Rodman; Asst. Cashier, Ira W. French.

Barrett—Citizens' Bank; Pres., H. Thorson; Cashier, J. M. Thorson.

Garvin—Garvin State Bank; capital, $10,000; Pres., J. R. Fitch; Vice-Pres., C. S. Orwoll; Cashier, H. L. Shand.

Lewiston—Security State Bank (successor to John Schwager Minges & Co.); Pres., O. W. Hunt; Vice-Pres., Wm. G. Sackreter; Cashier, E. J. Minges; Asst. Cashier, E. L. Hunt.

Long Lake—State Bank; capital, $10,000; Pres., John M. Haven; Vice-Pres., Austin B. Morse; Cashier, Ray H. Jewett.

New Germany—State Bank; capital, $10,000; Pres., Theo. Streissguth; Vice-Pres., F. F. Mansfield; Cashier, A. J. Schnobrich.

MISSISSIPPI.

Greenville—Greenville Savings Bank & Trust Co.; capital, $25,000; Pres., J. A. Lake, Jr.; Vice-Pres., L. A. Wineman; Cashier, J. E. Leppert.

Pachuta—Bank of Pachuta; capital, $10,000; Pres., M. F. Berry, Vice-Pres., G. K. Evans; Cashier, H. B. Graves.

MISSOURI.

Bonne Terre—Bank of Bonne Terre; capital, $15,000; Pres., C. A. Norwine; Vice-Pres., Thomas G. Mitchell and W. B. Massey; Cashier, J. J. Bowman.

MONTANA.

Terry—State Bank; capital, $20,000; Pres., J. W. Stith; Vice-Pres., Geo. W. Burt; Cashier, W. A. Brubaker.

NEBRASKA.

Hendley—Farmers' State Bank; capital, $7,500; Pres., W. T. McKinney; Vice-Pres., C. H. Dreier; Cashier, E. L. Lundquist.

Keene—Farmers' State Bank; capital, $5,000; Pres., S. C. Stewart; Vice-Pres., A. J. Larson; Cashier, B. E. Bengtson.

Smithfield—Farmers' State Bank; capital, $5,000; Pres., David Hanna; Vice-Pres., M. Weil; Cashier, C. S. Ralph; Asst. Cashier, J. S. Ralph.

Wallace—Citizens' Security Bank; capital, $5,000; Pres., P. L. Harper; Vice-Pres., Z. L. Harper; Cashier, F. C. Pielsticker.

NORTH CAROLINA.

Walnut Cove—Bank of Stokes County; capital, $5,000; Pres., J. H. Prather; Vice-Pres., W. J. Byerly; Cashier, R. R. Rogers.

Wilmington—Carolina Savings & Trust Co.; capital, $25,000; Pres., Jno. S. Armstrong; Cashier, J. Holmes Davis.

NORTH DAKOTA.

Arthur—First State Bank; capital, $10,000; Pres., W. H. Simmons; Vice-Pres., Fred Williams; Cashier, W. C. Gamble.

Bantry—State Bank; capital, $12,500; Pres., D. H. Tallman; Vice-Pres., S. B. Qvale; Cashier, H. H. Wylie.

Berthold—Bank of Berthold; capital, $10,000; Pres., M. E. Titus; Vice-Pres., M. L. Meyer; Cashier, H. A. Sampson.

Bowdon—Farmers & Merchants' State Bank; capital, $10,000; Pres., G. E.

Schlechter; Vice-Pres., Frank Sugden; Cashier, A. W. Eynon.

Grano—Ward County Bank; capital, $10,000; Pres., F. H. Wellcome; Vice-Pres., G. J. Albrecht; Cashier, H. N. Rosevald; Asst. Cashier, H. O. Haroldson.

Kramer—Mundy State Bank; capital, $10,000; Pres., E. O. Mundy; Vice-Pres., A. W. Mundy.

Lankin—Citizens' State Bank; capital, $10,000; Pres., J. R. Holton; Vice-Pres., C. M. Case; Cashier, C. R. Verry; Asst. Cashier, J. H. Voracket. —First State Bank; capital, $10,000; Pres., John Birkholz; Vice-Pres., Geo. E. Towle; Cashier, J. D. Robertson.

McClusky—First State Bank; capital, $10,000; Pres., J. Austin Regan; Manager, W. S. Birch; Cashier, J. P. Schroeder.

Nekoma—Nekoma State Bank; capital, $15,000; Pres., F. O. Gold; Vice-Pres., H. N. Stabeck; Cashier, C. D. Knowlton, Jr.; Asst. Cashier, E. A. Cross.

Newburg—State Bank; capital, $10,000; Pres., D. N. Tallman; Vice-Pres., S. B. Qvale; Cashier, T. P. Hodge.

Page—Farmers' State Bank; capital, $10,000; Pres., W. J. Thompson; Vice-Pres., John Tong; Cashier, Edward H. Maetzold; Asst. Cashier, T. A. Thompson.

Rolette—Citizens' State Bank; capital, $10,000; Pres., J. R. Holton; Vice-Pres., C. M. Case; Cashier, R. E. Johnson.

Sarles (P. O. Adams)—State Bank; capital, $10,000; Pres., J. R. Holton; Vice-Pres., C. M. Case; Cashier, H. C. Aamoth.

Underwood—Farmers' Bank; Pres., W. J. Koenig; Vice-Pres., T. J. Haugeberg; Cashier, F. E. Funk; Asst. Cashier, F. H. Specht.

Wolford—State Bank; capital, $5,000; Pres., D. N. Tallman; Vice-Pres., S. B. Qvale; Cashier, P. B. Hong

OHIO.

Oberlin—Northern Ohio Bank; capital, $50,000; Pres., S. A. Raridon; Vice-Pres., V. O. Johnston; Asst. Cashier, Anna M. West.

Yellow Springs—Miami Deposit Bank; Pres., Robert Elder; Cashier, P. M. Stewart.

OKLAHOMA.

Cantonment—First State Bank; capital, $10,000; Pres., J. W. Beall; Vice-Pres., E. R. Williams; Cashier, W. R. Southworth.

PENNSYLVANIA.

Lock Haven—Clinton Trust & S. D. Co.; capital, $125,000; Pres., R. W. Fredericks; Vice-Pres., R. H. Stewart; Treasurer, Ross W. Barrows.

Pittsburg—Washington Trust Co.; capital, $125,000; Pres., John C. Reilly; Vice-Pres., W. C. McEldowney.

SOUTH CAROLINA.

Norway—Bank of Norway; capital, $10,000; Pres., C. H. Able; Vice-Pres., J. G. Williams; Cashier, David H. Wolfe.

SOUTH DAKOTA.

Columbia—Columbia State Bank; capital, $5,000; Pres., J. C. Bassett; Vice-Pres., Isaac Lincoln; Cashier, C. E. Corry.

Loomis—State Bank; capital, $5,000; Pres., Wm. M. Smith; Vice-Pres., E. J. Quigley; Cashier, W. A. Shurtleff.

·ton Hill—Citizens' Bank; capital, $10,000; Pres., A. L. Van Osdel; Vice-Pres., Thomas Inch; Cashier, E. E. Weeks.

Presho—Presho State Bank; capital, $5,000; Pres., Wm. R. Tapper; Vice-Pres., W. L. Montgomery; Cashier, Peter B. Dirks.

TENNESSEE.

Prospect—Prospect Bank & Trust Co.; capital, $6,000; Pres., B. G. Mason; Vice-Pres., L. B. Lester; Cashier, L. C. Blanton.

TEXAS.

Beckville—Continental Bank & Trust Co.; Asst. Cashier, L. E. Bain.

Celeste—Celeste State Bank; capital, $10,000; Pres., G. D. Henslee; Vice-Pres., J. N. Hudson; Cashier; G. K. Cheatham.

Estelline—Estelline State Bank; capital, $10,000; Pres., R. D. Green; Vice-Pres., S. S. Montgomery; Cashier, E. L. Biggerstaff.

Granbury—Hood County State Bank, capital, $50,000; Pres., Jno. J. Hiner; Vice-Pres., H. L. Nutt; Cashier, Jno. E. Brown; Asst. Cashier, E. B. Hilbun.

Lillian—First State Bank; capital, $10,000; Pres., L. L. Shackelford; Vice-Pres., J. C. Smyth; Cashier, J. T. Cooper.

Petrolia—Continental Bank & Trust Co.; Asst. Cashier, E. M. Perkins.

Poolville—First Bank; capital, $10,000; Pres., Jack Holland; Vice-Pres., J. F. Head; Cashier, W. T. Houser.

Putnam—Farmers' Bank; capital, $10,000; Cashier, W. W. Lasley; Asst. Cashier, Leslie Biggerstaff.

Ravenna—First State Bank (successor to Bank of Ravenna); capital, $10,000; Pres., J. F. Anthony; Vice-Pres., W. H. Alexander; Cashier, C. F. Christensen; Asst. Cashier, C. W. Yerion.

San Antonio—American Bank & Trust Co. (successor to M. L. Oppenheimer & Co.); capital, $100,000; Pres., M. L. Oppenheimer; Vice-Pres., Harry Landa; Cashier, A. M. Oppenheimer.

Winfield—Winfield Bank; capital, $10,000; Pres., J. M. Fleming; Vice-Pres., T. A. Beck; Cashier, J. W. Barrett; Asst. Cashier, R. L. Moulton.

UTAH.

Pleasant Grove—Branch of Bank of American Fork.

Smithfield—Bank of Smithfield; capital, $20,000; Pres., E. R. Miles, Jr.; Cashier, George Y. Smith.

VIRGINIA.

Appalachia—Bank of Appalachia; capital, $20,000; Pres., R. W. Holly. Vice-Pres., T. C. Fuller; Cashier, G. B. Head.

Rural Retreat—Bank of Rural Retreat; capital, $15,000; Pres., W. F. Gammon; Vice-Pres., J. M. Phipps; Cashier, E. Marco Davis.

WASHINGTON.

Bellingham — Northwestern State Bank; capital, $63,800; Pres., I. J.

Adair; Vice-Pres., C. X. Larrabee; Cashier, W. G. Smith.

Seattle—Title Trust Co.; capital, $400,000; Pres., Frank W. Baker; Vice-Pres., James E. Galbraith; Secretary, Linden I. Gregory; Asst. Sec., William S. Howard; Treasurer, William D. Comer.

Waverly—Waverly Exchange Bank; capital, $10,000; Pres., J. W. Hughes; Cashier, P. H. Blow.

WEST VIRGINIA.

Huntington—Twentieth Street Bank; capital, $16,000; Pres., W. P. McAboy; Vice-Pres., F. D. Eaton; Cashier, F. J. Ashworth; Asst. Cashier, D. B. Mauck.

WISCONSIN.

Taylor—Trempealeau Valley State Bank; capital, $10,000; Pres., O. B. Barsheim; Vice-Pres., H. C. Hjelund; Cashier, Otto Arneson.

Wonewoc—Citizens' State Bank; capital, $10,000; Pres., J. E. Hanzlik; Vice-Pres., E. E. Odell and G. H. Roach; Cashier, E. M. Hanzlik.

CANADA.

ONTARIO.

Cobalt—Imperial Bank of Canada; F. H. Marsh, Mgr.

Chatsworth—Merchants' Bank of Canada (successor to John McDonald).

Formosa—Merchants' Bank of Canada; A. A. Werlich, Mgr.

Hepworth—Traders' Bank of Canada; A. M. Scott, Mgr.

Ridgeway—Imperial Bank of Canada; W. H. Collard, Mgr.

Thorndale—Sovereign Bank of Canada; G. J. Lackner, Mgr.

QUEBEC.

St. Paul (Montreal)—Royal Bank of Canada.

MANITOBA.

Brandon—Canadian Bank of Commerce; A. Maybee, Mgr.

Ninga—Union Bank of Canada; I. I. Milledge, Mgr.

NORTH WEST TERRITORY.

Vegreville—Canadian Bank of Commerce; H. I. Millar, Mgr., pro tem.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Demopolis—First National Bank; J. B. Meriwether, Pres. in place of M. A. Hanley; R. W. Watlington, Cashier in place of J. B. Meriwether; no Asst. Cashier in place of R. W. Watlington.

Eufaula—East Alabama National Bank; A. M. Brown, Cashier in place of J. A. Drewry, deceased.

CALIFORNIA.

Corona—Citizens' Bank; M. Terpenibg, Vice-Pres., resigned.

Downey—Los Nietos Valley Bank; D P. Smart, Pres., deceased.

Los Angeles—Co-operative Savings Bank; title changed to California Savings Bank.

Riverside—Citizens' Bank; capital increased to $100,000.

COLORADO.

Ault—Bank of Ault; absorbed by Farmers' Bank.

CONNECTICUT.

Bridgeport—First National Bank; Chas. G. Sanford, Pres. in place of Wm. E. Seeley, deceased.

New Haven—National New Haven Bank; Frank D. Trowbridge, Pres. in place of Wilbur F. Day, deceased.

FLORIDA.

Kissimmee—State Bank; capital increased to $50,000.

GEORGIA.

Commerce—First National Bank; Geo. L. Hubbard, Cashier in place of W. L. Williamson.

Covington—Clark Banking Co.; James G. Lester, Cashier, resigned.

IDAHO.

Mountainhome—First National Bank; John Pence, Pres. in place of G. W. Fletcher.

ILLINOIS.

Aurora—First National Bank; T. B. Stewart, Pres. in place of E. B. Mix.

Le Roy—J. Keenan's Bank; Joseph Keenan, deceased.

Paxton—First National Bank; E. A. Gardner, Vice-Pres. in place of R. Cruzen.

orville—Farmers' National Bank; H. M. Powell, Vice-Pres., W. E. Turner, Cashier in place of J. B. Walker; J. A. Adams, Asst. Cashier in place of Ernest L. White.

INDIANA.

Batesville—First National Bank; John H. Wilker, Cashier in place of T. Sanders Orr; no Asst. Cashier in place of John H. Wilker.

Greensburg—Citizens' National Bank; James B. Lathrop, Pres. in place of William Crumback; Sherman P. Minear, Vice-Pres. in place of James B. Lathrop.

Haubstadt—Haubstadt Bank; Thebes Farthing, Cashier, reported an embezzler.

Indianapolis — American National Bank; Capital increased to $1,500,000.

Owensville—Owensville Banking Co.; R. P. McGinniss, Pres., deceased.

INDIAN TERRITORY.

Durant—Choctaw-Chickasaw National Bank; title changed to Farmers' National Bank.

Vinita—Farmers' National Bank; S. G. Wills, Pres. in place of E. C. Stretch.

IOWA.

Humboldt—People's Bank; G. L. Tremain, Pres., deceased.

Jesup—Jesup State Bank; J. H. Carey, Pres., deceased.

Missouri Valley—State Savings Bank; capital increased to $50,000.

KANSAS.

Osborne—Exchange National Bank;

R. D. Bicknell, Asst. Cashier in place of M. E. Smith.

KENTUCKY.

Hazel—Bank of Hazel; H. I. Neely, Cashier in place of H. T. Ogden.
Lebanon—Citizens' National Bank; R. E. Young, Vice-Pres. in place of N. H. Putnam, deceased.

LOUISIANA.

New Orleans—Bank of St. Bernard; John Munford, Second Vice-Pres. in place of J. M. Vergnole, resigned.
New Roads—First National Bank; E. P. Major, Cashier in place of H. H. Howell.

MAINE.

Auburn—Auburn Savings Bank; Frank Bartlett, Pres., deceased.

MASSACHUSETTS.

Attleboro—First National Bank; Clarence L. Watson, Pres. in place of Joseph M. Bates, deceased.
Boston—Mount Vernon National Bank; absorbed by Boylston National Bank.
—Kidder, Peabody & Co.; Francis H. Peabody, deceased.
Hopkinton—Hopkinton National Bank; Edward Pierce, Pres. in place of Charles L. Claflin, deceased.
Newton—Newton Savings Bank; Alden A. Howe, Vice-Pres., deceased.

MICHIGAN.

Kalamazoo—First National Bank; Lyman J. Gates, Pres., deceased.
Morenci—First National Bank; C. Rorick, Pres. in place of E. B. Rorick, deceased; E. H. Rorick, Vice-Pres. in place of C. Rorick.
Mount Pleasant—Exchange Savings Bank; Geo. A. Dusenbury, Pres., deceased.

MINNESOTA.

Pelican Rapids—First National Bank; O. M. Carr, Pres. in place of R. L. Frazee.

MISSOURI.

Bonne Terre—Farmers & Miners'
Carthage—Carthage National Bank; Oscar Wells, Cashier, resigned.
Sedalia—Sedalia National Bank; John H. Bothwell, Pres., resigned.
St. Louis—State National Bank; Chas. Parsons, Pres., deceased.

MONTANA.

Anaconda—Daly Bank & Trust Co.; Marcellus B. Greenwood, Vice-Pres. and Manager, deceased.
Virginia City—Elling State Bank; Thomas Duncan, Cashier, deceased.

NEBRASKA.

Beatrice—Beatrice National Bank; J. B. Weston, Pres., deceased.
University Place — First National Bank; Milton E. Burke, Cashier in place of E. S. Kirtland; no Asst. Cashier in place of Milton E. Burke.
Wauneta—Wauneta Falls Bank; John Woods, Pres., deceased.

NEW HAMPSHIRE.

Claremont—Claremont National Bank; J. Duncan Upham, Pres., in place of S. F. Rossiter; Harvey B. Glidden, Vice-Pres.
Portsmouth — Portsmouth Savings Bank; G. Ralph Laighton, Pres. in place of John S. H. Frink; Harry E. Boynton, Treasurer.

NEW JERSEY.

Elizabeth—Union County Savings Institution; Meline W. Halsey, Sec. and Treas., deceased.
Newark—National Newark Banking Co.; D. H. Merritt, Pres. in place of Edward S. Campbell; no Vice-Pres. in place of D. H. Merritt; no Asst. Cashier in place of A. H. Baldwin.
Plainfield—City National Bank; Louis K. Hyde, Pres.

NEW MEXICO.

Las Cruces—First National Bank; S. J. Woodhull, Vice-Pres. in place of Nathan Boyd; I. Ranault, Jr., Asst. Cashier.

NEW YORK.

Albany—First National Bank; Hugh A. Arnold, Asst. Cashier.
New York City—Winslow, Lanier & Co.; John Frederic Chamberlin, deceased.
Salem—People's National Bank; John O. Wilson, Asst. Cashier.
Yonkers—Westchester Trust Co.; John H. Keeler, Treas., resigned.

NORTH DAKOTA.

Jamestown — James River National Bank; W. B. S. Trimble; Pres. in place of E. P. Wells; H. T. Graves, Vice-Pres. in place of S. F. Corwin; A. B. De Nault, Cashier in place of H. T. Graves.
Kenmare—Kenmare National Bank; W. E. Vadnais, Asst. Cashier in place of M. H. Aaen.

OHIO.

Adena—People's National Bank; A. R. Lupton, Cashier in place of R. P. Sears.
Botkins—Shelby County Bank; Philip Sheets, Pres., deceased.
Bowling Green—Commercial Bank; title changed to Commercial Bank & Trust Co.
Mansfield—Farmers' National Bank; H. A. Salter, Asst. Cashier.
St. Paris—First National Bank; I. P. Kizer, Vice-Pres. in place of A. Musselman.
Springfield — Springfield National Bank; Charles R. Crain, Pres. in place of Jno. Foos; C. Nagel, Vice-Pres. in place of Charles R. Crain.

PENNSYLVANIA.

Braddock—Braddock National Bank; Geo. A. Todd; Cashier in place of E. M. Brackmeyer; A. H. Wooldridge, Asst. Cashier in place of Geo. A. Todd.
Clairton—Clairton National Bank; John Schutz, Cashier in place of D. C. W. Birmingham.
Garrett—First National Bank; Lewis T. Lampe, Cashier in place of H. Nunn Philson.
Mount Joy—First National Bank; Thomas J. Brown, Pres. in place of Jacob W. Nissley, deceased; J. S. Carmany, Vice-Pres. in place of Thomas J. Brown.
Pitcairn—First National Bank; J. R. McDowell, Pres. in place of J. G. Stewart; Edward Gress, Vice-Pres. in place of J. R. McDowell.
Watsontown — Farmers' National

Bank; E. D. Deitrick, Cashier in place of Hiram Dunkel, deacesed; no Asst. Cashier in place of E. D. Deitrick.

RHODE ISLAND.

Slatersville—First National Bank of Smithfield; Frederic J. Pitts, Pres. in place of Byron A. Andrews.

SOUTH CAROLINA.

Charleston—Exchange Banking & Trust Co.; Thomas R. McGahan, Pres., deceased.

Newberry—Commercial Bank; Z. F. Wright, Cashier, resigned.

TEXAS.

Celeste—First National Bank; M. K. Harrell, Cashier in place of J. T. Harrell, deceased.

Del Rio—Del Rio National Bank; F. E. Gillett, Asst. Cashier in place of W. W. Freeman.

Fort Worth—Fort Worth National Bank; Oscar Wells, Cashier.

Greenville — Commercial National Bank; T. R. Shelton, Vice-Pres. in place of J. O. Teagarden, resigned; John O. Boyle, Cashier in place of J. O. Teagarden.

Merkel—Merkel National Bank; J. F. Provine, Cashier in place of W. H. Dunning.

Winnsboro—Farmers' National Bank; no Pres. in place of Thomas F. Shelton; Manton W. Jones, Vice-Pres.

VIRGINIA.

Coeburn—First National Bank; N. T. Shumate, Cashier in place of J. C. Carpenter.

WASHINGTON.

Prosser—First National Bank; F. H. Gloyd, Cashier in place of P. E. Harris.

WISCONSIN.

Princeton—First National Bank; Henry Schultheis, Cashier in place of Henry Dehde.

CANADA.

NEW BRUNSWICK.

St. John— Bank of New Brunswick; W. E. Stavert, General Manager.

ONTARIO.

Oakville—Bank of Toronto; W. G. ı, Manager, deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CONNECTICUT.

Colchester—Colchester Savings Bank.

ILLINOIS.

Barry—Barry Exchange Bank.

IOWA.

Tama—Farmers & Merchants' Bank.

MICHIGAN.

Tawas City—Tawas City Bank.

MINNESOTA.

Nerstrand—Bank of Nerstrand.

MISSOURI.

Kansas City—Kansas City State Bank.

NEW HAMPSHIRE.

New Ipswich—New Ipswich Savings Bank.

NORTH DAKOTA.

Minot—Minot National Bank in hands of Receiver September 19.

OHIO.

Orrville—First National Bank.

Smithville—Smithville Banking Co.; in hands of Receiver September 26.

RHODE ISLAND.

Newport—First National Bank; in voluntary liquidation September 7.

WISCONSIN.

Stoughton—State Bank.

The West's Financial Power.—A Chicago correspondent of the New York "Journal of Commerce and Commercial Bulletin" gives the following account of the financial growth of the West:

"A few years ago James H. Eckels, former Comptroller of the Currency, now President of a Chicago bank, predicted that Chicago would become the financial centre of the United States. As an indication that the prophecy is in process of fulfillment it is interesting to note that the reserve accounts of Chicago banks have increased 168 per cent. in six years, as compared with thirty-eight per cent. in New York banks. Kansas City and Minneapolis banks have more than doubled their reserves in six years. Boston has gained ten per cent. in ten years. The banks west of the Mississippi carry more than $700,000,000 in individual deposits, a gain of 139 per cent. in six years. In the same period their loans and discounts increased 133 per cent. The National banks of all the rest of the country gained sixty-five per cent. in loans and discounts and seventy-two per cent. in deposits in the same period. The territory west of the Mississippi is tributary to Chicago."

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

New York, October 2, 1905.

Higher rates for money here and abroad were the dominating influence late in September. Bank reserves began to fall off in New York at the beginning of the month. Currency was being withdrawn to be used in moving the crops, while the completion of certain syndicate operations also called for the temporary use of bank funds. Call money in New York did not get to four per cent. until about the middle of the month, but gradually advanced thereafter until it touched seven per cent. on September 29.

Money also became dearer in the principal European markets. The reserves of the Bank of England fell partly through engagements of gold in New York and also through shipments to Egypt. On September 12th $1,275,000 gold was engaged in London to be shipped to New York; on the 19th, $2,275,000 and on the 25th, $1,800,000.

The Bank of England undertook to protect its reserve by increasing the price of bar gold and American eagles, by three successive advances, from 77s. 9d. to 77s. 9¾d. The rate of discount was also advanced on September 7 to three per cent., from 2½ per cent., the rate which had been maintained since March 9. This was followed by another advance to four per cent. on September 15. This is the highest rate named since February, 1901, The Bank of Germany also advanced its rate of discount on September 11 from 3 to 4 per cent. and a further advance early this month is looked for.

It is not an unusual thing for the Bank of England to advance its rate of discount at this season of the year, although last year a three per cent. rate was maintained from April until the close of the year. In 1903 a four per cent. rate was made on September 3, in 1902 on October 2, in 1901 on October 31, and in 1900 on July 19. The changes in the Bank of England rate since 1894 are shown as follows:

Date.	*Per cent.*	Date.	*Per cent.*	Date.	*Per cent.*
Feb. 22, 1894	2	Oct. 13, 1898	4	Feb. 21, 1901	4
Sept. 10, 1896	2½	Jan. 19, 1899	3½	June 6, "	3½
" 24, "	3	Feb. 2, "	3	" 13, "	3
Oct. 22, "	4	July 13, "	3½	Oct. 31, "	4
Jan. 21, 1897	3½	Oct. 3, "	4½	Jan. 23, 1902	3½
Feb. 4, "	3	" 5, "	5	Feb. 6, "	3
Apr. 8, "	2½	Nov. 30, "	6	Oct. 2, "	4
May 13, "	2	Jan. 11, 1900	5	May 21, 1903	3½
Sept. 23, "	2½	" 18, "	4½	June 18, "	3
Oct. 14, "	3	" 25, "	4	Sept. 3, "	4
Apr. 7, 1898	4	May 24, "	3½	Apr. 14, 1904	3½
May 26, "	3½	June 14, "	3	" 21, "	3
June 2, "	3	July 19, "	4	Mar. 9, 1905	2½
" 30, "	2	Jan. 3, 1901	5	Sept. 7, "	3
Sept. 22, "	3	Feb. 7, "	4½	" 28, "	4

The local money situation is not such as to cause apprehension. The advance in money to seven per cent. was not wholly unexpected. The usual quarterly payments of dividends and interest about October 1 would tend to stiffen the money market, while the customary call upon this center to supply funds for the crop movement has a stimulating effect upon rates for money.

There is this fact, however, to be noted: the reserves of the banks are $46,000,000 less than they were a year ago and have fallen $38,000,000 since the close of July. The wide fluctuations in the cash reserves of the banks are not easy to account for. As compared with January 28 last, the reserves on September 23 showed a decrease of $48,000,000. The following table shows for each year since 1890 the extreme changes in the total cash reserves and also in the surplus of the banks:

Year.	Total reserve.		Surplus reserve.	
	Largest.	Smallest.	Largest.	Smallest.
1890	$121,565,600	$91,801,400	$15,081,650	*$3,306,925
1891	133,306,600	102,658,200	24,089,775	3,102,750
1892	164,046,800	115,580,500	36,020,900	539,050
1893	207,424,600	76,505,500	80,815,150	*16,545,375
1894	249,575,100	172,528,100	111,623,000	32,902,650
1895	186,040,800	139,135,500	45,880,450	13,413,450
1896	161,172,200	119,996,500	40,182,425	8,228,550
1897	202,998,000	165,983,200	59,148,250	11,523,450
1898	249,532,200	182,257,300	62,206,200	4,240,400
1899	286,360,000	183,411,300	43,933,725	*2,788,950
1900	252,950,200	198,995,000	30,871,275	2,686,425
1901	269,011,100	231,809,400	30,799,450	5,211,525
1902	270,622,600	219,612,500	26,623,350	*1,642,050
1903	260,825,500	215,744,700	27,880,775	666,975
1904	381,005,700	231,086,600	58,613,075	8,381,375
1905†	324,436,700	276,034,000	26,979,550	4,635,300

* Largest deficit. † To October 1.

More than $21,000,000 cash disappeared from the clearing-house bank in the first three weeks of September as indicated by the weekly statements. Nor has the disappearance of this large sum been satisfactorily explained, any more than the anomalous increase of $1,500,000 in the last week. But there are many features of the bank statements which are not explained by the statements themselves.

The large reduction in loans by the New York banks were of so exceptional a character that inquiry as to the cause was only natural. It is generally believed that to the trust companies may be traced many of the inexplicable changes which the weekly statements of the clearing-house banks show. Whatever may have been the influence it is a fact that the reduction of $30,000,000 in loans in the week ended September 9 was the largest ever recorded in any week.

Until recent years it was seldom that a single week's contraction in loans reached $10,000,000, but of late it has been a frequent occurrence. Making due allowance for the increase in magnitude of all banking transactions, there is still room to question the legitimacy of the frequent wide swings in loans and deposits. In the following table we show every weekly increase in loans exceeding $10,000,000 reported since 1878, covering a period of nearly twenty-eight years. In the first twenty years it will be observed that only six times did the reduction in loans amount to as much as $10,000,000 in a single week. In the remaining eight years there have been forty-nine weeks with a loan contraction exceeding that sum. The table follows:

Week ended		Week ended		Week ended	
August 23, 1879	$10,740,900	April 13, 1901	$13,484,600	March 21, 1903	$12,953,000
March 15, 1881	18,099,000	May 18, 1901	24,204,800	June 13, 1903	11,776,100
May 24, 1884	13,461,800	May 25, 1901	14,639,500	November 7, 1903	11,413,000
December 28, 1895	11,180,100	June 29, 1901	10,374,000	November 14, 1903	10,240,500
January 4, 1896	12,885,800	July 13, 1901	21,001,500	May 21, 1904	22,375,100
March 5, 1898	13,622,000	July 20, 1901	12,266,900	May 28, 1904	16,070,100
March 12, 1898	10,392,400	Sept. 7, 1901	10,040,800	October 15, 1904	11,975,800
March 19, 1898	10,585,100	Sept. 14, 1901	12,879,700	November 12, 1904	14,789,600
Sept. 17, 1898	12,130,500	November 23, 1901	13,504,400	November 19, 1904	12,879,200
Sept. 24, 1898	11,102,400	December 14, 1901	11,178,100	November 26, 1904	10,289,800
April 15, 1899	10,355,200	December 21, 1901	13,368,500	December 3, 1904	11,818,000
May 27, 1899	17,578,800	March 15, 1902	14,372,000	December 17, 1904	22,031,700
July 15, 1899	17,180,700	May 17, 1902	22,908,100	February 25, 1905	14,730,700
Sept. 23, 1899	17,866,500	August 23, 1902	10,460,100	March 25, 1905	17,976,700
March 17, 1900	12,311,400	Sept. 30, 1902	11,964,500	April 1, 1905	10,412,000
March 24, 1900	12,560,700	Sept. 27, 1902	13,352,600	June 10, 1905	11,762,200
October 20, 1900	10,005,800	March 7, 1903	10,563,000	Sept. 9, 1905	30,237,300
December 15, 1900	13,682,500	March 14, 1903	15,092,900	Sept. 16, 1905	20,461,600
April 6, 1901	12,449,300				

The largest reduction in any week was that of September 9, this year, exceeding $30,000,000. The largest weekly contractions were: May 18, 1901, $24,200,000; May 17, 1902, $22,900,000; May 21, 1904, $22,300,000; December 17, 1904, $22,000,000; July 13, 1901, $21,000,000, and September 16, 1905, $20,400,000. The reduction in loans in the first three weeks of last month aggregated $60,000,000 and there is no parallel for this in any of the previous records. In ten weeks in the spring of 1884 there was a reduction of $55,000,000 in loans and for a simular period in 1898 of $76,000,000. There was an $80,000,000 reduction in the autumn of 1899, but that extended over thirteen weeks. In ten weeks in the autumn of 1902 there was a reduction of $63,000,000 and in seven weeks in the last part of 1904 of $82,000,000, but all of these movements have been dwarfed by the record made last month.

It is possible, however, to attach too great a significance to the changes now reported in the bank statements, particularly as regards the loans. Many new methods have been adopted in banking, and there is a great deal of shifting of loans in accounts which, while it may not change the amount of loans actually outstanding, nevertheless does materially change the item of loans in the bank statement.

In spite of dear money the stock market continued strong throughout the month with very little reaction. There is practically a universal report of prosperity. In the West, Northwest and Southwest the most hopeful views are expressed, not only as to the immediate future but extending over a twelve-month. The largest yield of grain ever known combined with the promise of a good demand at satisfactory prices, makes a substantial basis for prosperity. The total winter wheat yield for the country is estimated at 424,400,000 bushels and spring wheat at 280,047,000, a total of 704,447,000 bushels—the largest since 1901. The corn crop is estimated at 2,717,000,000 bushels, the largest ever raised; while the oats crop is estimated at 930,000,000 bushels, which is very nearly the largest.

The report on September 5 of the condition of cotton on August 25 made a more favorable showing than was expected, the average being 72.1 as compared with 74.9 on July 25, and with 84.1 a year ago. Last year's cotton crop was the largest ever produced, nearly 14,000,000 bales, and the yield this year is expected to be between 10,000,000 and 11,000,000 bales.

An important gain from our increased production of grain is expected to show in our foreign trade. The exports of wheat in August were 1,074,008 bushels, as compared with 216,469 bushels in the same month in 1904. In August, 1903, the exports of wheat, however, were in excess of 6,000,000 bushels, and in 1901 nearly 27,000,000 bushels. While there is a substantial gain over last year therefore, the movement is still far below that of previous years.

Exports of corn in August were 4,830,975 bushels, against 3,084,490 bushels in 1904, and were the largest for that month in any year since 1900, when they were 14,000,000 bushels. The cotton export movement was exceptionally large, aggregating 321,816 bales, against 109,832 bales in 1904 and 31,151 bales in 1903.

A large movement of grain and cotton will have a very important effect upon our foreign trade balances. The August exports of breadstuffs aggregated in value $7,826,335, a gain of nearly $2,500,000 over August, 1904. Exports of cotton were valued at $17,232,269, an increase of $11,000,000. The value of domestic exports of products of agriculture in August was $54,082,020 as compared with $36,527,505 in 1904 and $42,350,675 in 1903. Our manufactured exports are also increasing; the net result is an increase in total exports of more than $25,000,000 in August.

The railroads are confident of a very large grain traffic during the coming year. At the same time it is believed that activity in all kinds of business will prevail. Large orders for steel rails and equipment are being placed and the iron trade is again showing the effects of prosperous conditions.

There were few important events during the month. The Secretary of the Treasury has announced that he will resume, October 2, the refunding of the three per cent. bonds of 1908 and four per cents. of 1907 into the new two per cent. bonds of 1930. The result of this operation will be a further broadening of the basis for bank-note circulation. The necessity of further inflating the bank-note currency is not, however, conceded by all financial authorities.

A report of the Director of the Mint is a further reminder of the enormous increase that has taken place in gold production. The Director estimates that 3,904,986 ounces of gold was mined in the calendar year 1904, having a value of $80,723,200. This is an increase of $7,131,500 over the yield of 1903. There was $57,786,100 fine ounces of silver produced, having a commercial value of $33,515,938.

The investigation of life insurance was begun by a committee of the New York State Legislature and has taken something of a sensational turn. The enormous influence of the large life insurance companies in the financial world has been clearly set forth by the testimony.

THE MONEY MARKET.—Money in New York became dearer as the month progressed, and finally touched seven per cent. on call. A large demand for currency to move the crops and the usual October 1st disbursements affected the market. At the close of the month call money ruled at five to seven per cent., averaging about six per cent. Banks and trust companies loaned at 4½ per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 4¼ @ 4½ per cent. for sixty days, 4½ per cent. for ninety days, and 4½ per cent. for four to six months on good mixed collateral. For commercial paper the rates are 4½ @ 5 per cent. for sixty to ninety days' endorsed bills receivable, 4½ @ 5 per cent. for first-class four to six months' single names, and 5½ @ 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........	2¾–3¼	2¼–4	3 – 6	1¾–2	2 –3	5 –7
Call loans, banks and trust companies..................................	3 —	2¼—	2 —	2 —	2¼ –	4½—
Brokers' loans on collateral, 30 to 60 days................................	3¼ –	2¾–3	2¾ 3	2¾–3	3¼– ½	4¼– ½
Brokers' loans on collateral, 90 days to 4 months.........................	3¼– ½	3 –3¼	3 – ¼	3 – ¼	3½–4	4½—
Brokers' loans on collateral, 5 to 7 months...........	3½– ¾	3¼– ½	3½–4	3¾–4	4 – ¼	4½—
Commercial paper, endorsed bills receivable, 60 to 90 days............	3¾–4	3¾–4	3½–4	4 – ¼	4¼– ½	4½–5
Commercial paper prime single names, 4 to 6 months................	4 –4½	3¾–4	3¾–4¼	4 – ¼	4½– ¾	4½–5
Commercial paper, good single names, 4 to 6 months...............	4½–5	4½–5	4½– 5	4½–5	5 – ½	5½–6

NEW YORK CITY BANKS.—There were violent changes in the condition of the New York Clearing-House banks as reported weekly in the past month. Deposits decreased $41,000,000 in the first week, $29,000,000 in the second week, and $13,000,000 in the third week. For the month there was a decrease of $86,000,000. The banks report $122,000,000 less deposits than were held last February. Loans decreased $30,000,000 in the first week, and $20,000,000 in the second week, the decrease for the month being $65,000,000. Since August 5, when the high record was made, loans have been reduced

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Sept. 2...	$1,136,920,800	$213,787,200	$83,358,600	$1,166,587,200	$5,498,785	$53,095,500	$1,660,177,500
" 9...	1,106,683,500	207,472,400	78,714,600	1,125,422,600	4,831,350	53,702,400	1,413,186,700
" 16...	1,085,821,900	202,175,200	76,548,400	1,096,353,200	4,635,300	53,696,500	1,555,951,300
" 23...	1,076,440,600	200,454,400	75,579,600	1,083,195,800	5,235,050	53,712,300	1,596,274,000
" 30...	1,071,630,300	201,506,000	76,050,300	1,080,465,100	7,440,025	54,066,100	1,603,904,700

$74,000,000. With a slight gain in reserves in the last week, there is a net loss for the month of $12,000,000 specie and $7,000,000 legal tenders. The surplus reserve shows a net gain of $2,000,000.

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1903.*		*1904.*		*1905.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$873,115,000	$10,193,850	$866,178,900	$9,541,850	$1,104,049,100	$13,683,425
February......	931,778,900	27,880,775	1,023,943,800	25,129,050	1,189,828,600	26,979,550
March.........	956,206,400	5,951,900	1,027,920,400	32,150,200	1,179,824,900	14,646,075
April..........	894,260,000	6,280,900	1,069,369,400	27,755,050	1,138,661,300	8,664,575
May...........	905,760,200	11,181,850	1,114,367,800	33,144,250	1,146,528,600	16,665,250
June..........	913,081,800	9,645,150	1,098,953,500	29,692,325	1,136,477,700	6,050,275
July...........	903,719,800	12,923,850	1,152,988,800	36,105,300	1,166,038,900	11,658,875
August	908,864,500	24,060,075	1,204,965,600	55,989,600	1,190,744,900	15,305,975
September....	920,123,900	20,677,925	1,207,302,800	57,375,400	1,166,587,200	5,498,785
October.......	897,214,400	13,937,500	1,212,977,100	19,913 425	1,080,465,100	7,440,025
November....	885,616,600	10,274,150	1,204,434,200	16,793,650	....	....
December ...	841,552,000	6,125,200	1,127,878,100	8,539,075	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,146-3,700 on August 5, 1905, and the surplus reserve $111,623,000 on Feb. 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 Reserve.*
Sept. 2....	$125,514,600	$138,383,000	$5,621,700	$6,673,100	$13,402,400	$7,786,600	* $1,111,950
" 9....	126,195,400	139,449,800	5,468,800	6,915,100	13,602,300	7,622,500	* 253,750
" 16....	128,281,900	142,798,500	5,685,800	6,782,500	14,937,400	7,410,400	* 883,525
" 23....	129,208,800	141,014,900	5,786,700	6,637,600	12,550,000	7,015,800	* 3,263,625
" 30....	129,207,000	141,459,900	5,833,400	6,840,000	13,468,100	6,402,300	* 2,821,175

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Sept. 2........	$189,767,000	$215,459,000	$16,732,000	$6,281,000	$7,804,000	$118,589,200
" 9........	191,420,000	219,796,000	15,769,000	5,880,000	7,839,000	120,924,600
" 16........	192,192,000	223,012,000	16,870,000	5,824,000	7,715,000	139,943,700
" 23........	191,031,000	221,919,000	17,933,000	5,818,000	7,566,000	135,815,400
" 30........	189,338,000	216,649,000	17,322,000	5,672,000	7,550,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Sept. 2..................	$220,813,000	$264,295,000	$70,426,000	$12,935,000	$131,410,400
" 9..................	221,790,000	265,496,000	69,850,000	12,861,000	107,643,100
" 16..................	224,866,000	265,982,000	65,329,000	12,875,000	126,507,600
" 23..................	224,779,000	264,249,000	63,692,000	12,936,000	134,185,000
" 30..................	223,813,000	258,929,000	60,699,000	12,866,000	141,483,400

FOREIGN EXCHANGE.—The sterling exchange market was weak under the influence of higher rates for money in New York and the free supply of bills against grain and cotton. Some gold was engaged in London for shipment to New York, but foreign exchange is not yet low enough to justify imports at a profit.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling. 60 days.	Bankers' Sterling. Sight.	Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
Sept. 2	4.8440 @ 4.8450	4.8630 @ 4.8635	4.8660 @ 4.8665	4.84⅛ @ 4.84¼	4.83⅝ @ 4.84⅛
" 9	4.8300 @ 4.8325	4.8540 @ 4.8550	4.8575 @ 4.8585	4.82½ @ 4.82⅝	4.82 @ 4.83⅛
" 16	4.8240 @ 4.8245	4.8505 @ 4.8510	4.8540 @ 4.8550	4.81⅞ @ 4.82	4.81⅝ @ 4.82¾
" 23	4.8250 @ 4.8260	4.8520 @ 4.8530	4.8565 @ 4.8575	4.82 @ 4.82⅛	4.81¼ @ 4.82¼
" 30	4.8240 @ 4.8250	4.8520 @ 4.8530	4.8575 @ 4.8585	4.81⅞ @ 4.82	4.81¼ @ 4.82⅛

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

	June 1.	July 1.	Aug. 1.	Sept. 1.	Oct. 1.
Sterling Bankers—60 days	4.85 — ⅛	4.85¼ — ⅜	4.84⅝ — ¾	4.84⅜ — ½	4.82⅜ — ½
" " Sight	4.87 — ⅛	4.86⅞ — 87	4.86⅜ — ½	4.86¼ — ⅜	4.85¼ — ⅜
" " Cables	4.87¼ — ⅜	4.87¼ — ⅜	4.86⅝ — ¾	4.86⅝ — ¾	4.85¾ — ⅞
" Commercial long	4.84½ — ¾	4.84⅞ — 85	4.84½ — ⅝	4.84⅛ — ¼	4.81⅞ — 2
" Docu'tary for paym't.	4.84¼ — 5⅛	4.84¼ — 5¼	4.84 — ⅝	4.83¼ — 4¼	4.81¼ — 2⅛
Paris—Cable transfers	5.16⅞ — ¼	5.15⅝ —	5.16¼ —	5.16⅞ — ¼	5.17½ —
" Bankers' 60 days	5.18⅛ —	5.15⅛ —	5.18¾ —	5.18¾ — ⅛	5.20 — 19⅜
" Bankers' sight	5.16⅞ —	5.16¼ —	5.16⅞ —	5.16⅞ —	5.18⅛ —
Swiss—Bankers' sight	5.16⅞ —	5.16⅞ —	5.16⅞ —	5.16⅞ — ¼	5.18⅛ —
Berlin—Bankers' 60 days	94¾ — 13/16	94 13/16 — ¾	94 11/16 — ¾	94 11/16 — ¾	94 7/16 — ½
" Bankers' sight	95¼ — 5/16	95⅛ — 13/16	95 1/16 — ⅛	95 1/16 — ⅛	94 15/16 — 5 1/32
Belgium—Bankers' sight	5.16⅞ — 17⅛	5.16⅞ —	5.17½ —	5.17½ —	5.18¾ —
Amsterdam—Bankers' sight	40 5/16 — ¼	40¼ — 5/16	40¼ — 5/16	40¼ —	40 1/16 — ⅛
Kronors—Bankers' sight	26 13/16 — 13/16	26 13/16 — 15/16	26.13/16 — 15/16	26.80 — .82	26.78 — .80
Italian lire—sight	5.16⅞ — ¼	5.15 1/16 — ⅝	5.15⅝ —	5.16⅞ — ¼	5.17½ —

Foreign Banks.—The Bank of England lost $10,000,000 gold last month and the Bank of Germany $17,500,000. The Bank of France, which holds more gold than any other European bank, lost practically nothing, while the Bank of Russia gained $1,000,000.

Gold and Silver in the European Banks.

	Aug. 1, 1905. Gold.	Aug. 1, 1905. Silver.	Sept. 1, 1905. Gold.	Sept. 1, 1905. Silver.	Oct. 1, 1905. Gold.	Oct. 1, 1905. Silver.
England	£38,021,410	....	£36,651,047	....	£34,628,996	....
France	117,335,024	£44,252,446	118,844,612	£44,127,671	118,712,508	£43,872,057
Germany	37,701,000	12,567,000	37,102,000	12,367,000	33,644,000	11,214,000
Russia	109,532,000	5,909,000	113,069,000	5,708,000	113,349,000	5,400,000
Austria-Hungary	47,237,000	12,971,000	46,844,000	12,712,000	46,186,000	12,884,000
Spain	14,873,000	22,395,000	14,915,000	22,595,000	14,937,000	22,556,000
Italy	24,108,000	3,327,400	24,551,000	3,268,700	24,742,000	3,259,800
Netherlands	6,382,800	6,249,200	6,598,100	6,208,000	6,598,100	6,065,800
Nat. Belgium	3,192,000	1,596,000	3,188,667	1,594,333	3,233,333	1,616,667
Totals	£398,382,234	£109,267,046	£401,763,426	£108,580,704	£396,030,937	£106,368,324

Silver.—The price of silver in London advanced steadily in the first half of the month, and touched 28¾d. on September 15. It then became weaker, and at the close of the month was 28d., the same as on August 31.

Monthly Range of Silver in London—1903, 1904, 1905.

Month.	1903. High	1903. Low.	1904. High	1904. Low.	1905. High	1905. Low.	Month.	1903. High	1903. Low.	1904. High	1904. Low.	1905. High	1905. Low.
January	22⅝	21 11/16	27 5/16	25⅛	28⅜	27 9/16	July	25⅜	24¼	27	26⅜	27 5/16	26⅞
February	22 5/16	21⅞	27½	25⅝	28 5/16	27⅝	August	26¾	25 5/16	27	26 5/16	28⅜	27⅞
March	22 13/16	22⅛	26 13/16	25⅛	27 13/16	25 13/16	Septemb'r	26 7/16	26 3/16	26⅞	26	28¾	28
April	25 1/16	23⅝	25½	24 7/16	26⅝	25 7/16	October	28⅛	27 7/16	26 13/16	26⅛	....	....
May	25¼	24 5/16	25 13/16	25⅛	27 5/16	26⅛	Novemb'r	27⅝	26¼	27 5/16	26⅝	....	....
June	24 9/16	24⅛	26⅛	25 5/16	27⅛	26¾	Decemb'r	26⅛	25	28 9/16	27 5/16	....	....

MONEY RATES ABROAD.—All the money markets abroad were stronger and rates have advanced. The Bank of England advanced its rate of discount from 2½ to three per cent. on September 7, and to four per cent. on September 28. The Bank of Germany advanced its rate from three to four per cent. on September 11. Discounts of sixty to ninety day bills in London at the close of the month were 3⅜ @ 3½ per cent., against two per cent. a month ago. The open market rate at Paris was 2¼ per cent., against 1⅜ per cent. a month ago, and at Berlin and Frankfort 3½ @ 3⅝ per cent., against 2⅝ @ 2¾ per cent., a month ago.

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	June 30, 1905.	*July 31, 1905.*	*Aug. 31, 1905.*	*Sept. 30, 1905.*
Circulation (exc. b'k post bills)	£30,132,000	£30,678,000	£29,663,000	£29,271,000
Public deposits	14,456,000	9,791,000	12,493,000	14,208,000
Other deposits	44,697,000	43,357,000	42,471,000	45,169,000
Government securities	16,171,000	16,752,000	18,676,000	18,667,000
Other securities	33,396,000	29,186,000	28,877,000	35,297,000
Reserve of notes and coin	27,367,000	25,261,000	25,437,000	23,808,000
Coin and bullion	39,049,682	36,884,155	36,651,047	34,628,996
Reserve to liabilities	46.19%	47.45%	46.22%	40.08%
Bank rate of discount	2½%	2½%	2½%	4%
Price of Consols (2½ per cents.)	90 1/16	90¼	91¼	89 11/16
Price of silver per ounce	26 15/16d.	27 5/16d.	28d.	28d.

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns	$4.85	$4.88	Mexican doubloons	$15.55	$15.65
Bank of England notes	4.84	4.87	Mexican 20 pesos	19.55	19.65
Twenty francs	3.86	3.89	Ten guilders	3.95	4.00
Twenty marks	4.75	4.78	Mexican dollars	.47	.49
Twenty-five pesetas	4.78	4.82	Peruvian soles	.43	.45
Spanish doubloons	15.55	15.65	Chilian pesos	.43	.45

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, 28d. per ounce. New York market for large commercial silver bars, 60⅝ @ 62¼c. Fine silver (Government assay), 60¾ @ 62¾c. The official price was 60½c.

NATIONAL BANK CIRCULATION.—The amount of National bank notes outstanding was increased $4,131,873 in September, making the total $516,352,240, of which $481,688,526 is based on bonds and $34,663,714 secured by deposits of lawful money. There were $2,600,000 of Government bonds deposited to secure circulation, about $1,700,000 of which were two per cents. and the remainder divided between the other classes of bonds. The bonds deposited to secure public deposits were reduced nearly $1,000,000.

NATIONAL BANK CIRCULATION.

	June 30, 1905.	*July 31, 1905.*	*Aug. 31, 1905.*	*Sept. 30, 1905.*
Total amount outstanding	$495,719,806	$5 3,971,395	$512,220,367	$516,325,240
Circulation based on U. S. bonds	462,669,414	471,615,771	478,786,165	481,688,526
Circulation secured by lawful money	33,050,392	32,355,624	33,434,202	34,663,714
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	12,907,550	14,197,100	14,931,850	15,494,350
Four per cents. of 1895	4,091,500	4,394,000	4,124,000	4,374,000
Three per cents. of 1898	3,374,440	4,257,440	4,465,940	4,580,440
Two per cents. of 1900	447,693,450	454,069,750	458,676,300	460,362,100
Total	$468,066,940	$476,938,290	$482,198,090	$484,810,890

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $8,971,900; 4 per cents. of 1895, $5,414,700; 3 per cents. of 1898, $5,943,500; 2 per cents. of 1930, $35,387,900; District of Columbia 3.65's, 1924, $1,332,000; Hawaiian Islands bonds, $1,038,000; Philippine loan, $5,892,000; railroad and other bonds, $2,135,500; a total of $66,110,300.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The receipts of the Government exceeded the expenditures in September nearly $9,000,000. Deducting this from the previous deficit, leaves a deficit for the first quarter of the fiscal year of nearly $9,600,000. In September last year there was a surplus of about $6,000,000. Custom receipts were $4,000,000 larger than a year ago and internal revenue receipts $850,000 larger. Total receipts increased $3,900,000 and expenditures $900,000.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	September, 1905.	Since July 1, 1905.
Customs	$27,244,147	$75,015,587
Internal revenue	20,797,681	61,442,793
Miscellaneous	2,209,331	10,556,354
Total	$50,251,159	$147,014,725
Excess receipts	8,941,483	*9,574,241

EXPENDITURES.

Source.	September, 1905.	Since July 1, 1905
Civil and mis.	$7,977,606	$33,378,843
War	6,612,682	28,231,635
Navy	9,378,991	30,176,442
Indians	696,588	3,919,201
Pensions	11,312,814	37,515,853
Public works	5,104,959	17,485,594
Interest	226,036	5,886,398
Total	$41,309,676	$156,588,966

* Excess expenditures.

UNITED STATES PUBLIC DEBT.—Except the increase in the cash assets of the Treasury, which amounted to $10,000,000, there were no changes of any significance in the public debt statement for September. There was a reduction in gold certificates of $2,000,000 and an increase in silver certificates of $3,000,000. The aggregate debt increased $1,000,000. The cash balance in the Treasury increased $9,000,000 and amounted to nearly $287,000,000 at the end of the month. The net debt less cash in the Treasury was reduced nearly $9,000,000 and is now below $997,000,000.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1905.	Aug. 1, 1905.	Sept. 1, 1905.	Oct. 1, 1905.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$542,909,950	$542,909,950	$542,909,950	$542,909,950
Funded loan of 1907, 4 "	156,593,650	156,596,400	156,596,400	156,596,400
Refunding certificates, 4 per cent	28,610	27,110	27,090	27,070
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	77,135,360	77,135,360	77,135,360	77,135,360
Total interest-bearing debt	$895,157,470	$895,158,720	$895,158,700	$895,158,680
Debt on which interest has ceased	1,447,260	1,264,735	1,256,535	1,256,405
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,298	346,734,298	346,734,298
National bank note redemption acct.	31,933,951	31,889,869	33,105,296	33,385,209
Fractional currency	6,868,465	6,867,109	6,867,109	6,867,109
Total non-interest bearing debt	$385,537,279	$385,491,276	$386,706,704	$386,986,616
Total interest and non-interest debt.	1,282,142,010	1,281,914,781	1,283,121,939	1,283,401,701
Certificates and notes offset by cash in the Treasury:				
Gold certificates	524,684,969	518,411,969	522,202,969	520,047,969
Silver "	477,102,000	466,150,000	471,735,000	475,017,000
Treasury notes of 1890	11,019,000	9,165,000	8,984,000	8,795,000
Total certificates and notes	$1,012,805,969	$993,726,969	$1,002,921,969	$1,003,879,969
Aggregate debt	2,294,947,979	2,275,641,700	2,286,043,908	2,287,261,670
Cash in the Treasury:				
Total cash assets	1,402,124,509	1,364,449,019	1,375,240,443	1,385,672,058
Demand liabilities	1,105,531,820	1,084,583,288	1,097,643,099	1,098,848,365
Balance	$296,592,689	$279,865,730	$277,597,344	$286,823,693
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	146,592,689	129,865,730	127,597,344	136,823,693
Total	$296,592,689	$279,865,730	$277,597,344	$286,823,693
Total debt, less cash in the Treasury	985,549,321	1,002,049,001	1,005,524,595	996,578,008

UNITED STATES FOREIGN TRADE.—The exports of merchandise reached $117,453,581 in August and imports $95,826,548, making the net exports $21,627,033. Exports increased $25,000,000 over the preceding year, imports $8,000,000 and net exports $17,000,000. Both exports and imports are the largest ever reported in August. There is an increase in grain and cotton shipments which is helping to enlarge the total movement. For the eight months of the fiscal year the exports exceed $966,000,000, an increase of $115,000,000 over last year, while the imports are $770,000,000, an increase of $103,000,000. There is excellent promise of a very large export movement for some time to come.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF AUGUST.	MERCHANDISE.				Gold Balance.		Silver Balance.	
	Exports.	*Imports.*	*Balance.*					
1900	$103,575,965	$61,820,488	Exp.,	$41,755,477	Exp.,	$13,846,580	Exp.,	$2,588,725
1901	108,024,209	73,127,217	"	34,896,992	"	3,339,667	"	1,781,919
1902	94,942,310	78,923,281	"	16,019,029	Imp.,	2,837,883	"	2,937,669
1903	89,446,457	82,049,262	"	7,397,195	"	7,763,777	Imp.,	348,864
1904	92,253,881	87,737,868	"	4,516,013	Exp.,	2,998,327	Exp.,	2,331,354
1905	117,453,581	95,826,548	"	21,627,033	Imp.,	2,872,070	"	2,233,323
EIGHT MONTHS.								
1900	916,062,516	564,898,833	Exp.,	351,163,683	Exp.	19,670,792	Exp.,	15,679,688
1901	939,329,341	579,650,756	"	359,678,585	"	9,022,596	"	16,357,329
1902	821,929,100	614,413,297	"	207,515,803	"	10,540,928	"	14,640,299
1903	878,911,631	676,981,594	"	201,930,037	"	14,082,961	"	7,626,390
1904	851,203,457	667,269,364	"	183,934,093	"	15,841,825	"	18,076,950
1905	966,358,025	770,345,809	"	196,017,216	"	16,565,392	"	13,478,313

MONEY IN CIRCULATION IN THE UNITED STATES.—The increase in amount of money in circulation in September was $2,500,000, not sufficient to prevent the average per capita from declining from $31.40 to $31.39. There was a reduction in gold circulation of $20,000,000 which was more than offset by increases in other forms of currency.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1905.	*Aug. 1, 1905.*	*Sept 1, 1905.*	*Oct. 1, 1905.*
Gold coin	$649,548,528	$650,616,580	$653,003,548	$652,330,135
Silver dollars	80,039,395	73,586,898	75,581,915	79,436,901
Subsidiary silver	102,891,327	101,437,759	102,820,021	105,539,966
Gold certificates	466,739,689	493,437,879	491,335,239	471,595,179
Silver certificates	468,017,227	458,518,951	464,339,041	469,973,307
Treasury notes, Act July 14, 1890	10,940,054	9,123,575	8,920,253	8,764,858
United States notes	342,287,627	331,431,775	338,539,111	336,338,926
National bank notes	449,157,278	486,784,884	492,119,926	500,250,319
Total	$2,569,621,125	$2,604,902,301	$2,621,659,054	$2,624,230,391
Population of United States	82,562,000	83,259,000	83,493,000	83,609,000
Circulation per capita	$31.12	$31.29	$31.40	$31.39

SUPPLY OF MONEY IN THE UNITED STATES.—The total stock of money in the country increased more than $12,000,000 last month. Gold shows a gain of $7,000,000, National bank notes $4,000,000, and fractional silver $700,000.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1905.	*Aug. 1, 1905.*	*Sept. 1, 1905.*	*Oct. 1, 1905.*
Gold coin and bullion	$1,345,952,585	$1,368,427,843	$1,379,804,314	$1,387,257,928
Silver dollars	567,795,889	568,204,217	568,204,217	568,228,865
Silver bullion	1,708,079	....	....	....
Subsidiary silver	112,171,494	114,507,936	114,484,171	115,246,222
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	464,794,156	503,971,395	512,220,367	516,852,240
Total	$2,839,103,169	$2,901,791,907	$2,921,394,085	$2,933,766,271

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 1905, by dates, and also, for comparison, the range of prices in 1904:

	Year 1904.		Highest and Lowest in 1905.		September, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89¼	64	93⅜ Mar. 9	77⅝—May 22	91¼	88¼	90¼
" preferred	104⅛	87⅝	105⅝—Sept. 1	99 —Jan. 25	105⅝	104¼	104¾
Baltimore & Ohio	105¼	72⅞	117 —Aug. 14	100⅛—Jan. 25	113⅜	110⅝	112⅝
Baltimore & Ohio, pref.	96⅛	87⅝	100 —Aug. 10	95¾—Jan. 12	97⅞	97½	97¾
Brooklyn Rapid Transit	70⅛	38	73⅛—July 13	56⅞—May 23	72⅞	65¾	72⅝
Canadian Pacific	135¾	109½	177⅛—Sept. 21	130¾—Jan. 25	177⅛	159⅝	175⅛
Canada Southern	72	64	74⅞—Aug. 14	67⅛—Jan. 11	69	68⅛	68⅛
Central of New Jersey	194¾	154½	220 —Aug. 10	190 —May 23	216	210	213
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	59⅛	53	58¾
Chicago & Alton	47¼	33	44⅛—Mar. 15	31 —May 22	36¾	35⅞	36
" preferred	85¼	75	83¾—Apr. 7	77¼—June 26	....	....	....
Chicago, Great Western	26¼	12⅞	25⅛—Mar. 16	17⅛—May 22	22	20¾	21½
Chic., Milwaukee & St. Paul	177⅝	137⅛	187½—Apr. 17	168⅛—May 4	184⅝	175	182¼
" preferred	185⅞	173	192½—Apr. 17	182½—Jan. 13	190	185½	189⅛
Chicago & Northwestern	214½	161⅛	249 —Jan. 31	190⅛—June 9	218	210¼	216
" preferred	237	207	265½—Feb. 1	234 —Jan. 13	244	244	244
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾—Jan. 5	18	18	18
" preferred	27¾	11½	42½—July 5	17½—Jan. 4	40½	38	39
Clev., Cin., Chic. & St. Louis	93⅜	68½	111 —Mar. 21	90 —Jan. 14	101	99	100
Col. Fuel & Iron Co.	58⅜	25½	59 —Mar. 24	38 —May 22	46¼	41	46⅛
Colorado Southern	24⅜	13½	30⅛—Apr. 26	22¼—Jan. 20	28½	27	28¼
" 1st preferred	63	48	64½—Feb. 10	52 —May 23	62⅝	60	61¾
" 2d preferred	37½	17⅞	44¾—Aug. 29	32½—May 23	44⅛	39⅝	44
Consolidated Gas Co.	220	185	214 —Mar. 13	180¼—Sept. 23	187	180¼	187
Delaware & Hud. Canal Co.	190½	149	225 —Aug. 22	178½—May 22	220¾	211	216
Delaware, Lack. & Western	359¾	250½	470 —Aug. 11	335 —Jan. 25	455	450	450
Denver & Rio Grande	35⅞	18	37½—Sept. 16	27¼—June 8	37½	33⅞	35¾
" preferred	89	64½	91 —Mar. 15	83¼—May 1	90⅝	88⅛	90
Detroit Southern tr. ctfs.	14¾	1⅛	12⅜—Sept. 21	8 —June 20	12⅜	10	12
" preferred tr. ctfs.	33½	2¾	43 —Sept. 21	39 —July 22	48	42	42
Duluth So. S. & Atl., pref.	28½	9¼	37 —Jan. 21	21 —May 22	36¾	32¼	35¾
Erie	41⅝	21½	52¾—Aug. 29	37½—May 22	52½	47⅞	50¾
" 1st pref.	77	55⅝	85½—Aug. 15	74⅞—May 22	83¾	81½	82¼
" 2d pref.	58½	33	78⅜—Aug. 24	55½—Jan. 3	77	72¾	73¼
Evansville & Terre Haute	83	54	76 —Aug. 11	63 —July 6	75	74	74
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	....	....	....
" American	219	180	246 —Feb. 27	209½—Jan. 4	230	225	225
" United States	126	100	134 —Feb. 8	120 —Jan. 9	125	121¾	125
" Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	....	....	....
Hocking Valley	94	60	99 —Mar. 11	86⅝—Jan. 18	92¾	90	90⅛
" preferred	95	77	96⅞—Mar. 13	90 —Jan. 18	93	92	92
Illinois Central	159	125¾	183 —Sept. 28	152¾—Jan. 25	183	174¾	182½
Iowa Central	33	14	32 —Feb. 3	24 —May 24	29½	27½	29½
" preferred	59¾	32	58⅛—Aug. 14	50 —May 10	58	56	57¼
Kansas City Southern	31⅞	16½	34 —Feb. 14	22⅛—May 22	27½	25½	27¼
" preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	56¾	54	56
Kans. City Ft. S. & Mem. pref.	83½	64⅛	86¼—Sept. 29	81⅝—June 19	86¼	84¼	86¼
Louisville & Nashville	148¾	101	157⅝—Sept. 23	134½—Jan. 25	157⅝	144¾	155⅛
Manhattan consol	169½	139¾	175 —Feb. 9	161 —May 1	166¼	163½	165
Metropolitan securities	96⅛	72¼	91 —Mar. 17	73 —Jan. 9	83¼	79½	80¾
Metropolitan Street	130⅜	104¾	133 —Aug. 28	114 —May 11	129⅝	124¼	125⅞
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	24¾	22½	24¼
Minneapolis & St. Louis	67¾	40	73 —Sept. 29	56½—Jan. 12	73	68	73
" preferred	96½	80	102 —Sept. 19	86 —Jan. 19	102	98	98
Minn., S. P. & S.S. Marie	95	55	144 —Sept. 20	89½ Jan. 11	144	134⅛	138⅞
" preferred	150	116	170 —Sept. 19	148 —Jan. 13	170	164	168⅝
Missouri, Kan. & Tex.	36⅜	14⅝	35 —Aug. 30	24 —May 22	35	33⅛	34¼
" preferred	65¼	32¼	73 —Aug. 25	56¼—May 23	72½	68¾	69½
Missouri Pacific	111½	87	110⅞—Mar. 13	94½—May 22	108⅝	102½	105⅝
Natl. of Mexico, pref.	45⅛	34¾	45 —Jan. 16	33⅛—May 8	38½	37½	37¾
" 2d preferred	25⅛	15⅞	24½—Jan. 10	17¾—June 20	21	19⅝	21
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	152⅝	145½	150
N. Y., Chicago & St. Louis	47	25	56½—Sept. 22	42 —Jan. 20	56¼	49	55½
" 2d preferred	78	60	85¼—Sept. 30	74 —May 4	85¾	80	85¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	YEAR 1904.		HIGHEST AND LOWEST IN 1905.		SEPTEMBER, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western.....	47⅞	19⅜	64 —Mar. 30	40⅜—Jan. 5	55¾	52¾	55¼
Norfolk & Western............	80¾	58½	88½—Mar. 11	76 —May 10	86¾	83⅝	86
" preferred............	95	88	96 —Aug. 11	91½—Feb. 24	92	92	92
North American Co...........	107	80	107 —Apr. 17	96⅝—Sept. 6	100	96⅜	99
Pacific Mail....................	55	24	49¼—Jan. 4	33 —May 22	46	42¾	45½
Pennsylvania R. R............	140	111½	148 - Aug. 24	131½—May 22	145½	140⅝	144
People's Gas & Coke of Chic.	112½	92¾	115½—Apr. 3	97¼—May 15	104¾	101¾	104
Pullman Palace Car Co.......	244	209	258 —Aug. 14	230 —May 31	256	247¾	256
Reading.........................	82⅝	38¾	125¾—Aug. 24	79 —Jan. 13	124	114⅝	123⅜
" 1st prefered..........	92	76	97 —Sept. 30	90 —May 22	97	91	96
" 2d preferred..........	85	55¼	100½—Sept. 29	84 —Jan. 5	100½	93	100
Rock Island....................	37¾	19⅛	37⅞—Jan. 18	24¾—May 22	34½	31⅛	33½
" preferred............	86⅜	57¾	85 —Jan. 4	71⅛—May 22	80½	78	80
St. L. & San Fran. 2d pref....	72½	39¼	73½—Mar. 6	61 —May 26	70¾	66½	70¼
St. Louis & Southwestern....	29	9½	27½—Jan. 20	20 —May 22	26	23¼	23¾
" preferred............	60¾	25⅝	66⅝—Apr. 18	55½—May 1	64	60¼	61¾
Southern Pacific Co...........	68¾	41½	72¾—Feb. 27	57¾—May 4	69¾	64¾	69½
Southern Railway............	37½	18¼	38 —Sept. 22	28 —May 22	38	34⅝	37½
" preferred............	97½	77½	102½—Sept. 21	95 —May 1	102½	99¾	100⅛
Tennessee Coal & Iron Co....	77½	31⅝	106½—Apr. 4	68 —Jan. 25	88⅞	82¾	87⅝
Texas & Pacific................	38⅛	20	41 —Mar. 13	29¾—Apr. 29	38	35	35⅞
Toledo, St. Louis & Western..	38	21½	43¾—Apr. 6	34⅛—May 22	39¾	37¼	38½
" preferred............	57¼	32	65 —Apr. 12	51¾—Jan. 25	59⅝	57¼	58¾
Union Pacific...................	117	71	138⅝—Aug. 24	113 —Jan. 6	134⅝	128⅝	133⅝
" preferred............	98	86½	101⅝—Feb. 21	96 —May 11	96½	96	96
Wabash R. R....................	25	15	24¼—Sept. 18	17½—May 23	24¼	20⅝	23⅛
" preferred............	48⅛	32¾	48 —Feb. 23	37 —May 23	45¼	40	42⅛
Western Union..................	94½	85	95½—June 18	92 —Jan. 17	94⅞	93	93¼
Wheeling & Lake Erie........	22⅝	14½	19¾—Mar. 13	15 —May 1	18	16⅝	18
" second preferred....	32	21½	28½—Mar. 13	20 —May 4	26¼	23	25¼
Wisconsin Central............	25	16	33½—Aug. 21	20 —Apr. 29	32½	28⅞	30¼
" preferred............	49⅝	37	62¾—Aug. 22	45 —Jan. 13	61¼	57¼	59
"INDUSTRIAL"							
Amalgamated Copper........	82¾	43⅛	89¾—Apr. 14	70 - Jan. 25	84⅛	79⅝	83
American Car & Foundry....	35½	14¾	43⅝—Apr. 14	31 —May 21	38⅛	35	36¾
" pref..................	94¾	67	104½—Apr. 6	91¼—Jan. 25	101	99	100½
American Co. Oil Co..........	37⅞	24¼	38 —Apr. 3	27¾—July 19	31	29	30¾
American Ice..................	9¾	6	7¼—Feb. 1	4⅞—Apr. 29	....	....	....
American Locomotive........	36⅜	16⅛	61¼—Apr. 13	33 —Jan. 25	54¾	47½	54¼
" preferred............	105	75½	122¾—Apr. 15	103¾—Jan. 5	116½	112	118¼
Am. Smelting & Refining Co.	82½	46	131⅞—Aug. 24	79¾—Jan. 9	128¼	122⅞	127½
" preferred............	115	88¾	128 —Aug. 23	111¼—Jan. 13	123½	120¼	121½
Am. Steel & Foundries........	15¼	3½	18⅜—Mar. 20	6⅞—July 27	10	8½	10
" pref..................	57¼	26	67½—Apr. 4	35⅛—June 14	39⅝	38	39½
American Sugar Ref. Co......	153	122¼	149¾—Mar. 2	130 —May 22	141	137	139⅞
Anaconda Copper Mining....	120⅞	61	130 —Apr. 13	100½—May 22	124½	107½	124
Continental Tobacco Co. pref.	131	101½	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products..................	26¼	9¾	22¾—Feb. 7	8¾—June 8	13⅛	9¾	12½
" preferred............	82¼	65	79 —Jan. 10	40 —Aug. 9	53	47½	50⅞
Distillers securities...........	40½	19½	47½—Apr. 6	34⅞—Jan. 25	43½	41½	42¾
General Electric Co...........	194½	151	192 —Mar. 16	169 —May 20	183	178	181½
International Paper Co......	25⅝	10¼	25½—Mar. 11	18⅛—June 16	23⅛	19⅛	23⅛
" preferred............	79⅞	64⅛	82¼—Apr. 6	76 - Feb. 6	80½	78	79⅝
National Biscuit...............	59½	36	66⅜—Apr. 3	52 —Aug. 16	57¼	54	55⅞
National Lead Co.............	26¼	14⅛	51¾—Apr. 7	24½—Jan. 5	47¾	44½	47¼
Pressed Steel Car Co..........	44⅛	24¼	47¾—Aug. 18	34 —May 23	46⅛	42	45⅞
" preferred............	92	67	99½—Apr. 14	87 —Feb. 16	96⅞	95⅛	96
Republic Iron & Steel Co.....	18¼	6	24⅞—Apr. 3	15 —Jan. 23	24⅝	20	24⅛
" preferred............	73½	37	95½—Sept. 19	67 —Jan. 23	95½	87	92½
Rubber Goods Mfg. Co........	29⅞	14¾	39 —Sept. 30	24¼—Mar. 7	39	34	38⅞
" preferred............	98	74¾	109⅛—Apr. 1	94 —Jan. 25	104½	104	104½
U. S. Leather Co...............	20¾	6½	14⅝—Jan. 16	10⅞—May 23	13	12½	12½
" preferred............	106½	75⅝	111⅞ - June 22	100¾—Jan. 31	111½	109½	111½
U. S. Rubber Co...............	84½	10½	58½—Sept. 18	33¾—Jan. 3	58⅛	47¾	56¼
" preferred............	100	41	118½—Apr. 7	98¾—Jan. 6	114¾	108	111¾
U. S. Steel......................	33⅛	8⅜	38½—Sept. 30	24⅞—May 22	38½	34⅝	38½
" pref.........................	95⅝	51¼	105¾—Aug. 24	90¼—May 22	105⅝	101⅜	105⅛

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 1905, by dates, and also, for comparison, the range of prices in 1904:

	YEAR 1904.		HIGHEST AND LOWEST IN 1905.		SEPTEMBER, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89¼	64	93⅜ Mar. 9	77⅝—May 22	91¼	88¼	90¼
• preferred	104⅛	87⅝	105⅝—Sept. 1	99 —Jan. 25	105⅝	104¼	104¾
Baltimore & Ohio	105¼	72⅞	117 —Aug. 14	100⅛—Jan. 25	113⅜	110⅝	112⅝
Baltimore & Ohio, pref.	96½	87⅝	100 —Aug. 10	95¾—Jan. 12	97⅞	97½	97¾
Brooklyn Rapid Transit	70½	38	73¼—July 13	56⅞—May 23	72⅞	65¾	72⅜
Canadian Pacific	135¾	109½	177⅛—Sept. 21	130¾—Jan. 25	177⅛	159⅜	175⅛
Canada Southern	72	64	74⅞—Aug. 14	67⅛—Jan. 11	69	68½	68½
Central of New Jersey	194¾	154½	220 —Aug. 10	190 —May 23	216	210	213
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	59½	53	58¾
Chicago & Alton	47¼	33	44⅛—Mar. 15	31 —May 22	36¾	35⅞	36
• preferred	85¼	75	83¾—Apr. 7	77¼—June 26	....	....	....
Chicago, Great Western	26¼	12⅞	25⅛—Mar. 16	17⅛—May 22	22	20¾	21½
Chic., Milwaukee & St. Paul	177⅝	137⅛	187½—Apr. 17	168⅛—May 4	184⅜	175	182¼
• preferred	185⅞	173	192½—Apr. 17	182½—Jan. 13	190	185½	189½
Chicago & Northwestern	214½	161⅛	249 —Jan. 31	190⅛—June 9	218	210¼	216
• preferred	237	207	265½—Feb. 1	234 —Jan. 13	244	244	244
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾—Jan. 5	18	18	18
• preferred	27¾	11½	42½—July 5	17½—Jan. 4	40½	38	39
Clev., Cin., Chic. & St. Louis	93⅜	68½	111 —Mar. 21	90 —Jan. 14	101	99	100
Col. Fuel & Iron Co.	58⅜	25½	59 —Mar. 24	38 —May 22	46¼	41	46⅛
Colorado Southern	24⅜	13½	30⅛—Apr. 26	22¼—Jan. 20	28½	27	28¼
• 1st preferred	63	48	64½—Feb. 10	52 —May 23	62⅝	60	61¾
• 2d preferred	37½	17⅞	44¾—Aug. 29	32½—May 23	44⅛	39⅝	44
Consolidated Gas Co.	220	185	214 —Mar. 13	180¼—Sept. 23	187	180¼	187
Delaware & Hud. Canal Co.	190½	149	225 —Aug. 22	178½—May 22	220¾	211	216
Delaware, Lack. & Western	359¾	250½	470 —Aug. 11	335 —Jan. 25	455	450	450
Denver & Rio Grande	35⅞	18	37½—Sept. 16	27¼—June 8	37½	33⅞	35¾
• preferred	89	64½	91 —Mar. 15	83¼—May 1	90⅝	88½	90
Detroit Southern tr. ctfs.	14¾	1⅛	12⅜—Sept. 21	8 —June 20	12⅜	10	12
• preferred tr. ctfs.	33½	2¾	43 —Sept. 21	39 —July 22	43	42	42
Duluth So. S. & Atl., pref.	28½	9¼	37 —Jan. 21	21 —May 22	36¾	32¼	35¾
Erie	41⅝	21½	52¾—Aug. 29	37½—May 22	52½	47⅞	50¾
• 1st pref.	77	55⅝	85½—Aug. 15	74⅞—May 22	83¾	81½	82¼
• 2d pref.	58½	33	78⅜—Aug. 24	55½—Jan. 3	77	72¾	73¼
Evansville & Terre Haute	83	54	75 —Aug. 11	63 —July 6	75	74	74
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	....	....	....
• American	219	180	246 —Feb. 27	209½—Jan. 4	230	225	225
• United States	126	100	134 —Feb. 8	120 —Jan. 9	125	121¾	125
• Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	....	....	....
Hocking Valley	94	60	99 —Mar. 11	86⅝—Jan. 18	92¾	90	90⅛
• preferred	95	77	96⅞—Mar. 13	90 —Jan. 18	93	92	92
Illinois Central	159	125¾	183 —Sept. 28	152¾—Jan. 25	183	174¾	182½
Iowa Central	33	14	32 —Feb. 3	24 —May 24	29½	27½	29½
• preferred	59¾	32	58⅛—Aug. 14	50 —May 10	58	56	57¼
Kansas City Southern	31⅞	16⅛	34 —Feb. 14	22⅛—May 22	27½	25½	27¼
• preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	56¾	54	56
Kans. City Ft. S. & Mem. pref.	83½	64⅛	86¼—Sept. 29	81⅝—June 19	86¼	84¼	86¼
Louisville & Nashville	148¾	101	157⅝—Sept. 23	134½—Jan. 25	157⅝	144¾	155⅛
Manhattan consol	169½	139¾	175 —Feb. 9	161 —May 1	166¼	163½	165
Metropolitan securities	96⅛	72¼	91 —Mar. 17	73 —Jan. 9	83¼	79½	80¾
Metropolitan Street	130⅜	104¾	133 —Aug. 28	114 —May 11	129⅝	124¼	125⅞
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	24¾	22½	24¼
Minneapolis & St. Louis	67¾	40	73 —Sept. 29	56½—Jan. 12	73	68	73
• preferred	96½	80	102 —Sept. 19	86 —Jan. 19	102	98	98
Minn., S. P. & S.S. Marie	95	55	144 —Sept. 20	89½ Jan. 11	144	134⅛	138⅞
• preferred	150	116	170 —Sept. 19	148 —Jan. 13	170	164	168⅜
Missouri, Kan. & Tex.	36⅜	14⅝	35 —Aug. 30	24 —May 22	35	33⅛	34¼
• preferred	65¼	32¼	73 —Aug. 25	56¼—May 23	72½	68¾	69½
Missouri Pacific	111½	87	110⅞—Mar. 13	94½—May 22	108⅝	102½	105⅝
Natl. of Mexico, pref.	45⅛	34¾	45 —Jan. 16	33⅛—May 8	38½	37⅛	37¾
• 2d preferred	25⅛	15⅞	24½—Jan. 10	17¾—June 20	21	19⅝	21
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	152⅝	145½	150
N. Y., Chicago & St. Louis	47	25	56½—Sept. 22	42 —Jan. 20	56¼	49	55½
• 2d preferred	78	60	85¼—Sept. 30	74 —May 4	85¾	80	83¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1904.		Highest and Lowest in 1905.		September, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western	47⅞	19⅝	64 —Mar. 30	40⅝—Jan. 5	55¾	52¾	55¼
Norfolk & Western	80¾	58½	88⅛—Mar. 11	76 —May 10	86¾	83⅝	86
" preferred	95	88	96 —Aug. 11	91⅛—Feb. 24	92	92	92
North American Co.	107	80	107 —Apr. 17	96⅝—Sept. 6	100	96⅝	99
Pacific Mail	55	24	49¼—Jan. 4	38 —May 22	46	42¾	45⅛
Pennsylvania R. R.	140	111½	148 —Aug. 24	131⅛—May 22	145⅛	140⅝	144
People's Gas & Coke of Chic.	112⅛	92¾	115⅛—Apr. 3	97¼—May 15	104¾	101¾	104
Pullman Palace Car Co.	244	209	258 —Aug. 14	230 —May 31	256	247¾	256
Reading	82⅝	38¾	125¾—Aug. 24	79 —Jan. 13	124	114⅝	123⅝
" 1st prefered	92	76	97 —Sept. 30	90 —May 22	97	91	96
" 2d preferred	85	55¼	100⅛—Sept. 29	84 —Jan. 5	100½	93	100
Rock Island	37¾	19⅛	37⅞—Jan. 18	24¾—May 22	34⅛	31⅛	33⅛
" preferred	86⅝	57¾	85 —Jan. 4	71⅛—May 22	80½	78	80
St. L. & San Fran. 2d pref.	72⅛	39¼	73⅛—Mar. 6	61 —May 26	70¾	66⅛	70¼
St. Louis & Southwestern	29	9¼	27½—Jan. 20	20 —May 22	26	23¼	23¾
" preferred	60¾	25⅝	66⅝—Apr. 18	55½—May 1	64	60¼	61¾
Southern Pacific Co.	68¾	41⅛	72⅝—Feb. 27	57¾—May 4	69¾	64¾	69⅛
Southern Railway	37⅛	18¼	38 —Sept. 22	28 —May 22	38	34⅝	37½
" preferred	97½	77½	102½—Sept. 21	95 —May 1	102½	99¾	100⅛
Tennessee Coal & Iron Co.	77½	31⅝	106½—Apr. 4	68 —Jan. 25	88⅞	82¾	87⅝
Texas & Pacific	38⅛	20	41 —Mar. 13	29¾—Apr. 29	38	35	35⅞
Toledo, St. Louis & Western	88	21⅛	43¾—Apr. 6	34⅛—May 22	39¾	37¼	38½
" preferred	57¼	32	65 —Apr. 12	51¾—Jan. 25	59⅝	57¼	58¾
Union Pacific	117	71	138⅝—Aug. 24	118 —Jan. 6	134⅝	128⅝	133⅝
" preferred	98	86⅛	101⅝—Feb. 21	96 —May 11	96½	96	96
Wabash R. R.	25	15	24¼—Sept. 18	17⅛—May 23	24¼	20⅝	23⅛
" preferred	48⅛	32¾	48 —Feb. 23	37 —May 23	45¼	40	42⅛
Western Union	94½	85	95½—June 18	92 —Jan. 17	94⅞	93	93¼
Wheeling & Lake Erie	22⅝	14⅛	19¾—Mar. 13	15 —May 1	18	16⅝	18
" second preferred	32	21⅛	28⅛—Mar. 13	20 —May 4	26¼	23	25¼
Wisconsin Central	25	16	33½—Aug. 21	20 —Apr. 29	32½	28⅞	30¼
" preferred	49⅝	37	62¾—Aug. 22	45 —Jan. 13	61¼	57¼	59
"Industrial"							
Amalgamated Copper	82¾	43⅛	89¾—Apr. 14	70 —Jan. 25	84⅛	79⅝	83
American Car & Foundry	35½	14¾	43⅝—Apr. 14	31 —May 21	38⅛	35	36¾
" pref.	94¾	67	104½—Apr. 6	91¼—Jan. 25	101	99	100⅛
American Co. Oil Co.	37⅞	24¼	38 —Apr. 8	27¾—July 19	31	29	30¾
American Ice	9¾	6	7¼—Feb. 1	4⅞—Apr. 29	....	....	....
American Locomotive	36⅝	16⅛	61¼—Apr. 13	33 —Jan. 25	54¾	47½	54¼
" preferred	105	75½	122¾—Apr. 15	103¾—Jan. 5	116½	112	118¼
Am. Smelting & Refining Co.	82½	46	131⅞—Aug. 24	79¾—Jan. 9	128¼	122⅞	127⅛
" preferred	115	88¾	128 —Aug. 23	111¼—Jan. 13	123½	120¼	121⅛
Am. Steel & Foundries	15¼	8½	18⅝—Mar. 20	6⅞—July 27	10	8½	10
" pref.	57¼	26	67½—Apr. 4	35⅛—June 14	39⅝	38	39⅛
American Sugar Ref. Co.	153	122¼	149¾—Mar. 2	130 —May 22	141	137	139⅞
Anaconda Copper Mining	120⅞	61	130 —Apr. 13	100⅛—May 22	124½	107½	124
Continental Tobacco Co. pref.	131	101⅛	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products	26¼	9¾	22¾—Feb. 7	8¾—June 8	13⅛	9¾	12⅛
" preferred	82¼	65	79 —Jan. 10	40 —Aug. 9	53	47⅛	50⅞
Distillers securities	40½	19⅛	47½—Apr. 6	34⅞—Jan. 25	43½	41½	42¾
General Electric Co.	194½	151	192 —Mar. 16	169 —May 20	183	178	181½
International Paper Co.	25⅝	10¼	25⅛—Mar. 11	18⅛—June 16	23⅛	19⅛	23⅛
" preferred	79⅞	64⅛	82¼—Apr. 6	76 - Feb. 6	80½	78	79⅝
National Biscuit	59½	36	66⅝—Apr. 3	52 —Aug. 16	57¼	54	55⅞
National Lead Co.	26¼	14⅛	51¾—Apr. 7	24½—Jan. 5	47¾	44½	47¼
Pressed Steel Car Co.	44⅛	24¼	47¾—Aug. 18	34 —May 23	46⅛	42	45⅞
" preferred	92	67	99⅛—Apr. 14	87 —Feb. 16	96⅞	95⅛	96
Republic Iron & Steel Co.	18¼	6	24⅞—Apr. 3	15 —Jan. 23	24⅝	20	24½
" preferred	73½	37	95½—Sept. 19	67 —Jan. 23	95½	87	92½
Rubber Goods Mfg. Co.	29⅞	14¾	39 —Sept. 30	24¼—Mar. 7	39	34	38⅞
" preferred	98	74¾	109⅛—Apr. 1	94 —Jan. 25	104½	104	104½
U. S. Leather Co.	20¾	6⅛	14⅝—Jan. 16	10⅞—May 23	13	12⅛	12⅛
" preferred	106½	75⅝	111⅞—June 22	100¾—Jan. 31	111⅛	109⅛	111½
U. S. Rubber Co.	34½	10½	58⅛—Sept. 18	33¾—Jan. 3	58⅛	47¾	56¼
" preferred	100	41	118½—Apr. 7	98⅝—Jan. 6	114⅝	108	111¾
U. S. Steel	33⅛	8⅝	38½—Sept. 30	24⅞—May 22	38½	34⅝	38⅛
" pref.	95⅝	51¼	105¾—Aug. 24	90¼—May 22	105⅝	101⅝	105⅛

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.		SEPTEMBER SALES.		
				Price.	*Date.*	*High.*	*Low.*	*Total.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	99	Sept.18,'05	99⅛	99	87,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	148,155,000	A & O	104⅞	Sept.29,'05	105½	104⅛	827,000
" registered		....	A & O	103⅛	Sept.20,'05	104¼	103½	2,000
" adjustment, g. 4's	1995	25,616,000	NOV	99⅛	Sept.28,'05	99¼	99	22,000
" registered		....	NOV	95	Sept.11,'05	95	95	2,000
" stamped	1995	26,112,000	M & N	97	Sept.30,'05	97¼	96½	199,000
" serial debenture 4's—								
" series D	1906	2,500,000	F & A	99	Aug.15,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series E	1907	2,500,000	F & A	99⅝	May 2,'05	....	....	....
" registered		....	F & A	....		....	....	....
" series F	1908	2,500,000	F & A	99⅛	Nov. 3,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series G	1909	2,500,000	F & A	99⅝	June17,'05	....	....	....
" registered		....	F & A	....		....	....	....
" series H	1910	2,500,000	F & A	99½	Jan. 10,'05	....	....	....
" registered		....	F & A	....		....	....	....
" series I	1911	2,500,000	F & A	98½	Nov. 23,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series J	1912	2,500,000	F & A	....		....	....	....
" registered		....	F & A	....		....	....	....
" series K	1913	2,500,000	F & A	97	Oct. 26,'04	....	....	....
" registered		....	F & A	....		....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....		....	....	....
" East.Okla.div.1st g.4's	1928	6,128,000	M & S	101⅛	July 8,'05	....	....	....
" " registered		....	M & S	....		....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....		....	....	....
Atlan.Coast Line R.R.Co.1st g.4's	1952	42,638,000	M & S	102	Sept.30,'05	102	101¼	437,000
" registered			M & S	92	Feb. 15,'04	....	....	....
Charleston & Savannah 1st g.7's	1936	1,500,000	J & J	108¾	Dec. 18,'99	....	....	....
Savanh Florida & W'n 1st g.6's	1934	4,056,000	A & O	131⅞	Sept.19,'05	131⅞	131⅞	1,000
" 1st g. 5's	1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	114¼	Oct. 18,'04	....	....	....
Brunswick & W'n 1st gtd.g.4's	1938	3,000,000	J & J	98	July 14,'04	....	....	....
Sil.SpsOc.& G.RR.&ldg.gtd g.4s	1918	1,067,000	J & J	97¾	Oct. 5,'04	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	72,798,000	J & J	97¼	Sept.29,'05	97⅜	95⅝	179,000
" registered			J & J	96	Nov. 7,'04	....	....	....
" g. 4s.	1948	70,963,000	A & O	105½	Sept.30,'05	105½	105	149,000
" g. 4s. registered			A & O	104⅛	Sept.16,'05	104⅛	104⅛	4,000
" ten year c. deb. g. 4's	1911	404,000	M & S	114	July 7,'05	....	....	....
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	92¾	Sept. 6,'05	92¾	92¾	1,000
" registered			QFeb	....		....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	31,347,000	M & N	100⅛	Sept.27,'05	100⅛	100⅛	108,000
" Southw'n div. 1st g.3½s.	1925	43,590,000	J & J	92⅞	Sept.30,'05	93	92	205,000
" registered			Q J	92⅛	June23,'05	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	108⅛	July 13,'05	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s.	1908	1,009,000	M & S	109	Apr. 25,'05	....	....	....
Ptsbg Clev. & Toledo, 1st g.6's	1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g.4's	1917	633,000	J & J	100	June23,'05	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	123	July 18,'05	....	....	....
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....		....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124	Aug. 9,'05	....	....	....
" cons. 1st 6's,	1922	3,920,000	J & D	126½	Aug.18,'05	....	....	....
Buff. & Susq. 1st refundg g. 4's	1951	6,521,000	J & J	100	Sept.19,'05	100⅛	100	27,000
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.

Name. Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	September Sales. High.	September Sales. Low.	September Sales. Total.
Canada Southern 1st int. gtd 5's, 1908	14,000,000	J & J	103	Sept.29,'05	103⅛	102¾	40,000
″ 2d mortg. 5's, ...1913	6,000,000	M & S	105	Sept.29,'05	105	104¾	4,000
″ registered..................		M & S	106	Apr. 19,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.1948	2,500,000	J & D	94	Jan. 4,'05	....	....	....
Central R'y of Georgia, 1st g. 5's.1945	7,000,000	F & A	119¾	Sept.15,'05	119¾	119¾	10,000
″ registered $1,000 & $5,000		F & A	....		....	....	....
″ con. g. 5's..............1945	16,700,000	M & N	115½	Sept.30,'05	115½	114½	42,000
″ con. g. 5's, reg. $1,000 & $5,000		M & N	107	June14,'04	....	....	....
″ 1st. pref. inc. g. 5's,......1945	4,000,000	OCT 1	101	Sept.30,'05	101	98	272,000
″ 2d pref. inc. g. 5's.......1945	7,000,000	OCT 1	88	Sept.30,'05	88¼	85	620,000
″ 3d pref. inc. g. 5's.......1945	4,000,000	OCT 1	83	Sept.30,'05	83½	79	908,000
″ Chat. div. pur. my. g. 4's.1951	2,057,000	J & D	93¾	July 12,'05	....	....	....
″ Macon & Nor. Div. 1st g. 5's.....................1946	840,000	J & J	104	Feb. 19,'04	....	....	....
″ Mid. Ga. & Atl. div. g 5s.1947	413,000	J & J	110⅝	Sept. 5,'05	110⅝	110⅝	1,000
″ Mobile div. 1st g. 5's....1946	1,000,000	J & J	115½	Aug. 3,'05	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's, 1937	4,880,000	M & N	108¾	Aug. 4,'05	....	....	....
Central of New Jersey, gen. g. 5's..................1987	45,091,000	J & J	124⅜	Sept.20,'05	134⅜	134¼	13,000
″ registered..............		Q J	132¾	Sept.28,'05	132¾	132¾	5,000
Am. Dock & Improvm't Co. 5's, 1921	4,987,000	J & J	113	Aug.18,'05	....	....	....
Lehigh & H. R. gen. gtd g. 5's..1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's...1912	2,691,000	Q M	104½	Mar. 17,'05	....	....	....
″ con. extended gtd. 4½'s.1910	12,175,000	Q M	102	Sept.20,'05	102	102	5,000
N.Y. & Long Branch gen. g. 4's.1941	1,500,000	M & S	....		....	....	....
Ches. & Ohio 6's, g., Series A......1908	2,000,000	A & O	106	May 16,'05	....	....	....
″ Mortgage gold 6's......1911	2,000,000	A & O	111½	Sept.15,'05	111½	111½	7,000
″ 1st con. g. 5's............1939	25,858,000	M & N	119½	Sept.29,'05	119¾	118½	45,000
″ registered..................		M & N	116¼	May 18,'05	....	....	....
″ Gen. m. g. 4½'s.........1992	39,574,000	M & S	107⅝	Sept.28,'05	108¼	107½	152,000
″ registered..................		M & S	107½	June27,'05	....	....	....
″ Craig Val. 1st g. 5's.....1940	650,000	J & J	113	Mar. 8,'05	....	....	....
″ (R. & A. d.) 1st c. g. 4's, 1989	6,000,000	J & J	101½	Aug.22,'05	....	....	....
″ 2d con. g. 4's...........1989	1,000,000	J & J	98	July 26,'05	....	....	....
″ Warm S. Val. 1st g. 5's, 1941	400,000	M & S	113¼	Feb. 17,'05	....	....	....
Greenbrier Ry. 1st gtd. 4's.....1940	2,000,000	M & N	100	Sept.23,'05	100	100	1,000
Chic. & Alton R. R. ref. g. 3's.... 1949	31,988,000	A & O	84½	Sept.20,'05	85	84½	16,000
″ ″ registered.....		A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.1950	22,000,000	J & J	82¾	Sept.28,'05	83¼	82¼	97,000
″ registered................		J & J	80¼	Mar. 4,'05	....	....	....
Chicago, Burl. & Quincy :							
″ Denver div. 4's..........1922	4,583,000	F & A	101¼	Sept.23,'05	101¼	101¼	1,000
″ Illinois div. 3½s........1949	50,835,000	J & J	96⅝	Sept.21,'05	96⅝	96	21,000
″ registered..................		J & J	96½	Feb. 24,'05	....	....	....
″ Illinois div. 4s...........1949	10,306,000	J & J	105¾	Aug. 8,'04	....	....	....
″ registered..................	....	J & J	....		....	....	....
″ (Iowa div.) sink. f'd 5's, 1919	2,388,000	A & O	110¼	Jan. 5,'05	....	....	....
″ 4's......................1919	7,882,000	A & O	102⅝	Aug.12,'05	....	....	....
″ Nebraska extensi'n 4's, 1927	25,071,000	M & N	107⅛	Sept.22,'05	107⅛	107⅛	2,000
″ registered..................		M & N	106¼	June16,'05	....	....	....
″ Southwestern div. 4's..1921	2,385,000	M & S	100	Apr. 10,'05	....	....	....
″ 4's joint bonds..........1921	215,223,000	J & J	102½	Sept.29,'05	102⅞	101⅝	1,864,000
″ ″ registered		Q JAN	101	Sept.13,'05	102	101	2,000
″ 5's, debentures..........1913	9,000,000	M & N	107½	Sept. 8,'05	107½	107½	20,000
Han. & St. Jos. con. 6's.........1911	8,000,000	M & S	114	Aug.21,'05	....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.1907	2,989,000	J & D	105⅜	Aug.28,'05	....	....	....
″ small bonds.......... ...		J & D	103½	July 8,'04	....	....	....
″ 1st con. 6's. gold......1934	2,653,000	A & O	138½	July 21,'05	....	....	....
″ gen. con. 1st 5's.......1937	16,529,000	M & N	122	Sept.19,'05	122	121½	7,000
″ registered................		M & N	119½	Mar. 2,'05	....	....	....
Chicago & Ind. Coal 1st 5's 1936	4,626,000	J & J	119⅜	Sept.11,'05	119⅜	119⅜	4,000
Chicago, Indianapolis & Louisville.							
″ refunding g. 6's...........1947	4,700,000	J & J	135	Sept. 6,'05	135	135	12,000
″ ref. g. 5's...................1947	4,742,000	J & J	112	July 18,'05	....	....	....
Louisv. N. Alb. & Chic. 1st 6's..1910	3,000,000	J & J	109⅞	Sept 27,'05	109⅞	109¾	15,000
Chicago, Milwaukee & St. Paul.							
Chic. Mil. & St. Paul term. g 5's.1914	4,748,000	J & J	111½	June29,'05	....	....	....
″ gen. g. 4's, series A....1989	23,676,000	J & J	110¾	Sept.18,'05	110¾	110¾	2,000
″ registered....................	....	Q J	109½	June18,'04	....	....	....

9

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.
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	98	Sept.15,'05	98	97	37,000
" registered			J & J	....		....	....	....
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	116¾	Apr. 6,'05	....	....	....
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	119⅝	May 20,'05	....	....	....
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	111½	June15,'05	....	....	....
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	115½	Aug. 3,'05	....	....	....
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	112	Mar. 7,'05	....	....	....
" Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98	....	....	....
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	115⅝	May 17',05	....	....	....
" 1st 5's	1910	990,000	J & J	106	Aug. 3,'04	....	....	....
" 1st 7's, Iowa & D, ex.	1908	831,000	J & J	135	Apr. 26,'05	....	....	....
" 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	115⅜	May 8,'05	....	....	....
" Mineral Point div. 5's,	1910	2,840,000	J & J	106⅝	Apr. 3,'05	....	....	....
" 1st So. Min. div. 6's....	1910	7,432,000	J & J	109	July 25,'05	....	....	....
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	108⅛	July 11,'05	....	....	....
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	116½	June 9,'05	....	....	....
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	112⅛	Apr. 17,'05	....	....	....
" 1st con. 6's	1913	5,092,000	J & D	116⅛	Jan. 5,'05	....	....	....
Chic. & Northwestern con. 7's...	1915	13,832,000	Q F	127⅛	Sept.29,'05	127½	127½	1,000
" extension 4's.....	1886-1926	18,632,000	F A 15	105¾	July 18,'05	....	....	....
" registered			F A 15	102⅝	May 11,'04	....	....	....
" gen. g. 3½'s	1987	20,538,000	M & N	101⅛	Sept.28,'05	101¼	100½	20,000
" registered			Q F	103	Nov.19,'98	....	....	....
" sinking fund 6's..	1879-1929	5,686,000	A & O	118	June13,'05	....	....	....
" registered			A & O	117	Feb. 15,'05	....	....	....
" sinking fund 5s'..	1879-1929	6,769,000	A & O	113½	Sept.20,'05	113½	113½	1,000
" registered			A & O	111	July 25,'05	....	....	....
" deben. 5's	1909	5,900,000	M & N	105	Sept.22,'05	105	105	1,000
" registered			M & N	104	Mar. 3,'04	....	....	....
" deben. 5's	1921	10,000,000	A & O	114¼	Sept.27,'05	114¼	114¼	1,000
" registered			A & O	108¾	Jan. 12,'04	....	....	....
" sinking f'd deben. 5's.	1933	9,800,000	M & N	119	Sept. 8,'05	119	119	5,000
" registered			M & N	115½	Apr. 28,'05	....	....	....
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84	....	....	....
Northern Illinois 1st 5's........	1910	1,500,000	M & S	105½	May 23,'04	....	....	....
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105	May 29,'05	....	....	....
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	110¼	Mar. 28,'05	....	....	....
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	127⅞	June14,'05	....	....	....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	119¼	Nov.15,'04	....	....	....
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02	....	....	....
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131½	Jan. 5,'05	....	....	....
" con. deb. 5's	1907	436,000	F & A	105½	Sept.18,'05	105½	105½	5,000
" incomes	1911	500,000	M & N	109	Sept. 9,'02	....	....	....
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	121¾	Aug.30,'05	....	....	....
" registered	1917		J & J	123	May 22,'05	....	....	....
" gen. g. 4's	1988	61,581,000	J & J	105½	Sept.27,'05	105¾	105½	37,000
" registered			J & J	107	Jan. 16,'03	....	....	....
" refunding 4s	1934	32,558,000	A & O	98⅞	Sept.30,'05	99	98⅛	463,000
" registered			A & O	98¼	Aug.29,'05	....	....	....
" coll. tr. ser. 4's.								
" D	1906	1,494,000	M & N	....		....	....	....
" E	1907	1,494,000	M & N	....		....	....	....
" F	1908	1,494,000	M & N	....		....	....	....
" G	1909	1,494,000	M & N	....		....	....	....
" H	1910	1,494,000	M & N	97	July14,'04	....	....	....
" I	1911	1,494,000	M & N	97½	May 26,'05	....	....	....
" J	1912	1,494,000	M & N	....		....	....	....
" K	1913	1,494,000	M & N	....		....	....	....
" L	1914	1,494,000	M & N	96¼	May 26,'05	....	....	....
" M	1915	1,494,000	M & N	97	Sept.26,'05	97	97	3,000
" N	1916	1,494,000	M & N	93	May 24 '04	....	....	....
" O	1917	1,494,000	M & N	96½	Aug.22,'05	....	....	....
" P	1918	1,494,000	M & N	90	May 11,'04	....	....	....
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,929,000	M & N	84	Sept.30,'05	84¼	83⅝	1,518,000
" registered			M & N	76½	Sept.14,'04	....	....	....
" coll. trust g. 5's	1913	17,331,000	M & S	93½	Sept.30,'05	94½	93¼	346,000
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	102½	Sept.27,'05	102½	101¾	26,500
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	120¾	Sept.11,'05	120¾	120¾	1,000
" registered			A & O	120½	Mar. 16,'03	....	....	....
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	112½	Sept.26,'04	....	....	....
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	40	Aug.24,'95	....	....	....
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	108	Aug. 9,'05	....	....	....
" con. g. 5's	1952	5,411,000	J & J	115	Apr. 20,'05	....	....	....
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	110½	Sept. 9,'05	110½	110½	5,000
" small bond	1923	....	A & O	102½	Apr. 26,'04	....	....	....

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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.
Chic., St.P., Minn.& Oma.con.6's	1930	14,745,000	J & D	137¾	Sept.25,'05	137¾	137⅝	2,000
" con.6's reduced to 3½'s	1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's	1918	1,814,000	M & N	135⅞	Apr. 24,'05	....	....	....
North Wisconsin 1st mort. 6's	1930	654,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	125⅛	Aug. 9,'05	....	....	....
Chic., Term. Trans. R. R. g. 4's	1947	15,135,000	J & J	95	Sept.29,'05	....	....	....
" coupons off				95	Aug.29,'05	95	94½	36,000
Chic. & Wn. Ind. gen'l g. 6's	1932	9,179,000	Q M	113⅞	Sept.25,'05	113⅞	113¼	5,000
Cin., Ham. & Day. con. s'k. f'd 7's	1905	927,000	A & O	104½	Dec. 5,'03	....	....	....
" 2d g. 4½'s	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's	1941	3,500,000	M & N	117⅜	Sept.27,'05	117⅜	117⅜	2,000
Cin. Find. & Ft. W. 1st gtd g. 4's	1923	1,150,000	M & N	....	....	....	....	....
Cin. Ind. & Wn. 1st & ref. gtd g. 4's	1953	4,672,000	J & J	96¾	July 13,'05	....	....	....
Clev., Cin., Chic. & St.L. gen. g. 4's	1993	20,749,000	J & D	103½	Sept.25,'05	104	103¼	45,000
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	100¼	July 17,'05	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	100¾	Sept.28,'05	100¾	100¾	5,000
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	103	Sept.16,'05	103	103	9,000
" registered				100	Oct. 3,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	99¾	Feb. 8,'05	....	....	....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	94½	Aug.31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,599,000	Q F	103	July 7,'05	....	....	....
" registered				101½	Aug. 7,'05	....	....	....
" con. 6's	1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	112⅝	July 5,'05	...	....	....
Clev., C., C. & Ind. con. 7's	1914	3,991,000	J & D	121¾	June 24,'05	...	....	....
" sink. fund 7's	1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's	1934	3,205,000	J & J	134½	Sept.26,'05	134½	134½	3,000
" registered			J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's	1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	99½	Sept.27,'05	100	99½	7,000
" income 4's	1990	4,000,000	A	75	Sept.28,'05	75½	74¾	56,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	116½	Jan. 23,'05	....	....	....
" registered			Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's	1947	8,946,000	J & J	75	Sept.29,'05	75⅝	74⅝	97,000
Colorado & Southern 1st g. 4's	1929	19,103,000	F & A	93½	Sept.29,'05	94	93⅛	263,000
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	106½	Sept 5,'05	106½	106½	1,000
Morris & Essex 1st m 7's	1914	5,000,000	M & N	126⅞	Sept.12,'05	126⅞	126⅞	5,000
" 1st c. gtd 7's	1915	11,677,000	J & D	129¼	Sept.18,'05	129¼	129¼	5,000
" registered			J & D	127	June 23,'05	....	....	....
" 1st refund. gtd. g. 3½'s	2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	128⅛	Aug.24,'05	....	....	....
" const. 5's	1923	5,000,000	F & A	112⅛	May 9,'05	....	....	....
" terml. imp. 4's	1923	5,000,000	M & N	105	Sept.27,'05	105	104½	30,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	106½	Sept. 6,'05	106½	106½	4,000
Warren Rd. 1st rfdg. gtd g. 3½'s	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	134	May 2,'04	....	....	....
" reg	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	103¼	June 8,'05	....	....	....
" 6's	1906	7,000,000	A & O	103¾	Sept.15,'05	103¾	103¾	1,000
Rens. & Saratoga 1st 7's	1921	2,000,000	M & N	142½	Mar. 10,'05	....	....	....
Denver & Rio G. 1st con. g. 4's	1936	33,450,000	J & J	101¼	Sept.30,'05	103	101¼	65,000
" con. g. 4½'s	1936	6,382,000	J & J	106¾	Sept. 2,'05	106¾	106¾	5,000
" impt. m. g. 5's	1928	8,318,500	J & D	110	Sept.29,'05	110	109¾	4,000
Rio Grande Western 1st g. 4's	1939	15,200,000	J & J	100	Sept.26,'05	100	99¾	34,000
" mge. & col. tr. g. 4's ser. A	1949	13,336,000	A & O	92	Sept.29,'05	92½	92	33,000
Utah Central 1st gtd. g. 4's	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Des Moines Union Ry 1st g. 5's	1917	628,000	M & N	110	Sept.30,'04	....	....	....
Detroit & Mack. 1st lien g. 4s	1995	900,000	J & D	101	Sept.22,'05	101	101	5,000
" g. 4s	1995	1,250,000	J & D	95½	July 11,'05	....	....	....
Detroit Southern 1st g. 4's	1951	3,866,000	J & D	81¾	Mar. 1,'05	....	....	....
" Ohio South. div. 1st g. 4's	1941	4,281,000	M & S	93¾	Sept.15,'05	93¾	93¾	9,000
Duluth & Iron Range 1st 5's	1937	6,732,000	A & O	115	July 12,'05	....	....	....
" registered			A & O	101½	July 23,'89	....	....	....
" 2d l m 6s	1916	2,000,000	J & J	....	....	...	....	....
Duluth So. Shore & At. gold 5's	1937	3,816,000	J & J	113	Aug.30,'05	....	....	....
Duluth Short Line 1st gtd. 5's	1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's	1941	8,500,000	M & N	120¾	Sept.28,'05	120¾	120½	15,000

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.
Erie 1st ext. g. 4's	1947	2,482,000	M & N	108¾	July 14,'05	....	....	....
• 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
• 3d extended g. 4½'s	1923	4,617,000	M & S	110½	June 26,'05	....	....	....
• 4th extended g. 5's	1920	2,926,000	A & O	115¼	Sept. 8,'05	115¼	115¼	1,000
• 5th extended g. 4's	1928	709,500	J & D	103	Feb. 17,'05	....	....	....
• 1st cons gold 7's	1920	16,890,000	M & S	132¼	Sept. 13,'05	132¼	132	6,000
• 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con. g-4s prior bds.	1996	35,000,000	J&J	102⅞	Sept. 30,'05	103	102⅛	122,000
• registered			J&J	98½	Jan. 21,'04	....	....	....
• 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	94⅛	Sept. 29,'05	94¼	93½	257,000
• registered			J&J	88	Nov. 15,'04	....	....	....
• Penn. col. trust g. 4's.	1951	33,000,000	F & A	95⅞	Sept. 30,'05	96⅛	95⅞	197,000
• 50 yrs. con. g. 4's ser A.	1953	10,000,000	A & O	111¾	Sept. 30,'05	114	111	1,783,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	126½	Mar. 13,'05	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	110	Mar. 3,'05	....	....	....
• small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	123¾	Sept. 25,'05	123⅞	123⅛	11,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	104¼	Sept. 21,'05	104¼	104¼	1,000
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June 12,'05	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July 25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	116	June 9,'05	....	....	....
N. Y. & Greenw'd Lake gt. g 5's	1946	1,452,000	M&N	117	July 20,'05	....	....	....
• small				117	July 20,'05	....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	110¼	Sept. 19,'05	110¼	110¼	1,000
N.Y., Sus. & W. 1st refdg. g. 5's	1937	3,745,000	J & J	116	Apr. 1,'05	....	....	....
• 2d g. 4½'s	1937	447,000	F & A	101⅛	Sept. 13,'05	103	101⅛	3,000
• gen. g. 5's	1940	2,546,000	F & A	107½	Sept. 29,'05	107½	107¼	2,000
• term. 1st g. 5's	1943	2,000,000	M & N	117½	Jan. 19,'05	....	....	....
• registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109⅞	Jan. 5,'05	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Apr. 19,'05	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	120¼	Sept. 12,'05	120¼	120¼	4,000
• 1st General g 5's	1942	2,672,000	A & O	112	Sept. 15,'05	112	112	12,000
• Mount Vernon 1st 6's	1923	375,000	A & O	114	Apr. 19,'05	....	....	....
• Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
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	......	113½	Sept. 26,'05	113¾	113	32,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	92	Sept. 18,'05	92	89½	73,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102½	May 19,'05	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,937,000	J & J	103⅛	Sept. 9,'05	103¼	103⅛	8,000
• registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	111½	Sept. 28,'05	112	111⅛	5,000
• registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100½	July 13,'05	....	....	....
Colu. & Tol. RR. Co. 1st m. ex. 4's	1955	2,479,000	......	102½	Aug. 24,'06	....	....	....
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	110¼	June 13,'05	....	....	....
• registered			J&J	113½	Mar. 12,19'	....	....	....
• 1st gold 3½'s	1951	2,490,000	J&J	102	Sept. 28,'05	102	102	1,000
• registered			J&J	94	Mar. 28,'03	....	....	....
• extend 1st g 3½'s	1951	3,000,000	A & O	102¾	Aug. 31,'05	....	....	....
• registered			A & O	....		....	....	....
• 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
• registered			M & S	....		....	....	....
• total outstg....$13,950,000								
• collat. trust gold 4's	1952	15,000,000	A & O	107¾	Aug. 23,'05	....	....	....
• regist'd			A & O	102	Oct. 4,'03	....	....	....
• col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	106½	Sept. 23,'05	106½	106⅛	1,000
• registered			M & N	106½	July 11,'05	....	....	....
• Cairo Bridge g 4's	1950	3,000,000	J & D	106⅛	Mar. 7,'03	....	....	....
• registered			J & D	123	May 24,'99	....	....	....
• Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....		....	....	....
• Louisville div. g. 3½'s.	1953	14,320,000	J & J	94¼	Sept. 5,'05	94¼	94¼	10,000
• registered			J & J	88⅛	Dec. 8,'99	....	....	....
• Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
• Omaha div. 1st g. 3's	1951	5,000,000	F & A	86	Jan. 12,'05	....	....	....
• St. Louis div. g. 3's	1951	4,939,000	J & J	85	Sept. 11,'05	85	85	10,000
• registered			J & J	101¼	Jan. 31,'19	....	....	....
• g. 3½'s	1951	6,321,000	J & J	96	Mar. 15,'05	....	....	....
• registered			J & J	101½	Sept. 10,'95	....	....	....
• Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
• registered			J & J	124	Dec. 11,'99	....	....	....
• West'n Line 1st g. 4's,	1951	5,425,000	F & A	100¼	May 26,'05	....	....	....
• registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	122	July 7,'01	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	124	June 22,'05	....	....	....

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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.*
" gold 5's, registered		16,555,000	J D 15	119¾	Mar. 12,'04	....	....	....
" g. 3½'s	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's	1951	3,500,000	J & D	110½	Jan. 4,'05	....	....	....
" registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101⅛	Mar. 16,'05	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	109⅛	Sept. 7,'05	109⅛	109⅛	5,000
" 1st gtd. g. 5's	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	99¾	July 27,'05	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	11,291,000	M & N	120½	Aug.11,'05	....	....	....
" 2d g. 5's	1909	10,391,000	M & S	100¾	Sept.22,'05	100⅞	100¾	13,000
" 3d g. 4's	1921	2,960,500	M & S	82	Sept.20,'05	82	82	1,000
Iowa Central 1st gold 5's	1938	7,650,000	J & D	113¾	Sept.21,'05	114	113½	6,000
" refunding g. 4's	1951	2,000,000	M & S	87	Aug.31,'05	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	73¾	Sept 29,'05	73¾	72⅞	220,000
" registered			A & O	63¾	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	118½	Sept. 6,'05	118½	118½	1,000
" 2d mtge. g. 5's	1941	3,625,000	J & J	114½	Aug. 8,'05	....	....	....
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	118½	ept.15,'05	118½	118½	2,000
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	111¾	Sept.29,'05	112½	110⅝	53,000
" registered		....	J&J	108½	Aug. 7,'05	....	....	....
Lehigh Val. (Penn.) g. c. g. 4's	2003	20,100,000	M & N	....	....	....	....	....
" registered			M & N	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	119¼	May 18,'05	....	....	....
" registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,114,000	J & J	115	June 9,'05	....	....	....
" registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	97½	Sept.22,'05	97½	97½	1,000
" registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	106½	Nov. 3,'04	....	....	....
" " g. gtd 5's	1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	116	Aug.23,'05	....	....	....
" 1st con. g. 4's	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	101½	July 29,'05	....	....	....
" Ferry 1st g. 4½'s	1922	1,494,000	M & S	102¼	Sept. 6,'05	102¼	102¼	1,000
" g. 4's	1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
" unified g. 4's	1949	6,860,000	M & S	102⅝	Aug.22,'05	....	....	....
" deb. g. 5's	1934	1,135,000	J & D	110	June22,'04	....	....	....
" gtd. refunding g. 4's	1949	17,891,000	M & S	101¾	Sept.25,'05	102	101	11,000
" " registered			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
" 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar.10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	111⅝	May 26,'05	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	Q JAN	112½	July 7,'05	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's	1927	2,724,000	M & S	107	Aug.24,'05	....	....	....
Louis. & Nash. gen. g. 6's	1930	7,875,000	J & D	121	Sept. 8,'05	121	121	9,000
" gold 5's	1937	1,764,000	M & N	118¾	May 23,'05	....	....	....
" Unified gold 4's	1940	34,562,000	J & J	105	Sept.30,'05	105	104⅛	271,000
" registered	1940		J & J	101⅞	June18,'94	....	....	....
" collateral trust g. 5's	1931	5,129,000	M & N	118½	Sept.26,'05	118⅝	118½	4,000
" 5-20yr. col. tr. deed g. 4's	1923	23,000,000	A & O	100⅛	Sept.22,'05	100⅛	100	73,000
" E., Hend. & N. 1st 6's	1919	1,675,000	J & D	114¼	June 6,'05	....	....	....
" L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	109	Mar. 6,'05	....	....	....
" N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	130	Aug.26,'05	....	....	....
" 2d g. 6's	1930	1,000,000	J & J	128	Aug.25,'05	....	....	....
" Pensacola div. g. 6's	1920	405,000	M & S	114	Apr. 26,'02	....	....	....
" St. Louis div. 1st g. 6's	1921	3,500,000	M & S	121½	May 2,'05	....	....	....
" 2d g. 3's	1980	3,000,000	M & S	115¼	Mar. 7,'05	....	....	....
" At. Kx. & N. R. 1st g. 5's	1946	1,000,000	J & D	114⅛	Sept. 6,'05	114⅛	114⅛	1,000
" H. B'ge 1st sk'fd. g 6's	1931	1,414,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's	1987	6,742,000	J & J	102	Sept.21,'05	102	101½	6,000
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	108	Sept. 7,'05	108	108	3,000
" South. Mon. joint 4's	1952	11,827,000	J & J	97	Sept.11,'05	97	97	14,000
" registered			Q Jan	95	Feb. 6,'05	....	....	....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	115½	Sept.13,'05	115½	115½	1,000
" Pen. & At. 1st g. g. 6's	1921	2,394,000	F & A	112¼	Mar. 23,'05	....	....	....
" S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	116½	Jan. 18,'05	....	....	....
" So. & N. Ala. si'fd. g. 6s	1910	1,942,000	A & O	110	Mar.23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	98⅝	Oct. 26,'04	....	....	....
Manhattan Railway Con. 4's	1990	28,065,000	A & O	105¼	Sept.29,'05	105½	104¾	22,000
" registered			A & O	104	Apr. 5,'05	....	....	....
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	106½	Sept.22,'05	106½	106¼	8,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central, con. mtge. 4's	1911	65,690,000	J & J	81½	Sept.29,'05	82½	79	472,000
" 1st con. inc. 3's	1939	20,511,000	JULY	24⅞	Sept.29,'05	25¾	24	589,000

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" 2d 3's	1939	11,724,000	JULY	17⅛	Sept.27,'05	18	16⅛	357,000
" equip. & collat. g. 5's	1917	550,000	A & O			....	....	....
" 2d series g. 5's	1919	665,000	A & O			....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	94⅛	Sept. 5,'05	94⅛	94⅛	5,000
Mexican Internat'l 1st con g. 4's	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
" stamped gtd		3,631,000	......			....	....	....
Mexican Northern 1st g. 6's	1910	963,000	J & D			....	....	....
" registered			J & D	105	May 2,19'	....	....	....
Midland Term'l Ry. 1st g.s.f.5's	1925	472,000	J & D			....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	137	June29,'05	....	....	....
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	108¾	June13,'05	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120¼	Apr. 19,'05	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	113¼	Mar. 10,'05	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	114¾	June12,'05	....	....	....
" 1st & refunding g. 4's	1949	9,350,000	M & S	96⅛	Sept.22,'05	97⅛	96½	4,000
DesMoines&Ft.Dge1stgtd g.4's	1935	3,072,000	J & J	97¼	Aug.10,'05	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	32,055,000	J & J	101⅛	Sept.22,'05	101⅛	101	2,000
" stamped pay. of int. gtd.						....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.				89⅝	June 18,'91	..	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	102¼	Sept.29,'05	103	102⅛	63,500
" 2d mtge. g. 4's	1990	20,000,000	F & A	87½	Sept.30,'05	88	86¾	175,000
" 1st ext gold 5's	1944	3,254,000	M & N	108½	Sept.29,'05	108⅛	106	19,000
St. Louis div. 1st refundg 4s	2001	1,915,000	A & O	93⅝	Sept.19,'05	93¾	93⅛	25,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	105¼	Dec. 22,'04	....	....	....
Kan. City & Pac. 1st g. 4s	1990	2,500,000	F & A	97⅛	Aug.22,'05	....	....	....
Mo., Kan. & East. 1st gtd. g. 5s	1942	4,000,000	A & O	113¼	Sept. 6,'05	113¼	113¼	8,000
Mo., Kan. & Ok. 40 yr. 1st gtd. 5s	1942	5,468,000	M & N	109⅝	Sept.29,'05	109¾	109	94,000
Mo., K. & Tex. of Tex. 1st gtd. g. 5s	1942	4,505,000	M & S	110	Sept.29,'05	110	110	2,000
Sher., Shreve. & So. 1st gtd. g. 5s	1943	1,689,000	J & D	106⅝	July 28,'05	....	....	....
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	108⅛	Aug.31,'05	....	....	....
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	124¾	Sept.25,'05	124¾	124⅛	29,000
" 3d mortgage 7's	1906	3,828,000	M & N	105	Sept 8,'05	105	105	6,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	105¼	Sept.30,'05	106⅛	105¼	13,000
" registered			M & S			....	....	....
" 1st collateral gold 5's	1920	9,636,000	F & A	107½	Aug.21,'05	....	....	....
" registered			F & A			....	....	....
" forty yrs. 4's g. loan	1945	25,000,000	......	94⅛	Sept.18,'05	94⅛	94⅛	2,000
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	97¼	Aug.15,'05	....	....	....
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	110	Mar. 13,'05	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103½	Sept. 7,'05	103½	103⅛	2,000
" 2d extended g. 5's	1938	2,578,000	F & A	119	Sept.27,'05	119	118	4,000
St. L. & I. g. con. R.R. & l.gr. 5's	1931	36,709,000	A & O	117¾	Sept.29,'05	117¾	117⅛	12,000
" stamped gtd gold 5's	1931	6,833,000	A & O	109¾	Oct. 21,'03	....	....	....
" unify'g & rfd'g g. 4's	1929	30,347,000	J & J	94⅝	Sept.29,'05	94¾	94¼	172,000
" registered			J & J	87¼	Apr. 23,'04	....	....	....
" Riv & Gulf divs 1st g 4s	1933	21,177,000	M & N	96⅞	Sept.30,'05	97	96⅛	91,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S			....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111⅛	Mar. 8,04'	....	....	....
" small		226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's	1945	700,000	J & J	93¼	Apr. 6,'05	....	....	....
" small		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson & Kan. City 1st g. 5's	1946	1,882,000	J & D	97	Sept.19,'05	97	96⅛	5,000
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	129¼	Sept.25,'05	129¼	128¾	11,000
" 1st extension 6's	1927	974,000	J & D	126	June19,'05	....	....	....
" gen. g. 4's	1938	9,472,000	Q J	99	Sept.22,'05	99¼	99	8,000
" Montg'ry div. 1st g. 5's	1947	4,000,000	F & A	115	Sept.20,'05	115	115	13,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	....	....	....
" collateral g. 4's	1930	2,494,000	Q F	95	Feb. 20,'05	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	121	Sept.14,'05	121	121	5,000
" 1st cons. g. 5's	1928	7,566,000	A & O	116	Sept. 6,'05	116	116	1,000
" 1st g. 6's Jasper Branch	1923	371,000	J & J	120	Aug.21,'05	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	117¼	Mar. 6,'05	....	....	....
" 1st 6's T. & Pb.	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat. R.R. of Mex. prior lien g. 4½'s	1926	20,000,000	J & J	105⅛	May 11,'05	....	....	....
" 1st con. g. 4's	1951	22,000,000	A & O	84¾	Sept.28,'05	85	84	109,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108¼	Aug.13,'94	....	....	....
N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	84,649,000	J & J	99⅞	Sept.26,'05	100	99⅝	189,000
" " registered			J & J	99	Sept.27,'05	99	99	1,000
" deb. g 4s	1934	30,000,000	M & N	102⅛	Sept.28,'05	102⅛	101⅛	165,000
" " registered			M & N	102	July 8,'05	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	91	Sept.30,'05	91¼	90⅛	225,000
" registered			F & A	90	Sept.30,'05	90	88½	12,000
Michigan Central col. g. 3½s	1998	19,836,000	F & A	90⅛	Sept.28,'05	90¼	90	83,000
" registered			F & A	90	July 19,'05	....	....	....
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	106⅝	Sept.29,'05	106⅝	106⅝	1,000
" registered			J & J	102	Mar. 31,'03	....	....	....

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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.*
" 2d gtd. g. 5's	1936	500,000	J & J					
" registered			J & J					
" ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O					
" registered			A & O					
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D					
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23, '04			
" small bonds series B		38,000	J & J					
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D					
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6, 19'			
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10, '02			
" reg. certificates			F & A					
N. Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	106	Sept. 8, '05	106	106	2,000
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O					
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109¼	Sept. 27, '05	109½	108⅞	116,000
" registered			J & J	109	Sept. 18, '05	109	108	35,500
Lake Shore g 3½s	1997	50,000,000		103	Sept. 21, '05	103	101½	21,000
" registered			J & D	99½	June 2, '05			
" deb. g. 4's	1928	50,000,000	M & S	100⅝	Sept. 30, '05	103¾	100⅝	444,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	102	May 22, '05			
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J					
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	123½	Sept. 27, '05	123½	123½	2,000
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21, '03			
" 2d gtd 6's	1934	900,000	J & J					
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J					
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19, '04			
" 5's	1931	3,576,000	M & S	124	Feb. 3, '05			
" 5's reg	1931		Q M	119	June 6, '05			
" 4's	1940	2,600,000	J & J	106	July 1, '05			
" 4's reg			J & J	106½	Nov. 26, 19'			
" g. 3½'s sec. by 1st mge. on J. L. & S.		1,900,000	M & S					
" 1st g. 3½'s	1952	13,000,000	M & N	100	Sept. 27, '05	100	99	43,000
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D					
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	105½	Mar. 2, '05			
" 7's registered	1900		M & N	102¾	Apr. 6, 19'			
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Mar. 31, '05			
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	118¾	Sept. 20, '05	118¾	118¾	1,000
coup. g. bond currency			A & O					
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25, '02			
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N					
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107½	Feb. 4, '05			
N. Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	106⅛	Sept. 28, '05	106⅛	105¾	25,000
" registered			A & O	101	Mar. 28, '03			
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29, '03			
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15, '94			
N. Y., Ont. & W'n. ref'ding 1st g. 4's	1992	20,000,000	M & S	103	Sept. 29, '05	103	102¼	86,000
" registered.......$5,000 only.			M & S	103½	Jan. 17, '05			
Norfolk & Southern 1st g. 5's	1941	1,500,000	M & N	112	Aug. 26, '05			
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Jan. 23, '05			
" imp'ment and ext. 6's	1934	5,000,000	F & A	132½	May 16, '05			
" New River 1st 6's	1932	2,000,000	A & O	132½	Dec. 28, '04			
Norfolk & West. Ry. 1st con. g. 4s	1996	40,400,500	A & O	103⅜	Sept. 30, '05	103½	102¾	151,000
" registered			A & O	99¾	June 18, '03			
" small bonds			A & O					
" div. 1st lien & gen g. 4s	1944	8,000,000	J & J	99	Aug. 21, '05			
" " registered			J & J					
" Pocahon C. & C. Co. jt. 4's	1941	20,000,000	J & D	96¾	Sept. 29, '05	97½	96½	86,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	109½	Feb. 20, '05			
" Sci'o Val & N. E. 1st g. 4's	1989	5,000,000	J & N	103¼	Sept. 29, '05	103½	102½	30,000
N. P. Ry prior ln ry. & ld. gt. g. 4's	1997	101,392,500	Q J	103	Sept. 29, '05	106⅛	105⅝	163,000
" registered			Q J	106⅛	Sept. 16, '05	106⅛	106⅛	4,000
" gen. lien g. 3's	2047	56,000,000	Q F	77½	Sept. 29, '05	77¾	77	696,000
" registered			Q F	76	July 11, '05			
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	102	Sept. 28, '05	102	101½	13,000
" registered			J & D					
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125½	Sept. 11, '05	125½	125½	1,000
" registered certificates			Q F	132	July 28, '98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21, '03			
" 2d 5's	1917	2,000,000	A & O	109	June 27, '05			
" 1st con. g. 4's	1968	1,000,000	J & D	100	Aug. 31, '05			
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	92½	Apr. 14, '05			
Nor. Pacific Term. Co. 1st g. 6's	1933	3,559,000	J & J	114½	Aug. 9, '05			
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	118¼	Feb. 2, '05			
" gen. mortg. g 6's	1937	2,428,000	A & O	115	Sept. 30, '05	115	115	5,000
Ozark & Cher. Cent. Ry. 1st gtd g 5s	1913	2,880,009	A & O	101	Aug. 16, '05			
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	114¾	Sept. 27, '05	115	114¾	8,000

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Panama 1st sink fund g. 4½'s	1917	2,371,000	A & O	104½	Aug. 1,'05	....	....	....
" s. f. subsidy g 6's	1910	715,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	109	Sept. 12,'05	109	108½	8,000
" reg	1921		J & J	106	Aug. 23,'05	....	....	....
" gtd. 3½ col. tr. reg. cts.	1937	4,815,000	M & S	98	July 16,'04	....	....	....
" gtd. 3½ col. tr. cts. ser B	1941	9,581,000	F & A	93½	Aug. 26,'05	....	....	....
" Trust Co. ctfs. g. 3½'s.	1916	15,998,000	M & N	98	July 10,'05	....	....	....
" gtd. g. 3½'s tr. cts. s. C.	1942	4,948,000	J & D	....		....	....	....
" gtd. g. 3½'s tr. cts. s. D.	1944	10,000,000	J & D	....		....	....	....
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	120	June 19,'05	....	....	....
" registered		....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con. gtd. g. 4's.	1942	900,000	J & J	....		....	....	....
Clev. & P. gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03	....	....	....
" Series B	1942	1,561,000	A & O	....		....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....		....	....	....
" Series C 3½s	1948	3,000,000	M & N	....		....	....	....
" Series D 3½s	1950	1,990,000	F & A	96	Jan. 8,'04	....	....	....
E. & Pitts. gen. gtd. g. 3½s Ser. B.	1940	2,240,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	2,218,000	J & J	98¾	Apr. 4,'04	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....		....	....	....
Pitts., C. C. & St. L. con. g 4½'s.								
" Series A	1940	10,000,000	A & O	114½	Sept. 15,'05	114½	114½	1,000
" Series B gtd	1942	8,786,000	A & O	113½	July 21,'05	....	....	....
" Series C gtd	1942	1,379,000	M & N	112½	June 12,'05	....	....	....
" Series D gtd. 4's	1945	4,988,000	M & N	103	June 14,'05	....	....	....
" Series E gtd. g. 3½s	1949	10,257,000	F & A	96½	Sept 28,'05	96½	96½	4,000
" Series F c. gtd. g. 4's.	1953	9,000,000	J & D	....		....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,219,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04	....	....	....
Tol Walhonding Vy. & O. 1st gtd. bds 4½'s series A	1931	1,500,000	J & J	....		....	....	....
" 4½'s series B	1933	978,000	J & J	....		....	....	....
" 4's series C	1942	1,453,000	M & S	....		....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	107	Feb. 28,'05	....	....	....
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept. 21,'04	....	....	....
" registered			Q M	....		....	....	....
con. gold 4 per cent	1943	2,769,000	M & N	106	Aug. 28,'03	....	....	....
" ten year conv. 3½'s.	1912	20,523,000	M & N	105¼	Sept. 30,'05	106	105	430,000
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	110	Aug. 28,19'	....	....	....
Belvedere Del. con. gtd. 3½'s	1943	1,000,000	J & J	....		....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	110	Jan. 19,'05	....	....	....
Del. R. RR. & Bge Co 1st gtd g. 4's,	1936	1,300,000	F & A	....		....	....	....
G. R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111¼	June 5,'05	....	....	....
Phila. Balto. & Wash. 1st g. 4's.	1943	10,570,000	M & N	109⅝	July 18,'05	....	....	....
" registered			M & N	....		....	....	....
Pitts. Va. & Charl. Ry 1st gtd g. 4's.	1943	6,000,000	M & N	....		....	....	....
Sunbury & Lewistown 1st g. 4's.	1936	500,000	J & J	....		....	....	....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept. 28.04'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	123½	Jan. 18,'05	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	103½	Sept. 1,'05	103½	103½	1,000
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02	....	....	....
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	121¾	July 31,'05	....	....	....
" 1st con. gold 5's	1939	2,850,000	M & N	114⅜	Sept. 12,'05	114⅜	114⅜	1,000
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	114	June 15,'05	....	....	....
Sag'w Tusc. & Hur. 1st gtd. g. 4's.	1931	1,000,000	F & A	....		....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg. Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112½	Dec. 13,'93	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	120½	Aug. 8,'05	....	....	....
" 1st cons. 5's.	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	116	May 24,'05	....	....	....
Reading Co. gen. g. 4's	1997	66,232,000	J & J	103¼	Sept. 30,'05	103¼	102¾	425,000
" registered			J & J	100	Jan. 27,'05	....	....	....
" Jersey Cent. col. g. 4's.	1957	23,000,000	......	101½	Sept. 22,'05	101½	100¾	104,000
" " registered		....	......	....		....	....	....
Atlantic City 1st con. gtd. g. 4's.	1951	1,063,000	M & N	....		....	....	....
Philadelphia & Reading con. 6's.	1911	7,304,000	J & D	113¼	Feb. 25,'05	....	....	....
" registered		663,000	J & D	....		....	....	....
" 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
" " registered		3,339,000	J & D	118	Jan. 7,'05	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	2,000,000	J & D	109	Mar. 11,'05	....	....	....
Rio Grande Southern 1st g. 4's	1940	2,283,000	J & J	81	Sept. 26,'05	81	80	25,000
" guaranteed		2,277,000	......	89	Jan. 4,'05	....	....	....

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Rutland RR 1st con. g. 4½ s....	1941	2,440,000	J & J	103¾	May 10,'04	....	....	....
{ Ogdnsb.&L.Ch'n.Ry.1st gtd g4s	1948	4,400,000	J & J	99	June 23,'05	....	....	....
{ Rutland Canadian 1st gtd.g.4's.	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.842.......	1947	3,500,000	J & J	95	Sept.29,'05	95	94	13,000
St. L. & Adirondack Ry. 1st g.5's.	1996	800,000	J & J	....		....	....	....
• 2d g. 6's...............	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	103	June 14,'05	....	....	....
• 2d g. 6's, Class C......	1906	829,000	M & N	104⅛	Feb. 21,'05	....	....	....
• gen. g. 6's............	1931	3,681,000	J & J	131	May 26,'05	....	....	....
• gen. g. 5's............	1931	5,803,000	J & J	114¼	Sept.28,'05	114¼	113⅝	3,000
St. L & San F. R. R. con. g. 4's.	1996	1,558,000	J & D	98⅛	Sept.26,'05	98⅛	98⅛	1,000
• S. W. div. g. 5's........	1947	829,000	A & O	102¼	Aug. 7,'05	....	....	....
• refunding g. 4's.......	1951	{ 60,104,000	J & J	89¼	Sept.28,'05	89¼	88¾	717,000
• • registered...			J & J	....		....	....	....
• 5 year 4½'s gold notes.	1908	5,728,000	J & D	96	Dec. 8,'04	....	....	....
Kan. Cy Ft.S.&Mem RR con g 6's	1928	13,736,000	M & N	125	Aug.31,'05	....	....	....
Kan.Cy Ft.S &M Ry ref g gtd g4s.	1936	{ 17,810,000	A & O	90	Sept.30,'05	90⅛	89⅝	410,000
• registered..............			A & O	78⅛	Jan. 14,'04	....	....	....
Kan.Cy&M.R.&B.Co.1st gtd g5s.	1929	3,000,000	A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	99⅛	Sept.29,'05	100⅛	99¼	187,000
• 2d g. 4's inc. Bd. ctfs....	1989	3,272,500	J & J	86¾	Sept.30,'05	86¾	85	2,000
• con. g. 4's....	1932	16,678,000	J & D	84⅛	Sept.30,'05	84⅛	83	248,000
Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..	1909	6,790,000	A & O	118	July 19,'05	....	....	....
• 1st con. 6's............	1933	{ 13,344,000	J & J	139	Sept.22,'05	139	139	3,000
• 1st con. 6's, registered....			J & J	140	May 14,'02	....	....	....
• 1st c. 6's, red'd to g. 4½'s...		{ 19,322,000	J & J	111⅛	July 5,'05	....	....	....
• 1st cons. 6's register'd....			J & J	115¼	Apr. 15,'01	....	....	....
• Dakota ext'n g. 6's...	1910	5,073,000	M & N	111⅛	Sept.27,'05	111⅛	111⅛	5,000
• Mont. ext'n 1st g. 4's..	1937	{ 10,185,000	J & D	104⅛	Sept.28,'05	104⅛	104	7,000
• registered................			J & D	103⅛	Sept.19,'05	103⅛	103⅛	25,000
• Pac. Ext. sterl. gtd. 4s.. $5=£1.	1940	£4,000,000	J & J	....		....	....	....
Eastern R'y Minn, 1st d. 1st g. 5's..	1908	{ 4,700,000	A & O	104¾	Sept.26,'05	104¾	104¾	1,000
• registered................			A & O	....		....	....	....
• Minn. N. div. 1st g. 4's..	1940	{ 5,000,000	A & O	....		....	....	....
• registered................			A & O	....		....	....	....
Minneapolis Union 1st g. 6's....	1922	2,150,000	J & J	124	May 4,'05	....	....	....
Montana Cent. 1st 6's int. gtd..	1937	{ 6,000,000	J & J	136⅛	Sept.11,'05	136⅛	136⅛	2,000
• 1st 6's, registered.........			J & J	134¾	Dec. 20,'04	....	....	....
• 1st g. g. 5's...........	1937	{ 4,000,000	J & J	118⅛	Feb. 20,'05	....	....	....
• registered................			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	{ 3,625,000	J & D	117	Jan. 11,'04	....	....	....
• registered................			J & D	....		....	....	....
Salt Lake City 1st g. s. f. 6's.....	1913	297,000	J & J	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's,	1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	108	May 10,'05	....	....	....
Seaboard Air Line Ry g. 4's......	1950							
• registered................		{ 12,775,000	A & O	91⅛	Sept.29,'05	91⅝	90	151,000
• col. trust refdg g. 5's..	1911		A & O	....		....	....	....
Carolina Central 1st con. g. 4's.	1949	10,000,000	M & N	105	Sept.28,'05	105	104	12,000
Fla Cent & Peninsular 1st g.5's.	1918	2,847,000	J & J	99	Mar. 20,'05	....	....	....
• 1st land grant ext g.5's.	1930	3,000,000	J & J	109	Feb. 2,'05	....	....	....
• cons. g. 5's.............	1943	410,000	J & J	....		....	....	....
Georgia & Alabama 1st con.5's.	1945	4,370,000	J & J	109⅛	Mar. 3,'05	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's.	1929	2,922,000	J & J	112	Aug.30,'05	....	....	....
Seaboard & Roanoke 1st 5's....	1926	5,360,000	J & J	110	Jan. 16,'05	....	....	....
Sodus Bay & Sout'n 1st 5's, gold,	1924	2,500,000	J & J	....		....	....	....
Southern Pacific Co.		500,000	J & J	102	Jan. 20,'03	....	....	....
• g. 4's Central Pac. coll..	1949	{ 28,818,500	J & D	95⅛	Sept.29,'05	96⅛	95⅛	236,000
• • registered......			J & D	94	May 4,'05	....	....	....
Austin & Northw'n 1st g. 5's...	1941	1,920,000	J & J	111	Aug 30,'05	....	....	....
Cent. Pac. 1st refud. gtd. g. 4's..	1949	{ 76,351,000	F & A	101⅛	Sept.28,'05	102	100⅛	121,000
• registered................			F & A	98	Apr. 7,'05	....	....	....
• mtge. gtd. g. 3½'s...	1929	{ 17,493,000	J & D	89¼	Sept.22,'05	89¼	89	60,000
• • registered........			J & D	....		....	....	....
• through S L 1st gtd g. 4's.	1954	{ 8,300,000	A & O	101⅛	Sept.30,'05	102	101⅛	11,000
• registered.............			A & O	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..	1910	4,756,000	F & A	108⅛	Mar. 1,'05	....	....	....
• Mex. & P. div 1st g 5's.	1931	13,418,000	M & N	115	Feb. 24,'05	....	....	....
Gila Val.G.& N'n 1st gtd g 5's.	1924	1,514,000	M & N	107⅛	June 3,'05	....	....	....
Houst. E. & W. Tex. 1st g. 5's..	1933	501,000	M & N	105⅛	Jan. 27,'05	....	....	....
• 1st gtd. g. 5's.........	1933	2,199,000	M & N	107¼	Feb. 20,'05	....	....	....
Houst. & T.C. 1st g 5's int. gtd..	1937	4,842,000	J & J	111¼	Sept.11,'05	111¼	111¼	5,000

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" con. g 6's int. gtd.	1912	2,290,000	A & O	113⅛	Sept. 11, '05	112⅛	112⅛	2,000
" gen. g 4's int. gtd.	1921	4,275,000	A & O	100¼	Sept. 28, '05	100¼	100	10,000
" W & Nwn. div. 1st. g. 6's.	1930	1,105,000	M & N	127⅛	Feb. 27, '02	....	....	....
Louisiana Western 1st 6's	1921	2,240,000	J & J	....	....	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Dec. 6, '04	....	....	....
" 1st 7's	1918	5,000,000	A & O	129⅛	Nov. 5, '04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept. 14, '04	....	....	....
" gtd. g. 5's	....	4,751,000	A & O	113	Jan. 4, '01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,235,000	J & J	104⅛	June 13, '05	....	....	....
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	89⅝	Sept. 28, '05	89⅝	87⅛	87,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	108¼	Apr. 14, '05	....	....	....
" " "	1910	4,000,000	J & J	109⅝	Jan. 6, '05	....	....	....
" of Cal. 1st g 6's ser. B.	1905	16,738,500	A & O	103	June 19, '05	....	....	....
" " " C. & D.	1906		A & O	104⅛	Dec. 22, '04	....	....	....
" " " E. & F.	1902		A & O	115	Mar. 17, '05	....	....	....
" " "	1912		A & O	116	June 29, '04	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2, '04	....	....	....
" stamped	1905-1937	21,470,000	......	108⅝	July 11, '05	....	....	....
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	109⅛	Feb. 23, '05	....	....	....
Tex. & N. O. Sabine div. 1st g 6's	1912	2,575,000	M & S	112½	Feb. 24, '05	....	....	....
" con. g 5's	1943	1,620,000	J & J	111	Aug. 4, '05	....	....	....
Southern Railway 1st con. g 5's	1994	42,211,000	J & J	121	Sept. 26, '05	121⅛	120⅛	104,000
" registered	....		J & J	110	Feb. 29, '04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	8,029,000	M & S	99¼	Sept. 7, '05	99¼	99¼	5,000
" registered	....		M & S	....	....	....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	118	Aug. 19, '05	....	....	....
" registered	....		J & J	....	....	....	....	....
" St. Louis div. 1st g. 4's	1951	11,750,000	J & J	99⅛	Sept. 26, '05	99⅛	99⅛	12,000
" " registered	....		J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118	June 20, '05	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98⅛	Mar. 8, '05	....	....	....
" 2d mtg	1948	775,000	J & J	90½	Dec. 6, '04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116⅛	May 8, '05	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115⅛	Aug. 21, '05	....	....	....
" con. 1st g 5's	1956	12,770,000	M & N	120⅛	Aug. 24, '05	....	....	....
" reorg. lien g 4's	1938	4,500,000	M & S	113⅛	Sept. 1, '05	113½	113½	2,000
" registered	....		M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	124¼	Sept. 25, '05	124¼	124¼	10,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	June 6, '05	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	114¾	July 24, '05	....	....	....
" deb. 5's stamped	1927	3,368,000	A & O	114	Sept. 28, '05	114	114	3,000
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	98	Feb. 18, '05	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	109⅛	Aug. 4, '05	....	....	....
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29, '04	....	....	....
" small	....		M & S	....	....	....	....	....
" ser. B 6's	1911	1,900,000	M & S	112⅛	Jan. 6, '03	....	....	....
" small	....		M & S	....	....	....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8, '02	....	....	....
" small	....		M & S	....	....	....	....	....
" ser. D 4-5's	1921	950,000	M & S	110	Dec. 22, '04	....	....	....
" small	....		M & S	....	....	....	....	....
" ser. E 5's	1926	1,775,000	M & S	114⅛	July 27, '05	....	....	....
" small	....		M & S	....	....	....	....	....
" ser. F 5's	1931	1,310,000	M & S	113	Sept. 26, '05	113	113	1,000
Virginia Midland gen. 5's	1936	2,392,000	M & N	114⅛	Aug. 29, '05	....	....	....
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	114½	June 20, '05	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	97¾	May 15, '05	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115	Sept. 7, '05	115	115	1,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25, 19'	....	....	....
Staten Isl. Ry. N. Y. 1st gtd. g. 4½'s	1943	500,000	J & D	100	Nov. 22, '04	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111⅛	Apr. 20, '05	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	122¾	July 25, '05	....	....	....
" gn. refdg. sg. fd. g. 4's.	1953	18,000,000	J & J	100¾	Sept. 11, '05	100¾	100¾	1,000
" " " registered.			J & J	....	....	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29, '04	....	....	....
Tex. & Pacific, 1st gold 5's	2000	25,000,000	J & D	125¼	Sept. 30, '05	125¼	124	63,000
" 2d gold income, 5's	2000	963,000	MAR.	96	Aug. 28, '05	....	....	....
" La. Div. B. L. 1st g. 5's	1931	4,241,000	J & J	106⅛	Aug. 4, '05	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106½	Nov. 7, '04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	116¾	June 28, '04	....	....	....
" 1st M. g 5's West. div.	1935	2,500,000	A & O	111	May 31, '04	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	109¾	Sept. 11, '05	109¾	109¾	1,000
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	99	Sept. 26, '05	99½	98¼	4,000

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Toledo, Peoria & W. 1st g 4's	1917	4,800,000	J & D	93	Aug. 8,'05	....	....	....
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	91¾	Sept.28,'05	91¾	91¼	30,000
• registered			J & J	....		....	....	....
• fifty years g. 4's	1925	6,500,000	A & O	86⅝	Sept.25,'05	87	86¼	38,000
• registered			A & O	....		....	....	....
Toronto, Hamilton&Buff 1st g 4s	1946	3,280,000	J & D	98¼	Sept.29,'05	98¼	98¼	10,000
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	110⅝	June16,'05	....	....	....
• 1st ref. g. 4's	1952	700,000	A & O	96⅛	Sept.13,'05	96⅛	96⅛	1,000
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	105⅛	Sept.30,'05	106⅛	105⅛	275,000
• registered			J & J	104⅛	Sept.19,'05	105⅝	104⅛	8,000
• 1st lien con. g. 4's	1911	20,411,000	M & N	134⅝	Sept.29,'05	135¾	131¼	831,000
• registered			M & N	137¾	Apr. 15,'05	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's	1946	21,482,000	J & D	103⅝	Sept.30,'05	103⅝	102¾	93,000
Oreg. Short Line Ry. 1st g. 6's	1922	14,931,000	F & A	125¼	Sept.29,'05	125½	124	57,000
• 1st con. g. 5's.1946		12,328,000	J & J	118½	Sept.27,'05	118½	118⅛	7,000
• gtd. refunding g. 4's	1929	45,000,000	J & D	96⅞	Sept.30,'05	97	96½	462,000
• • registered			J & D	....		....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
• g. 5's	1926	1,812,000	J & J	114½	Apr.19,'02	....	....	....
Vandalia R. R. con. g. 4's	1955	7,000,000	F & A	103¾	Aug. 9,'05	....	....	....
• registered			F & A	....		....	....	....
Virginia & S'western 1st gtd. 5's	2003	2,000,000	J & J	112½	Sept.20,'05	112½	112½	3,000
Wabash R.R. Co., 1st gold 5's	1939	33,011,000	M & N	118⅛	Sept.28,'05	118¾	118	90,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	107	Sept.22,'05	107½	107	13,000
• deben. mtg series A	1939	3,500,000	J & J	91	Sept.16,'05	91	90½	4,000
• series B	1939	26,500,000	J & J	75	Sept.30,'05	78¼	70¼	3,567,000
• first lien eqpt. fd.g. 5's	1921	2,600,000	M & S	103	Aug. 7,'05	....	....	....
• 1st lien 50 yr.g.term 4's	1954	1,715,000	J & J	92	Apr. 17,'05	....	....	....
• 1st g.5's Det.& Chi.ex	1940	3,349,000	J & J	111	Aug. 4,'05	....	....	....
• Des Moines div.1st g.4s	1939	1,600,000	J & J	97	Nov.16,'04	....	....	....
• Omaha div. 1st g. 3½s	1941	3,173,000	A & O	88	Apr. 6,'05	....	....	....
• Tol. &Chic.div.1st g.4's	1941	3,000,000	M & S	97	May 27,'05	....	....	....
St.L., K.C.& N.St.Chas. B.1st 6's	1908	463,000	A & O	109½	Mar. 13,'03	....	....	....
Wabash Pitts Terml Ry 1st g.4's	1954	27,060,000	J & D	90	Sept.29,'05	91	90	127,000
• 2d g.4's	1954	20,000,000	J & D	37⅛	Sept.30,'05	38¼	36¼	673,000
Western Maryland 1st 4's	1952	31,924,000	A & O	90	Sept.30,'05	90	89⅛	253,000
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	119⅛	June 9,'05	....	....	....
• gen g. 3-4's	1943	9,789,000	A & O	98¾	Sept.22,'05	99¼	98¾	38,000
• inc. 5's	1943	10,000,000	Nov.	40	Mar.21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's	1911	3,250,000	J & J	110	Aug. 3,'05	....	....	....
Wheeling & Lake Erie 1st g. 5's	1926	2,000,000	A & O	116½	Sept.22,'05	116½	113	6,000
• Wheeling div. 1st g. 5's	1928	894,000	J & J	114½	May 27,'05	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	114	June23,'05	....	....	....
• 20 year eqptmt s.f.g.5's	1922	2,152,000	J & J	111½	Aug.15,'05	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	91½	Sept.29,'05	91½	90¾	63,000
Wisconsin Cen. R'y 1st gen. g. 4s	1949	23,743,000	J & J	95½	Sept.29,'05	95¾	94¼	143,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....		....	....	....
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	112	Sept.19,'05	112	110½	30,000
• 1st ref. conv. g. 4's	2002	17,000,000	J & J	94¼	Sept.30,'05	94½	91¼	2,062,000
• • registered			J & J	....		....	....	....
• City R. R. 1st c. 5's 1916	1941	4,373,000	J & J	108⅜	May 17,'05	....	....	....
• Qu. Co. & S. c. gd.g. 5's	1941	2,255,000	M & N	106	Feb. 9,'05	....	....	....
• Union Elev. 1st. g. 4-5s	1950	16,000,000	F & A	109	Sept.29,'05	109⅝	108⅝	89,000
• stamped guaranteed			......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's	1949	7,000,000	F & A	93	June22,'05	....	....	....
• stamped guaranteed			......	94⅝	Sept.30,'05	95	94	121,000
Nassau Electric R. R. gtd. g. 4's	1951	10,474,000	J & J	89	Sept.15,'05	89	89	32,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅝	Apr. 17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s	1951	10,913,000	J & J	103¼	Sept. 7,'05	103¼	103¼	1,000
• stamped guaranteed			......	102⅝	Sept.29,'05	102⅝	102¼	50,000
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	97½	June13,19'		....	....
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	....		....	....	....
Detroit United Ry 1st c. g. 4½'s	1932	3,450,000	J & J	95	Sept.22,'05	95	94½	93,000
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....		....	....	....
Havana Elec. Ry. con. g. 5s	1952	6,957,000	F & A	93½	Sept.28,'05	93¾	93½	62,000
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	....		....	....	....
Metro. St. Ry N.Y.g.col. tr.g.5's	1997	12,500,000	F & A	115	Sept.28,'05	115	114	15,000
• refunding 4's	2002	15,134,000	A & O	92⅞	Sept.29,'05	92⅞	91½	157,000
B'way & 7th ave. 1st con. g. 5's	1943	7,660,000	J & D	116¾	July 21,'05	....	....	....
• registered			J & D	119½	Dec. 3,19'	....	....	....

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Columb.& 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	120	July 14,'05	....	....	....
• registered..................		M & S	....		....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	120	June17,'05	....	....	....
• registered..................		M & S			....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	95½	Sept.29,'05	95½	95	51,000
• registered..................		J & J	....		....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118¼	Apr. 24,'05	....	....	....
Met. West Side Elev.Chic.1stg.4's.1938	9,808,000	F & A	94½	Sept.28,'05	94½	94½	1,000
• registered..................		F & A	....		....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's......................1919	4,050,000	J & J	106	Nov. 22,'01	....	....	....
St.Jos.Ry.Lig't,Heat&P.1stg.5's.1937	3,763,000	M & N	....		....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04	....	....	....
• gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Undergr'd Elec.Rys.of London Ltd.		J & D	98⅞	Sept.29,'05	98⅞	98¼	223,000
5% profit sharing notes 1908 series A		J & D	....		....	....	....
• series B	16,550,000	J & D	....		....	....	....
• series C		J & D	....		....	....	....
• series D		J & D	....		....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	106¼	July 13,'05	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	87¼	Sept.26,'05	87¼	87¼	1,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	92⅛	Sept.29,'05	92¼	91¼	168,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	87	Sept. 9,'05	87	87	2,000
• 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	102¼	Sept.27,'05	104	102	34,500
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.FerryCo.ofN.Y.1stc.g.5's.1948	6,500,000	F & A	46	Sept.26,'05	46	46	8,000
Chic. Junc. & St'k Y'ds col. g. 5's.1915	10,000,000	J & J	108	July 3,'05	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,432,000	A & O	77	Sept.18,'05	77	77	20,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....		....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	97	Sept.21,'05	98	97	31,000
• registered..................		F & A	....		....	....	....
Provident L. Soc. of N.Y. g.4's .1921	2,000,000	M & S	99	Sept.26,'05	99	99	1,000
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	100½	Sept.15,'05	100½	100½	1,000
St. Louis Terml. Cupples Station & Property Co. 1st g 4½'s 5-20..1917	3,000,000	J & D	....		....	....	....
So. Y. Water Co. N. Y. con. g 6's..1923	478,000	J & J	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	118½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's.................1907-1917	1,000,000	J & D	....		....	....	....
• F 4's.................1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
• G 4's.................1903-1918	1,000,000	F & A	....		....	....	....
• H 4's.................1903-1918	1,000,000	M & N	....		....	....	....
• I 4's.................1904-1919	1,000,000	F & A	....		....	....	....
• J 4's.................1904-1919	1,000,000	M & N	....		....	....	....
• K 4's.................1905-1920	1,000,000	J & J	....		....	....	....
Small bonds..........	....	......	....		....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	5,000,000	......	98	Sept.28,'05	98¼	97¾	12,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	96	Sept.28,'05	98⅛	96	334,000
Am. Ice Securities Co. deb. g. 6's.1925	2,655,000	A & O	83½	Sept.30,'05	83½	80¼	198,000
• small bonds..........		A & O	....		....	....	....
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	99	Sept.27,'05	99	98¾	2,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	91	Sept.23,'05	91	90½	15,000
Am. Tobacco Co. 40 yrs g, 6's....1944	50,769,750	A & O	117¼	Sept.30,'05	117⅝	116	799,000
• registered..............		A & O	116	Sept.12,'05	116¾	116	11,000
• g. 4's...................1951	72,757,000	F & A	76⅞	Sept.30,'05	78	75	2,637,000
• • registered...........		F & A	75¼	Aug.29,'05	....	....	....
Barney & Smith Car Co. 1st g.6's.1942	1,000,000	J & J	105	Jan. 10,'04	....	....	....
Central Leather Co. 20 yr. g. 5's .1925	28,080,000	A & O	102⅛	Sept.30,'05	102⅜	101¼	691,500
Consol. Tobacco Co. 50 year g. 4's.1951	5,735,900	F & A	80	Sept.30,'05	81	78	182,000
• registered..............		F & A	85¼	Dec. 3,'04	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,609,000	A & O	82¾	Sept.30,'05	82¾	80¾	643,000
Illinois Steel Co. debenture 5's...1910	6,200,000	J & J	99	Jan. 17,'99	....	....	....
• non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....

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.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Internat'l PaperCo. 1st con.g 6's.1918	9,724,000	F & A	108	Sept.26,'05	108⅛	107⅛	20,000
" con.conv.sinkgfundg5s1935	5,000,000	J & J	94	Sept.28,'05	96	94	16,000
Int. Steam Pump 10 year deb. 6's.1913	3,500,000	J & J	103⅛	Sept.19,'05	104	103⅛	2,000
Knick'r'ser IceCo.(Chic)1st g 5's.1925	1,937,000	A & O	98	Feb. 3,'05	....	....	....
Lack. Steel Co., 1st con. g. 5's....1923	15,000,000	A & O	108	Sept.30,'05	108	105⅛	96,000
Nat. Starch Mfg. Co., 1st g 6's...1920	2,846,000	J & J	85	Sept.12,'05	86⅛	85	2 000
Nat. Starch. Co's fd. deb. g. 5's..1925	4,137,000	J & J	70	Sept.26,'05	70	70	14,000
Standard Rope & Twine 1st g. 6's.1946	2,740,000	F & A	51¾	Sept.20,'05	53	51⅛	52,000
Standard Rope&Twine inc.g.5s..1946	6,806,000	......	3	Sept.26,'05	3	2⅞	15,000
United Fruit Co., con. 5's........1911	2,219,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..1915	5,280,000	M & N	111	Sept.28,'05	111	111	20,000
U. S. Reduction & Refin. Co. 6's..1931	....	......	101	Sept.22,'05	101	100¼	13,000
U.S. Realty & Imp.con.deb.g.5's.1924	13,284,000	......	100	Sept.29,'05	100½	99½	48,000
U.S.SteelCorp.10-60yr.g.sk.fd5's 1963	....	M & N	97⅞	Sept.30,'05	98⅛	96⅞	6,272,000
" " " reg. 1963	170,000,000	M & N	97⅞	Sept.26,'05	98⅛	96¾	7,000
Va.Carol Chem. col.tr.s.fd.g.5's..1912	6,500,000	A & O	100½	July 27,'05	....	....	....
BONDS OF COAL AND IRON COS.							
Col. Fuel & Iron Co. g.s.fd.g 5's..1943	5,255,000	F & A	103¼	Sept.29,'05	103¾	103¼	75,000
" conv. deb. g. 5's.........1911	1,710,000	F & A	90	July 10,'05	....	....	....
" " registered......... ..		F & A	....	....	....	....	....
Col. C'l & I'n Dev.Co. gtd g.5's..1909	700,000	J & J	55	Nov. 2,'19	....	....	....
" Coupons off................	....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's.......1919	600,000	M & N	107½	Oct. 7,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's.1919	949,000	A & O	102½	July 26,'02	....	....	....
Col.Inds.1st cv g&col tr gt5s ser A1934	12,378,000	F & A	73⅝	Sept.29,'05	73¾	71½	1,301,000
" registered..................	....	F & A	....	....	....	....	....
" 1st g & col tr gt 5s ser B.1934	12,537,000	F & A	72½	Sept.30,'05	72½	69	1,773,500
" " registered............	....	F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..1952	2,750,000	F & A	107⅝	Dec. 12,'04	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's1926	1,588,000	J & D	105¼	Oct. 10,'98	....	....	....
" 2d g. 5 s..................1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's 1951	3,000,000	J & J	104½	July 10,'05	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.1928	1,131,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch&Pitts.Cl&Ir.Co.pur my5's.1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..1912	835,000	J & D	105	Aug.10,'05	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..1951	3,474,000	J & J	100	Sept.29,'05	100⅛	99½	31,000
" Tenn. div. 1st g. 6's......1917	1,160,000	A & O	113	Sept.15,'05	113	112½	3,000
" Birmingh. div. 1st con.6's1917	3,603,000	J & J	110¾	Aug.30,'05	....	....	....
Cahaba Coal M. Co.,1stgtd.g.6's1922	854,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&ICo.gtd.g.6's1910	2,716,500	F & A	104¾	May 29,'05	....	....	....
Utah Fuel Co. 1st s. f. g. 5's......1931	839,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's...1949	6,157,000	M & S	90	Sept.29,'05	90	87½	50,000
GAS & ELECTRIC LIGHT CO. BONDS.							
Atlanta Gas Light Co. 1st g. 5's..1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.1945	14,493,000	M & N	114	Sept.27,'05	114⅛	114	16,000
Buffalo Gas Co. 1st g. 5's.........1947	5,900,000	A & O	80	Sept.30,'05	80	77	60,000
Columbus Gas Co., 1st g. 5's......1932	1,215,000	J & J	104⅛	Jan. 28,'98	....	....	....
ConsolidatedGasCo.,con.deb.6's..1909	19,857,500	J & J	172	Sept.30,'05	172	168	129,000
Detroit City Gas Co. g. 5's.......1923	5,603,000	J & J	103	Sept.29,'05	103	102	28,000
Detroit Gas Co. 1st con.g.5's.....1918	381,000	F & A	105	Sept.28,'05	105	105	5,000
Eq. G. L. Co.of N.Y. 1st con.g.5's.1932	3,500,000	M & S	102½	Nov. 5,'04	....	....	....
Gas. & Elec of Bergen Co. c.g.5s.1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s 1942	2,049,400	F & A	91	Sept.20,'05	91	91	1,000
Grand Rapids G. L. Co. 1st g.5's.1915	1,225,000	F & A	107¾	Dec. 17,'04	....	....	....
Hudson Co. Gas Co. 1st g. 5's....1949	10,290,000	M & N	109½	Feb. 10,'05	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.1922	3,750,000	A & O	100	May 5,'05	....	....	....
Kings Co. Elec. L.&Power g. 5's..1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....1997	5,010,000	J & J	124½	Sept.11,'05	124½	124	3,000
Edison El.Ill.Bkln 1st con.g.4's.1939	4,275,000	J & J	94½	Apr. 28,'05	....	....	....
Lac. Gas L't Co. of St. L. 1st g. 5's.1919	10,000,000	Q F	108	Sept.30,'05	108¾	107⅞	11,000
" small bonds................							
" refdg. & enten 1st g.5s.1934	5,000,000	A & O	105⅛	May 20,'05	....	....	....
Milwaukee Gas Light Co. 1st 4's..1927	7,000,000	M & N	93⅛	Sept.19,'05	93⅛	93⅛	2,000
Newark Cons. Gas, con. g. 5's....1948	5,274,000	J & D	90¼	July 30,'04	....	....	....
N.Y.GasEL.H&PCo1stcol tr g 5's.1948	15,000,000	J & D	110¼	Sept.29,'05	110¼	109½	30,000
" registered....................		J & D	110¼	Dec. 30,'04	....	....	....
" purchase mny col tr g 4's.1949	20,927,000	F & A	92	Sept.29,'05	92	91½	52,000
Edison El. Illu. 1st conv. g. 5's.1910	4,312,000	M & S	105⅛	Aug.23,'05	....	....	....
" 1st con. g. 5's...........1995	2,156,000	J & J	119½	Apr. 19,'05	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's1930	2,272,000	F & A	106	May 31,'05	....	....	....
N.Y.& RichmondGasCo.1stg. 5's.1921	1,150,000	M & N	103	May 22,'05	....	....	....

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.*	SEPTEMBER SALES. *High*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
Paterson&Pas. G.&E. con.g.5's	1949	3,317,000	M & S	105¼	May 10,'05	....	....	....
{ Peo. Gas & C. C. 1st con. g 6's	1943	4,900,000	A & O	124	July 12,'05	....	....	....
" refunding g. 5's	1947	2,500,000	M & S	109	Aug.24,'05	....	....	....
" refuding registered	....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's	1937	10,000,000	J & J	110	Sept.22,'05	110	109½	9,000
Con. Gas Co.Chic. 1st gtd.g.5's	1936	4,346,000	J & D	109	May 25,'05	....	....	....
MutualFuelGasCo.1stgtd.g.5's	1947	5,000,000	M & N	104½	June30,'05	....	....	....
" registered	....	....	......	...	....	....	....	....
Syracuse Lighting Co. 1st g. 5's	1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's	1949	1,500,000	M & S	110	May 13,'05	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's	1950	1,000,000	J & J	....	....	...	....	....
Westchester Lighting Co. g. 5's	1950	5,330,000	J & D	113	Jan. 31,'05	....	....	....
TELEGRAPH AND TELEPHONE CO. BONDS.								
Am.Teleph.&Teleg.coll.trust.4's	1929	48,000,000	J & J	96⅝	July 10,'05	....	....	....
Commercial Cable Co. 1st g. 4's	2397	9,991,100	Q & J	98	Aug. 7,'05	....	....	....
" registered	....		Q & J	100⅛	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.								
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	1,823,000	M & N	109½	May 18,'05	....	....	....
" registered	....		M & N					
N. Y. & N. J. Tel. gen. g 5's	1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's	1938	8,504,000	J & J	112¼	Sept.21,'05	112¼	111⅞	24,000
{ " fundg & real estate g.4½'s	1950	20,000,000	M & N	105⅞	Sept.29,'05	106	105½	85,000
Mutual Union Tel. s. fd. 6's	1911	1,957,000	M & N	107¼	Sept. 1,'04	107¼	107¼	1,000
Northern Tel. Co. gtd fd.4½'s	1934	1,500,000	J & J	103	July 26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME	*Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1905. *High.*	YEAR 1905. *Low.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
United States con. 2's registered	1930	542,909,950	Q J	104⅞	103⅞	104¼	104¼	7,000
" con. 2's coupon	1930		Q J	105⅝	104½	....	....	......
" con. 2's reg. small bonds	1930		Q J	104⅝	104⅝	....	....	......
" con. 2's coupon small bds.	1930		Q J	....	....	....	....	......
" 3's registered	1908-18	77,135,300	Q F	104¾	103⅛	....	....	......
" 3's coupon	1908-18		Q F	106	103¾	104¼	103¾	10,500
" 3's small bonds reg.	1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.	1908-18		Q F	103⅞	103⅞	....	....	......
" 4's registered	1907	156,591,500	J A J&O	106	104	..	....	......
" 4's coupon	1907		J A J&O	105⅞	104	105	104⅞	10,500
" 4's registered	1925	118,489,900	Q F	132⅞	132½	....	....	......
" 4's coupon	1925		Q F	134⅛	132¼	134½	134⅛	1,000
District of Columbia 3-65's	1924	14,224,100	F & A	....	....	....	....	......
" small bonds	....		F & A	....	....	....	....	......
" registered	....		F & A	....	....	....	....	......
Philippine Islands land pur. 4's	1914-34	7,000,000	Q F	110	109	....	....	......
" public works & imp. reg.4's	1935	2,500,000	Q MCH.	....	....	....	....	......
STATE SECURITIES.								
Alabama Class A 4 and 5	1906	6,859,000	J & J	101⅛	101⅛	....	....	......
" " small	....	....	....	....	....	....	....	......
" Class B 5's	1906	575,000	J & J	....	....	....	....	......
" Class C 4's	1906	962,000	J & J	....	....	....	....	......
" currency funding 4's	1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.								
Louisiana new con. 4's	1914	10,752,800	J & J	....	....	....	....	......
" " small bonds	....			....	....	....	....	......
North Carolina con. 4's	1910	3,397,350	J & J	....	....	....	....	......
" small	....		J & J	....	....	....	....	......
" 6's	1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds	1866-1900	556,500	J & J	....	....	....	....	......
" "	1868-1898		A & O	....	....	....	....	......
" new bonds	1892-1898	624,000	J & J	....	....	....	....	......
" "	....		A & O	....	....	....	....	......
" Chatham R. R.	....	1,200,000	A & O	....	....	....	....	......
" special tax Class 1	....	....	A & O	....	....	....	....	......
" " Class 2	....	....	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

NAME.	*Principal Due.*	*Amount.*	*Int'st paid.*	YEAR 1905. *High.*	YEAR 1905. *Low.*	SEPTEMBER SALES. *High.*	SEPTEMBER SALES. *Low.*	SEPTEMBER SALES. *Total.*
" " to Western N. C. R....		....	A & O	....	....	....	....	......
" " Western R. R..........		....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R.........		....	A & O	....	....	....	....	......
" " Western & Tar. R......		....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's.........	1913	6,681,000	J & J	97	95	....	....	......
" registered......................		6,079,000	J & J	....	....	....	....	......
" small bond.....................		362,200	J & J	95	95	....	....	......
" redemption 4's...........	1907	469,000	A & O	....	....	....	....	......
" 4½s.........................	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........	1912	600,000	A & O	....	....	....	....	......
Virginia fund debt 2-3's of...........	1991	17,087,000	J & J	97⅛	96¾	....	....	......
" registered......................			J & J	....	....	....	....	......
" 6's deferred cts. Issue of	1871	2,274,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....		10,416,565	....	13⅞	10	15½	14⅛	189,000
FOREIGN GOVERNMENT SECURITIES.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......	1901	14,060,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Japanese Gov. 6% ster loan.	1911	£10,000,000	A & O	103⅛	94½	102½	100⅛	680,000
" " second series.....	....	£12,000,000	A & O	101¾	98⅛	101¾	100¼	1,185,000
Imperial Russian Gov. State 4% Rente....		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's..............................	1908	3,000,000	M & N	..	....	....	....	......
Republic of Cuba g. 5's extern debt.	1904	35,000,000	M & S	108¼	103¼	105⅝	105	78,000
" registered.....................			M & S	...	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's...................		....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200...........................		£21,897,960	......	101⅛	99⅛	100¾	100⅝	8,000
Small bonds denominations of £20......		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	....	....	......
U. S. of Mex. 4's gold debt 1904 ser. A..	1954	39,870,000	J & D	95	92	94¾	93⅛	371,000
" " " ser. B..	1954		J & D	....	....	....	....	......

MONEY IN THE UNITED STATES TREASURY.—The Treasury increased its net stock of money last month $9,800,000. The total cash, however, was reduced $4,400,000. A decrease of $14,200,000 in outstanding certificates accounts for the increase in net cash.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1905.	*Aug. 1, 1905.*	*Sept. 1, 1905.*	*Oct. 1, 1905.*
Gold coin and bullion......................	$696,404,007	$717,810,763	$726,800,766	$734,927,793
Silver dollars..............................	487,756,494	494,617,319	492,622,302	488,791,964
Silver bullion..............................	1,708,079	....	....	....
Subsidiary silver	9,280,167	13,070,177	11,664,150	9,706,256
United States notes.......................	4,393,389	15,249,241	13,141,905	10,842,090
National bank notes........................	15,636,878	17,222,511	20,100,441	16,101,921
Total....................................	$1,215,179,014	$1,257,970,011	$1,264,329,564	$1,259,870,024
Certificates and Treasury notes, 1890, outstanding............................	945,696,970	961,080,405	964,594,533	950,334,144
Net cash in Treasury......................	$269,482,044	$296,889,606	$299,735,031	$309,535,880

BANKERS' OBITUARY RECORD.

Bartlett.—Frank Bartlett, President of the Auburn (Me.) Savings Bank, died September 10, aged seventy-nine years.

Bates.—Joseph M. Bates, President of the First National Bank, Attleboro, Mass., died September 7. He was born at Wickford, R. I., August 2, 1833.

Carey.—J. H. Carey, President of the Jesup (Iowa) State Bank, died September 16, aged sixty-four years.

Claflin.—Charles L. Claflin, President of the Hopkinton (Mass.) National Bank, and a trustee of the Hopkinton Savings Bank, died September 3. He was born at Hopkinton March 16, 1851.

Duncan.—Thomas Duncan, Cashier of the Elling State Bank, Virginia City, Montana, died September 21. He was born in Edinburgh, Scotland, in 1851.

Dusenbury.—George A. Dusenbury, President of the Exchange Savings Bank, Mount Pleasant, Mich., died September 22. He was born at Marshall, Mich., in 1845. In 1881 he went to Mount Pleasant and engaged in banking.

Gates.—Lyman J. Gates, President of the First National Bank, Kalamazoo, Mich., died September 14, aged seventy-three years.

Greenwood.—Marcellus B. Greenwood, Vice-President and Manager of the Daly Bank and Trust Co., Anaconda, Mont., died September 16. His death occurred at Minneapolis, Minn., and while he was on his way to visit his former home at La Crosse, Wis.

Halsey.—Meline W. Halsey, Secretary and Treasurer of the Union County Savings Institution, Elizabeth, N. J., died September 24.

Haviland.—F. C. Haviland, Cashier of the Farmers' National Bank, Hudson, N. Y., and connected with that institution for forty years, died September 28.

Howe.—Alden A. Howe, Treasurer of the Newton (Mass.) Savings Bank, died September 24.

McGahan.—Thomas R. McGahan, President of the Exchange Banking and Trust Co., Charleston, S. C., and former president of the chamber of commerce and of the cotton exchange, and for thirty-three years president of the board of health, died September 26. He was born at Madison, Ga., in 1825, locating at Charleston in 1853.

McGinniss.—R. P. McGinniss, President of the Owensville (Ind.) Banking Co., died September 18, aged sixty-three years.

Parsons.—Charles Parsons, President of the State National Bank, St. Louis, Mo., died September 16. Mr. Parsons was born at Homer, N. Y., in 1824. He was formerly President of the American Bankers' Association, and was one of the oldest and best-known bankers in the West.

Peabody.—Francis H. Peabody, head of the well-known banking firm of Kidder, Peabody & Co., Boston, died September 22, at the age of seventy-four years.

Sheets.—Philip Sheets, President of the Shelby County Bank, Botkins, Ohio, died September 16.

Smart.—D. C. Smart, President of Los Nietos Valley Bank, Downey, Cal., died September 16, aged sixty-five years.

Weston.—Hon. J. B. Weston, President of the Beatrice (Neb.) National Bank, and formerly State Treasurer of Nebraska, died September 15, aged eighty years.

Wood.—W. G. Wood, Manager of the Bank of Toronto, at Oakville, Ont., died September 20.

Woods.—John Woods, President of the Wauneta Falls Bank, Wauneta, Neb., died September 7.

THE

BANKERS' MAGAZINE

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

FIFTY-NINTH YEAR. NOVEMBER, 1905. VOLUME LXXI, No. 5.

THE SECRETARY OF THE TREASURY, in his address before the convention of the American Bankers' Association, departed somewhat from his printed speech, which related almost entirely to our marine commerce. After concluding this part of his address, the Secretary proposed that the National banks be permitted to issue "not asset currency, or emergency currency, but additional currency (as he understood it), equal to fifty per cent. of their present bond-secured circulation, and subject to a tax of five per cent." The only change in the present form of note suggested was that the words "secured by United States bonds" should be erased. As the Secretary very justly observed, these words are no longer necessary to give credit to the National bank notes.

As usual with most suggestions for giving elasticity to the currency, Secretary SHAW begins with a proposal to issue additional currency, instead of devising a plan to increase redemptions and retirement of notes, and thus provide a margin for additional issues when needed. There is no doubt, however, that if his plan were carried out some relief would be afforded by the additional circulation, though the fixing of an arbitrary limit would deprive the issue of the power to render any effectual assistance in times of panic. The imposition of a tax of five per cent. added to the bank's charge for interest, would make the additional currency rather expensive, and if a bank could import gold at a less expense it would hardly resort to the emergency issue, especially as the gold, by adding to the bank's reserve, would increase its lending powers in at least a fourfold ratio. When the additional notes came to be redeemed, the banks would have to take from their reserves to make deposits of lawful money with the Treasury for the redemption of the notes. Whether they would find the added notes a sufficient source of profit to justify their issue, is open to question.

Of course, the Secretary's "additional" currency is merely asset currency under another name, although the dose he prescribes is somewhat homeopathic. We should greatly have preferred to see the distinguished head of the Treasury go the whole length of his convictions, and recommend a complete cutting loose from a bond-secured currency. That is the only solution of the question that will ever prove satisfactory to the interests of the banks and the welfare of the people. We have reached a point where the public debt is being perpetuated largely for the purpose of furnishing a basis for the issue of bank circulation. When that fact becomes fully recognized, the party responsible for it will be given a very bad quarter of an hour by the voters of the country. Besides, on any ground, such a policy is indefensible. It is hoped that Secretary SHAW may yet signalize his connection with the Treasury Department by inaugurating the work of scientific currency reform.

SECRETARY SHAW'S PLAN for an emergency circulation, like other plans for promoting the elasticity of the currency, seems to be based upon the assumption that the amount of National bank notes now in circulation is no greater than it should be. The Secretary therefore proposes to make the circulation elastic by allowing the banks to issue fifty per cent. more circulation than they now have outstanding, the additional issue to be subject to a tax of five per cent.

To provide for elasticity by expanding the present volume of notes rather than by resorting to contraction is, of course, calculated to win the approbation of that very large body of citizens who desire "more money," even if they have to pay a costly tax to get it. But if there were some provision of law that would curtail the present volume of bank notes, leaving a reserve for issue to meet temporary or exceptional demands, and operating to reduce this extra issue whenever the emergency had passed, this would insure elasticity quite as effectually as the Secretary's five per cent. emergency circulation.

The issue of an emergency currency, under Secretary SHAW'S plan, or any other proposal of a similar nature, does not go to the root of the difficulty. An elastic currency presupposes an elastic basis of issue, the demand for currency itself furnishing the security on which the notes shall be issued; and, conversely, the disappearance of the demand causing the withdrawal of the security and therewith the cancellation of the notes. Within the limits of a single season, or of a year or a series of years, when there are great fluctuations in the amount of business to be done, the supply of bonds, which now constitute the only basis for bank circulation, may not be changed at all; or, on the other hand, the supply may increase in periods of dull business, causing inflation, or may decrease in brisk times, resulting in stringency. All this is a matter of common observation.

If there were no other currency save gold coin and certificates (leaving the subsidiary coins out of consideration), our currency system would be much more elastic than it is now. Expansion would come from the increasing supply of gold from our own mines and the attraction of gold from abroad, when needed, by a rise in the interest rate; an exportation of gold, on the other hand, would contract the circulation to the extent of the coin exported, the certificates being cancelled concurrently with the withdrawal from the Treasury of the gold which they represent. Even this slight possibility of elasticity is interfered with by our bond-secured bank circulation. When gold goes out, the hiatus thereby created is filled up with bank notes. If the notes were issued against commercial credits, and furthermore if the banks were compelled to keep substantial gold reserves for the redemption of their notes, there would be a contraction both of note issues and of credits when gold was exported; and when gold was imported the other element of elasticity—expansion—would be supplied.

It is idle to talk of elasticity of the currency until the problem is dealt with frankly from an economic standpoint. Political paltering with the currency question has produced serious evils, and will cause others yet more harmful unless a different course is pursued. If Secretary SHAW had made a direct appeal to the intelligence and common sense of the people, by pointing out the real defects in our currency system and plainly stating the only permanent cure for them, he would have rendered a substantial service to the business interests of the country, and would have strengthened the confidence of the people in his ability to measure up to the requirements of the Presidency.

THE DEFECTS OF OUR CURRENCY SYSTEM and the remedy therefor were aptly stated by G. W. GARRELS, President of the Franklin Bank, St. Louis, in an address before the convention of the American Bankers' Association lately held at Washington.

After some preliminary observations regarding money and the duties of the Government thereto, Mr. GARRELS declared our present currency system an inheritance of the Civil War, consisting of "a patchwork of political compromises," and also said that the pledge made to retire the greenbacks had not been kept. He condemned the so-called National bank note as a delusion, being no bank note at all, inasmuch as it does not circulate on the credit of the bank of issue; and, furthermore, that it does not appear when trade needs it, nor does it disappear when it has done its duty and is no longer needed. "It is," he said, "simply an artificial way for the Government to borrow money cheaply. It is forced into circulation, after the Government has been in the market to sell bonds, without regard to a reserve of gold, of which every good paper money is a representative, and in which it must be easily redeemable to remain good. The National bank note is issued without regard to the needs of trade, for the benefit of which bank notes were invented. It does not go out of circulation until it has done all possible harm by congesting the money market and demoralizing interest rates. Abnormally low interest rates in turn promote non-dividend-paying enterprises, inflate prices of securities, cause relaxation of the rules for doing a safe banking business, induce merchants and manufacturers to spread out beyond the safety limit, cause them to allow their assets to become slow and fixed, and promote gambling on the exchanges of the country."

This is a strong arraignment of the present system of issuing National bank notes, but nevertheless a true one. The remarkable fact about it is that the organized bankers of the country do not work more definitely and earnestly for a better system.

Mr. Garrels called attention to the fact, first pointed out by The Bankers' Magazine some months ago, that the issue of bonds on account of the construction of the Panama Canal would probably result in a large addition to the permanent paper currency of the country. On this point he said:

"An enterprise like the Panama Canal calls for loanable capital; or, in other words, for the savings and accumulated wealth of the nation. Only a small portion of this loanable capital will consist of the idle money seeking investment. The greater portion will be furnished by the products of our farms and of our mines, by the contents of our elevators, and of our warehouses, and the products of our factories and other forms of our wealth. The money used for this transformation as medium of exchange will be only needed temporarily and under a good currency law would disappear after it has done its service.

Under our present currency law it may happen that our circulation is increased by the full amount of the Panama Canal bonds to be issued. You are aware that trust companies and State banks use National bank notes without discrimination as reserve for deposits. You are also aware that large deposit accounts are created by loans made to customers. The increase of National bank notes of, say, $200,000,000, may, when digested by the banking mechanism, thus furnish loanable funds to an amount of nearly a billion dollars, and this without any regard to the loanable capital in existence.

Will not this be inflation against which our honorable Secretary of the Treasury has so earnestly cautioned?"

Considering the long time that will be required in building the canal, and taking into consideration that the present Federal taxation is very light, there seems to be no valid reason why the construction expenses of this enterprise should not be met by additional taxation, thus saving an enormous amount of interest and preventing an inflation of the currency that may prove dangerous.

A SCIENTIFIC BANK CURRENCY was provided for in a plan which Mr. GARRELS submitted to the convention. The notes to be issued under this plan are to be based on the general assets of the issuing bank, against which they are a preferred lien. They are secured further by a district-safety fund and a general guarantee fund, created out of the tax on circulation, and also by a gold reserve of thirty per cent. which each bank is required to hold for the redemption of its circulation. In case of a bank failure, the outstanding bank notes of the bank that failed are at once redeemable out of the general guarantee fund, which is later reimbursed as a first preferred creditor out of the assets of the bank that failed up to the full amount of the outstanding bank notes. In case the assets of the bank that failed are not sufficient to cover its circulation, one-quarter of the loss is made good by the district safety fund, and three-quarters by the general guarantee fund.

A Deputy Comptroller is to be appointed for every reserve city, and he is to have supervision over bank examinations and the issue of notes in his district. Each bank is to be allowed to issue notes to an amount equal to 150 per cent. of its capital. The method of redemption is as follows:

"Every bank of issue in the district designates one bank in its redemption city as its redemption agent. Whenever any bank note reaches the counter of any bank in a redemption city, it ceases to be money. It has to be redeemed.

If the bank note to be withdrawn from circulation originated in the redemption city, it is paid by the bank of issue, canceled and delivered to the Deputy Comptroller for credit on his books. If the bank note to be withdrawn from circulation did not originate in the redemption city, but in the same district, it is redeemed by the redemption agent in gold or through the clearing-house. It is charged to the bank of issue by the redemption agent and delivered to the Deputy Comptroller against his receipts.

The redemption agent advises the bank of issue of the denominations and numbers of the notes redeemed. The Deputy Comptroller cancels the notes, credits the bank of issue, and also advises the latter of the denominations and numbers of the notes redeemed.

If the bank note to be redeemed originated in another district, the said bank note is delivered by the receiving bank to the Deputy Comptroller against his draft on the redemption agent of the bank of issue in the redemption city of the district in which the note originated. A schedule of the denominations and numbers of the notes redeemed is delivered in duplicate with the bank notes to the Deputy Comptroller. A third copy of such schedule is attached to the draft, to be finally forwarded by the redemption agent to the bank of issue. An exchange charge is established for the drafts of the Deputy Comptroller, graduated according to the distance between the place of payment and the redemption city. This is allowed to the receiving bank, and is payable by the bank, the bank notes of which have been redeemed. The Deputy Comptroller cancels the bank notes and forwards them, with a copy of the schedule, to the Deputy Comptroller of the district in which the bank notes originated.

The Deputy Comptroller has charge of a sufficient supply of blank bank notes for each bank in his district, and delivers the same upon the application of any bank of issue entitled to them. If the Deputy Comptroller has on hand an application for additional circulation by a bank of issue at the time when clean, serviceable notes come in for redemption, he may reissue such bank notes instead of new ones.

Every one of the associated National banks is entitled to issue bank notes equal to one hundred or one hundred and fifty per cent. of its paid up capital. Each bank pays taxes on its outstanding bank notes at the rate of one-half per cent. on the first forty per cent., one per cent. on the next ten per cent., two per cent. on the next ten per cent., and so on, the rate of tax gradually increasing. The taxes received on circulation are set aside by the Government as a general guarantee fund until the amount received is equal to five per cent. of the maximum previous circulation. Whenever the income from this source is in excess of five per cent. of any previous maximum circulation, the excess is to go to the Government."

As will be seen, the method of redemption, which is a vital point in securing an elastic currency, has been carefully worked out.

If the banks availed themselves of the full limit of circulation allowed, they could, on the basis of their present capital, issue about $1,200.000 of notes; but this would be the maximum issue possible, and it is not likely, considering the provision requiring a reserve of thirty per cent. in gold, and with the strict redemption requirements, that the notes outstanding in ordinary times would approximate any such figure as above stated.

If the issue of bank notes is to be continued at all—the desirability of which is not indisputable—some basis other than United States bonds will have to be found, sooner or later. The suggestions of Mr. GARRELS are in line with the best thought on the subject of currency reform and are worthy of careful study.

THE WORLD'S GOLD PRODUCT for 1904, according to an estimate recently issued by Mr. ROBERTS, the Director of the United States Mint, amounts to $347,150,700, or a gain of about $25,000,000 over the figures for 1903.

This constant gain in the output of gold would seem to point to the wisdom of using a larger proportion of gold, or its paper representative, as a circulating medium. Although the stock of gold held in the United States has enormously increased in recent years, but little gold is seen in actual circulation. It is no doubt true that there is a popular preference for paper as against coin. But the paper in actual hand-to-hand circulation does not consist of gold certificates, the latter not being issued in denominations below $20, but of legal-tenders, National bank notes and silver certificates, the latter apparently predominating. Of course, where large payments are made, a greater proportion of gold certificates will appear.

The use of gold coin as a circulating medium results in some loss, owing to the abrasion of the coins; and since the "limit of tolerance" of abraded coins is a narrow one, this further tends to make gold unpopular. In communities where gold coin is more largely used than in the part of the United States west of the Mississippi River, there is perhaps less of a disposition to be on the lookout for light-weight pieces. Where the habits of the people have accustomed them to the use of paper, this form of money is doubtless preferred to the coin, on the score of convenience.

But good reasons can be adduced to show that all paper money should be a title to an equal amount of the standard coin, and directly convertible into such coin. In fact, with the large supply of gold now available for monetary use, it is becoming an open question whether it would not be better to have but one kind of paper money—gold certificates. These could be issued in denominations to suit the public convenience.

Objection has been made to the use of a gold currency as being too costly; but experience seems to indicate that this is a case where the best is the cheapest. Our silver certificates are used as a reserve by both the National and State banks, though they represent dollars of a much smaller intrinsic value than gold dollars. Moreover, as pointed out by Mr. GARRELS in his admirable address before the recent convention of the American Bankers' Association, the State banks and trust companies use National bank notes as a reserve. It is also suspected that some of the National banks do the same thing.

But our banking system will approximate an ideal standard of safety only by adhering strictly to the use of gold coin or gold certificates for reserve purposes.

Viewed from the narrow standpoint of profit—which, however, is very important to the shareholders in banks—it is probable that more satisfactory results could be obtained by using only gold or its paper representatives as bank reserves and as a circulating medium. The issue of $500,000,000 of National bank notes, it has been assumed, displaces an equal amount of gold from the circulation. But it does more than that. It diminishes the lending power of the banks very materially. If they held the $500,000,000 in gold, they could lend four times that amount in the case of reserve banks, or six and two-thirds times for country banks. Under the present law, which virtually compels a National bank to lend its capital to the Government, the power of the bank to lend to the business community is greatly curtailed. It must be conceded that the real purpose of banking is to aid in carrying on business transactions, rather than to provide funds to meet deficits in the Government's income. There is some evidence tending to substantiate the belief that the present system of issuing bank notes reduces banking profits by interfering with the primary purpose of banking—the lending of credit facilities to the business community.

Subsidies to American shipping were favored by the recent convention of the American Bankers' Association. Following an able address by Secretary Shaw in behalf of a revival of American shipping, the subsidy resolution, presented by Col. Lowry, was introduced and passed—only one member speaking against the resolution. It is considered remarkable, in a convention composed of men of such diverse political views, that so little of opposition should have been manifested against a proposal to take money out of the Treasury and bestow it upon private corporations. Perhaps there were many delegates opposed to such a policy, but deemed the time inopportune for expressing their views.

The real reason that American capital does not embark more largely in the building and operating of ships must be that it can find more profitable employment elsewhere. This being true, there is considerable doubt of the wisdom of using the public funds as a bounty to force capital to engage in lines of activity where it seems indisposed to enter of its own free will. There might be some excuse for such a policy if it could be shown that American trade is languishing for lack of adequate facilities for over-sea transportation; but this does not appear to be the case. On the contrary, our foreign trade is expanding more rapidly than ever before. If we were paying exorbitant rates to foreign steamship companies for carrying our products to the world's markets, or if the aggregate of freight charges paid for this service were as great as has been assumed, it is reasonably certain that American capital would not be indifferent to the opportunities thus presented. As a matter of fact, there is already more American money invested in shipping enterprises than might be inferred from the limited number of merchantmen flying the Stars and Stripes. The law denying American registry to foreign-built ships compels our capitalists who desire to engage in shipping to take refuge under foreign flags. So long as it is cheaper to build ships abroad, they will be built there, just as water will continue to run down hill until the law of gravitation is reversed.

But notwithstanding what has been said, there is a rising sentiment in favor of the restoration of our maritime interests to a position at least as relatively great as they were before the Civil War, and it was perhaps more a desire to recognize this sentiment and to show sympathy for it, than any liking for the subsidy policy in itself, that caused the American Bankers' Association to approve with practical unanimity the granting of subsidies to American steamship lines.

THE NEW YORK BANK STATEMENT is being severely criticized for its failure accurately to reflect the banking situation and the conditions affecting the money market. As is well known, the statement published on Saturday is an average showing of the condition of the banks for the week. If the report was an actual transcript of condition on a certain day in the week, there is no doubt there would be a general scramble for cash on that day, or an indulgence in what has come to be known as "window dressing." It is related that in the days of State bank notes, it used to be the custom of some of the banks in remote districts to pass around the coin that was held against note reserves. Thus, an examiner would call at a bank and find the proper reserve in coin. After the examination was completed, the bags containing the coin would be passed on to the next town ahead of the examiner. This plan had the somewhat doubtful merit of economizing the use of specie, though considerable difficulty was experienced whenever there was a run on a bank that did not have the bags of coin on hand at that particular juncture in its affairs. The necessity for all such shifty expedients has long since disappeared; nevertheless the banks are still anxious to make a good showing in their published reports. It is surmised, despite the fact that National and State banks are supposed to report on a date not previously fixed, that by a little quiet calculation the banks can tell, approximately, when they will be called on to report to the Comptroller, in the case of National banks, or to the State authority, in the case of State banks. Nor is it easy to prevent this by any practicable plan.

But, so far as the New York banks are concerned, it would seem to be feasible to have a statement that would be an accurate reflection of their condition. This could be attained by having the statement published daily, thus obviating the objections against the average system and furnishing a fresher and truer exhibit of the local banking situation. At the present time the fear of a "bad" statement by the banks often causes a disturbance disproportionate to the real importance of the changes of condition that are shown when the statement finally comes out. Moreover, stock exchange operations and other transactions are carried on practically in the dark, so far as any light is afforded by the week-old statements of the clearing-house banks. The uncertainties as to what the character of the statement will be are frequently productive of considerable harm. The present weekly report is of little value except for historical purposes. It is possible that some of the banks might demur at first to having their actual condition set before the public every day, but no doubt in the course of time this objection would disappear. A daily bank statement would be of great value as an indicator of the probable course of the money market, and would also be an incentive to the banks to make a strong showing every day in the week.

Of course, the objections urged against a daily statement are well known; but when boiled down they amount to this: that a statement of this character would show too much. This objection is sound enough if the real purpose of the statement is concealment instead of publicity.

THE AMERICAN BANKERS' ASSOCIATION has grown to be the largest and wealthiest financial organization in the world. Those who fear the power of concentrated wealth might consider the association objectionable, on the ground that it represents so large an aggregation of money. But a knowledge of the character of the association will speedily show such fears to be groundless.

As a matter of fact, the American Bankers' Association is not, broadly speaking, a compact organization. Within the ranks of the members there is great diversity of opinion, and complete freedom of action, on most of the subjects brought before the association. Indeed, there is such a spirit of independence among the members that the association finds its activities circumscribed within very narrow limits. Included in the membership are National banks, State banks, private banks, Savings banks and trust companies. These numerous institutions are further divided into large and small, city and country, to say nothing of sectional affiliations, which, though less sharply defined than formerly, must still be reckoned with in marking out the work to be done.

Taking into account all the heterogeneous elements comprising the membership, the wonder is that the association has been able to accomplish so much in behalf of the banking and general business interests of the country.

Without reviewing in detail the work done by the association, attention may be called to some of the more obvious benefits conferred by the united efforts of the bankers of the United States. Of primary importance is the undoubted advance of the *morale* of banking in this country. There is an unmistakable tendency toward a higher standard, among all classes of banks and in every section. An example of this is shown in the discussion of the question of insuring bank deposits. Whether such insurance is feasible or not, its discussion shows that there is a realization of the necessity for reducing the losses by bank failures to the lowest possible minimum. The interest in the subject of bank examinations, and in the matter of enforcing directors' responsibilities, also points in the same direction. The uniform Negotiable Instruments Act and the protective work are substantial evidences of the practical usefulness of the American Bankers' Association.

When the contest was raging over free silver, the association took firm ground in favor of the gold standard and exercised great influence in bringing about a right settlement of that question. It is to be regretted that work of a similarly positive character has not been done in behalf of a more scientific bank currency. That is a matter that deeply concerns every member of the American Bankers' Association as well as those who are engaged in business other than banking. To bring about earnest co-operation in behalf of currency reform among all the different elements comprising the association would require not only great ability and force of character, but rare tact. The endeavors to stimulate interest in the currency reform question have of recent years lacked vigor, and the report of the currency committee at the Washington convention, while containing much sound doctrine, is open to the same criticism. Most of the proposals are too vague to be effective, and at least one of them is wholly impracticable. Mr. PUGSLEY's report declared in favor of retiring the greenbacks by the issue of "a long time bond, payable at the pleasure of the Government, bearing an exceptionally low rate of interest, to be used specifically for bank circulation and public deposits." To test the popularity of this suggestion Mr. PUGSLEY—who is not only a successful banker, but an effective speaker and an experienced politician—should go as a delegate to the next National convention of his party and present a resolution embodying the above plan for retiring the greenbacks. The enthusiasm which such a resolution would evoke may be more easily imagined than described. Nor would the party now dominant take more kindly to a suggestion of this character.

There is only one practicable way to retire the legal-tenders, and that is gradually to convert them into gold certificates, as they are redeemed, using for that purpose the unpledged gold in the Treasury. This could be done without any appreciable contraction, and with no increase in the bonded debt.

The idea that more bonds must be issued, either to furnish security for circulation or public deposits, is one to which many bankers cling with great tenacity. This is not surprising, in view of the fact that the great majority of those engaged in the banking business have grown up under the present system. The payment of checks drawn against deposits brings greater and more immediate pressure on a bank's funds than the payment of its notes or its Government deposits, and yet no one seems to think that ordinary depositors must be secured dollar for dollar by a pledge of United States bonds.

While the proposals of the currency committee of the American Bankers' Association do not appear to be as definite as could be wished, and are further, in some respects, impracticable, the concluding paragraph of Mr. PUGSLEY's report strikingly epitomizes the principles that should be kept steadily in view. He said:

"In any discussion of currency reform it should be remembered that the banks are the servants of the people, not the masters, and that reform should not be in the interests of the banks alone, but in the interests of all the people. We should desire and expect the American dollar to be the world's standard of value, and our currency system to equal or surpass that of any other nation on the face of the globe, but only by the most conservative legislation can this be accomplished. Public opinion in this country should be so strongly and so thoroughly grounded in the great foundation truths of finance and currency that we should not only be right but stay right. These problems are well worthy the consideration of this convention, representing so largely the banking, financial and commercial interests of the country. A sound, stable and responsive currency is one of the greatest bulwarks of national greatness, glory and power, and one which will prove of inestimable value to its business interests."

THE LESSON IN BANKING which, according to his own story, the young financier attempted to give the New York banks by showing how easy it was to rob them, seems to have failed to make any great impression on those institutions. LEONARD undoubtedly proved, in this case, that it was possible to secure some $350,000 in securities by presenting a forged check to the bank where the securities were deposited as collateral for a loan. He derived no benefit from the transaction, but did get put in jail for it. His defense was that the whole thing was merely a harmless practical joke, designed to show a big bank how simple a thing it is to get possession of its funds without giving an equivalent therefor. But the officials of the bank in question evidently have not a sufficient sense of humor to enable them to see the matter in that light. If a highwayman points a gun at you, pulls the trigger, and the discharge of the weapon results in blowing your head off, you might be excused for not being in a position to have a thorough appreciation of this delicate exhibition of playful humor; nor would your enjoyment be increased by the further assurance that the intention was merely to show you how easy it was to fire a gun, and what disaster might ensue from this facility when the weapon was aimed at your own head.

Most people do not need to be told that it is easy to lie, to steal and to swindle. Those who are disposed to crime will find no effective barriers to stay their downward progress. Any bank and every bank can be looted whenever a sufficient number of the officers decide upon getting money in that way. It is impossible to devise a practicable system of checks and safeguards that will withstand all attacks. The only absolute guaranty of safety, in the hurry of modern banking, lies in the honesty of those who manage the business of the banks, supplemented by the honesty of those who deal with the banks. That this safeguard is effectual in practically all transactions is well known.

But without particular reference to the incident under consideration, it may be said that no bank should neglect any reasonable precautions, consistent with the despatch of business, to prevent the misappropriation of its funds by officers, employees or others. Failure to take such precautions not only subjects the cash and securities of a bank to unnecessary risk, but also puts a premium on crime, placing temptation in the way of the weak and the vicious.

LEONARD seemed to be filled with the idea that in unlawfully getting so much property away from the biggest bank in the country, he was doing something very smart; but the sequel proved that he only demonstrated his own folly.

Faith and trust are indispensable in conducting the banking business, and must continue to be so. Every possible check against dishonesty may be, and ought to be, employed; but in the long run somebody must be trusted or all the banks in the country would have to quit business. The fidelity to their trusts displayed by the great majority of bank officers and clerks shows that there is a proper sense on their part of the obligations of the responsible stations which they fill. Incidentally, it also shows that human nature is not quite so untrustworthy as many would have us believe in these carping times.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

BOOKS, RECORDS AND FORMS FOR THE TRUST DEPARTMENT —*Continued.*

SUNDRY FORMS FOR THE CORPORATIONS DIVISION, TRUST DEPARTMENT.

In addition to the forms for the record of transactions involving cash, the trust department has need of numerous other forms and records. Of great importance is the Tickler of this department, upon which a memorandum is made of every matter that will require attention at any future time. It is not safe to leave wholly to the memory of any individual or individuals the

DAILY TICKLER.

TRUST DEPARTMENT. Wednesday, October 4, 1905.

TRUST No.	TRUST	MEMORANDA	ATTENDED TO
408	X Y & Z Ry. Co.	Bonds mature	J. G. S.
763	Strong Co.	Send statement	M. G.
34	Electric Traction Co.	See special agreement on file	J. G. S.

FIG. 23.—TICKLER.

responsibility of attending to any of the details of business so important. Aside from the fact that memory is not always reliable, especially when the number of details is large, is the fact that the man upon whose memory depends attention to any matter may be away or sick or dead when the time comes for such attention. The only safe plan is to have a tickler entry made of every matter that must be attended to, including those which recur at regular intervals. The form of the Tickler is not of prime importance, so long as it serves the purpose of a reminder of the business to be done at the time it is to be done; but the Tickler entries ought to be plain enough to be understood by others than the one who makes the entries.

The responsibility of seeing that the business called for each day by the Tickler is attended to should rest upon one man, who will of course distribute memoranda to other workers as the circumstances require.

For those who prefer a Tickler in book form, that given in the Book of Forms issued by the Trust Company Section of the American Bankers' Asso-

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* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

1907 July 1.

Bonds X Y and Z. Ry. Co. mature

FIG. 24.—TICKLER CARD FOR GENERAL USE.

ciation is good. It is shown in Figure 23. The book may be either bound or made on the loose-leaf plan. If bound it is made to last for one year, one leaf for a day, and is indexed for months and days. If made on the loose-leaf plan, it may be indexed for years as well as for months and days, space for new leaves when needed being found by removing dead matter.

The use of cards instead of books for Ticklers is rapidly growing. The cards are placed in a case which fits into a cabinet in the vault, and is brought out each morning. It is provided with index cards for years, months and days. The case may be provided with a locking device to prevent the cards from slipping out accidentally or in the event of the case being overturned.

The card form of Tickler has many important advantages over the book form, among which are these:

For matters requiring attention at regular intervals (monthly, quarterly, semi-annually, etc.), but one card need be used for each item. When the

COUPONS DUE Oct. 1, 1905

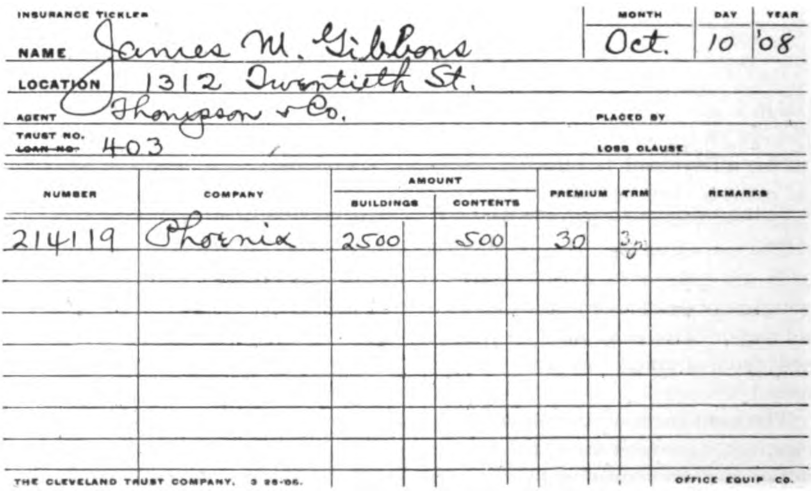
Trust Number.	Name of Trust.	Also Payable At
123	D. E. and F. Ry. Co.	N. Y.

BUCKEYE INDEX COMPANY. CLEVELAND.

FIG. 25.—TICKLER CARD.

business is adjusted for one period, the card is moved forward to the next period. Where a book is used, separate entries of the memorandum must be made for all of the periods, which in the case of a monthly item would mean twelve entries each year for perhaps a number of years. If it be urged against the card plan that the clerk entrusted with the duty may neglect to forward the card, or may misplace it, it may be urged that he may also neglect to write the memorandum in each of a number of necessary places in a book Tickler, or may write it in the wrong place.

Where preliminary attention is to be given a matter some days or weeks before final attention is called for, the card is placed under the first date, and when attended to is moved to the second date. Thus, an item due on the 20th of the month may require notification on the 6th. In such case, with a book Tickler two entries are necessary.


INSURANCE TICKLER

MONTH Oct. DAY 10 YEAR '08

NAME James M. Gibbons

LOCATION 1312 Twentieth St.

AGENT Thompson & Co. PLACED BY

TRUST NO. ~~LOAN NO.~~ 403 LOSS CLAUSE

NUMBER	COMPANY	AMOUNT BUILDINGS	AMOUNT CONTENTS	PREMIUM	TERM	REMARKS
214119	Phoenix	2500	500	30	3y	

THE CLEVELAND TRUST COMPANY. 3 25-06. OFFICE EQUIP. CO.

FIG. 26.—TICKLER CARD.

Where an item of business called for by the Tickler of to-day is for any reason not completed, it is only necessary to move the card forward to the next day in the Tickler, instead of writing a new entry in a book.

In trust work, items often need to be "tickled" years in advance. This is done easily with a card Tickler, less easily with a loose-leaf book; and is practically impossible with a bound book, without a separate book for each year, requiring a number of volumes on hand.

With the card system each item or group of items may have a separate card, which is a great advantage over the book system, where several dozen items occur on one page. There is much less liability of overlooking any item where each has a separate card than where there are a number of items on a page, some of which may be "dead" items.

The card Tickler is expansive. If a day's work involves need for two or three hundred items, the card-case will hold the cards. If a day occurs on which but one item is to be ticklerized, but one card need be inserted.

The most obvious objection to the card Tickler is the possibility that a card may be lost. The possibility of such a thing can hardly be denied; but

NO. 314
DATE 10/5/05
100 SHARES
Electric Traction Co
FROM John J Jones
TRANSFER TO Little Mann

NO. 314 TRUST DEPARTMENT 100 SHARES
Illinois Trust & Savings Bank.
CHICAGO
10/5 1905
Received FROM John J Jones
CERTIFICATE REPRESENTING One hundred SHARES
OF THE Preferred STOCK OF The Electric Traction Co.
FOR TRANSFER TO Little Mann
Illinois Trust & Savings Bank. TRANSFER AGENT.
NEW CERTIFICATE WILL BE DELIVERED ONLY UPON SURRENDER OF THIS RECEIPT.
BY CH.

FIG. 27.—RECEIPT FOR STOCK LEFT FOR TRANSFER.

its danger is often overestimated. The best testimony to the safety of the system is the fact that many companies which have used the card system for years have found it safe, and are wedded to the system.

In Figure 24 is shown a Tickler card for general use. It has no printing —simply lines for writing, as the character of the memoranda to be made varies so greatly that printed headings are not useful. There are certain classes of items, however, that recur so frequently that special forms may be desirable. Figures 25 and 26 illustrate two such forms, that shown in Figure 25 being for Coupons Due, and that shown in Figure 26 for Insurance Expirations.

FORMS FOR THE TRANSFER OF STOCK.

When a stock certificate is brought to a transfer agent for transfer, a receipt for same is given to the person who brings it. Figures 27, 28 and 29 show different forms for this receipt. The receipt shown in Figure 27 is provided with a stub. In the use of the two others, a copy is made by means of a carbon sheet, the copy being taken on paper of a different color from the original. These receipts are for temporary use only, and are to be surrendered when the new certificate is delivered. The new owner of the stock is then to sign the receipt on the stub of the certificate book. It very often happens, however, that the owner does not himself come for the certificate, but sends a messenger. In such case, the messenger's receipt is taken, and with the certificate is sent a receipt to be signed by the owner. Forms for

The Western Reserve Trust Co.
No. 1 Euclid Avenue.
Trust Department.

NO. CLEVELAND, O. 10/5 1905
RECEIVED FROM John J. Jones
CERTIFICATE No. 1314 FOR 100 SHARES
OF Pfd. STOCK OF The Electric Traction Co.
FOR TRANSFER.

REISSUE OF ABOVE STOCK WILL BE DELIVERED TO BEARER, OR ORIGINAL STOCK RETURNED, IF TRANSFER CANNOT BE EFFECTED, ONLY ON SURRENDER OF THIS RECEIPT.

The Western Reserve Trust Co.
CH.

FIG. 28.—RECEIPT FOR STOCK LEFT FOR TRANSFER.

No. 720 DEPOSITED FOR TRANSFER WITH

The Cleveland Trust Co.

By John J. Jones

Date 10/5/05 Time 11 a.m.

——— Shs. Common 100 Shs. Preferred

Stock of The Electric Traction Co.

The Cleveland Trust Co..

Sample

By CH

NOTICE:—Delivery will be made to bearer only upon return of this receipt with the attached stub properly signed by the depositor.

No. 720 ______ 190__

Received of **The Cleveland Trust Co.** ______ Shares

______ Stock of ______

AS REPRESENTED BY CERTIFICATE.

No.______ Shs.______ No.______ Shs. ______

No.______ Shs.______ No.______ Shs. ______

Signed ______

Address ______

FIG. 29.—RECEIPT FOR STOCK LEFT FOR TRANSFER.

this receipt are shown in Figures 30 and 31. It is preferably of small size, not over four by two or three inches, as it must be pasted on the stub of the certificate book. This transaction is evidently open to the objeetion that the messenger sent for the stock may be irresponsible or not well known to the company which acts as transfer agent, and the company may hesitate or

Do not fail to furnish Post Office address.

Cleveland, O., 10/5 1905

RECEIVED CERTIFICATE No. 1214 REPRESENTING 100 SHARES

OF THE preferred CAPITAL STOCK OF

The Electric Traction Co.

SIGNED John J. Jones

ADDRESS 4916 Cedar Street.

FIG. 30.—RECEIPT FROM OWNER OF STOCK.

refuse to entrust to him certificates representing great value. The form of receipt shown in Figure 29 is designed to meet this difficulty. To the receipt from the transfer agent is attached a stub containing a receipt which is to be signed by the owner of the stock or by some person known to the transfer

Bowling Green Trust Co.,
Standard Oil Building,
26 BROADWAY.

NEW YORK, 10/5 1905

RECEIVED from the BOWLING GREEN TRUST COMPANY, the following certificate of stock of the Electric Traction Co.

Nos. 1214 for 100 shares,

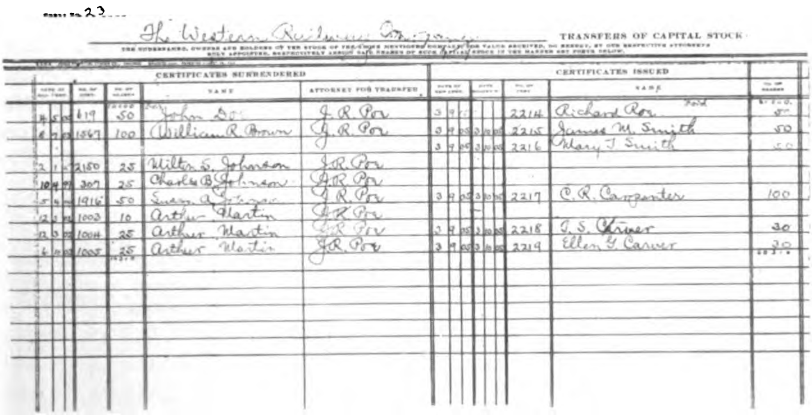
in the name of Little Mann

Name, Little Mann

Address, 4916 Cedar St

FIG. 31.—RECEIPT FROM OWNER OF STOCK.

agent as being responsible; and without such signature the new certificate will not be delivered. This plan protects the transfer agent and works no inconvenience to the owner of the stock. The receipt shown in Figure 28 has a good point in the wording at the bottom—"Reissue of above stock will be


The Western Railway Company — TRANSFERS OF CAPITAL STOCK

Certificates Surrendered: No. of Cert.	No. of Shares	Name	Attorney for Transfer	Certificates Issued: No. of Cert.	Name	No. of Shares
619	50	John Doe	J. R. Poe	2214	Richard Roe	50
1567	100	William R. Brown	J. R. Poe	2215	James M. Smith	50
				2216	Mary J. Smith	50
2150	25	Milton S. Johnson	J. R. Poe			
307	25	Charles B. Johnson	J. R. Poe			
1916	50	Susan A. Johnson	J. R. Poe	2217	C. R. Carpenter	100
1003	10	Arthur Martin	J. R. Poe			
1004	25	Arthur Martin	J. R. Poe	2218	J. S. Carver	30
1005	25	Arthur Martin	J. R. Poe	2219	Ellen G. Carver	30

FIG. 32.—STOCK TRANSFER BOOK.

delivered to bearer, or original stock returned if transfer can not be effected, only on surrender of this receipt." It sometimes occurs that the transfer can not be effected, and in such case it is well that the transfer agent should not appear to be committed to the duty of making the transfer.

STOCK TRANSFER BOOK.

Certificates Cancelled		Certificates Issued		Ledger Folio
No. Certificates	No. Shares	No. Certificates	No. Shares	
134	100	1911	100	75

COMPANY.

No. 1 100 Shares.

For Value Received, the undersigned hereby assigns and transfers unto Susan Henderson

One Hundred Shares

of the COMMON STOCK of

COMPANY.

of One Hundred Dollars each.

THOMAS HOWARD.

29 January. 1901.

By SYDNEY SMITH. Agt.

FIG. 33.—TRANSFER REGISTER.

The transfer clerk now cancels the certificate handed in for transfer, after satisfying himself that the transfer is properly authorized, issues a new certificate or certificates, and makes the proper entries on the Stock Transfer Book, a common form of which is shown in Figure 32. Some companies have this book bound in permanent form with an index either in the book or in separate form. Others use the loose-leaf plan, which is better, the index being in the shape of tabs on the edges of the leaves. The record of transfers for any number of companies—up to the capacity of the binder—are thus kept under one cover. But the plan is sometimes followed of having a separate Stock Transfer Book for the stock of each concern for whom the company acts as transfer agent. The general form for the pages in such case does not differ materially from that shown in the figure.

Figure 32 illustrates a customary way of making the transfer entries. The first entry shows the cancellation of certificate No. 619 for fifty shares in the name of John Doe, and the issuance of certificate No. 2214 for the same number of shares in the name of Richard Roe. The record of the new certificate is entered opposite that of the old one cancelled. The second entry shows the cancellation of a certificate for 100 shares, and the issuance of two new certificates for fifty shares each. The third entry shows the cancellation of three certificates for a total of 100 shares, and the issuance of one certificate for the 100 shares. The fourth entry is a little more intricate. Cer-

STOCK REGISTER.

Stock of the Western Railway Company. Amount of Issue $5,000,000.00 Value per Share $100.00

Certificates Cancelled			Certificates Registered											
Number	Shares	Name	Date of Registry Month	Day	Year	Date of Certificate Month	Day	Year	Name	Number	Shares	Date of Cancellation Month	Day	Year
619	50	John Doe	3	10	05	3	9	05	Richard Roe	2214	50			
1567	100	William R. Brown	3	10	05	3	9	05	James M. Smith	2215	50	10	5	05
			3	10	05	3	9	05	Mary J. Smith	2216	50			
2150	25	Milton S. Johnson												
307	25	Charles B. Johnson												
1916	50	Susan A. Johnson	3	10	05	3	9	05	C. R. Carpenter	2217	100			
1003	10	Arthur Martin												
1004	25	Arthur Martin	3	10	05	3	9	05	J. S. Carver	2218	30	9	14	05
1005	25	Arthur Martin	3	10	05	3	9	05	Ellen G. Carver	2219	30			

FIG. 34.—FORM FOR THE REGISTERING OF STOCK.

tificates for ten and twenty-five shares, respectively, are cancelled; the ten shares and twenty of the twenty-five shares are transferred to a new certificate for thirty shares. The remaining five shares are added to the twenty-five shares of the next certificate cancelled, and issued in a new certificate for thirty shares. The effort is to keep the record of certificates issued opposite that of the cancelled certificates from which the shares are transferred, so that the source of each certificate may be plainly shown.

The printed heading at the top of the page reads as follows: "The undersigned, owners and holders of the stock of the above-mentioned company, for value received, do hereby, by our respective attorneys duly appointed, respectively assign said shares of such capital stock in the manner set forth

69033 199

Dr. Walter F. Smith Cr.

Date	No. Transfer	No. Certificate	No. Shares	Date	No. Transfer	No. Certificate	No. Shares	Cr. Bal.
				4/30/03	150	141	100	100

Dr. A. M. Stork Cr.

Date	No. Transfer	No. Certificate	No. Shares	Date	No. Transfer	No. Certificate	No. Shares	Cr. Bal.
				5/2/03	152	142	75	75
9/3/03	210	142	75					0
				2/12/04	341	360	100	100
				3/1/04	398	400	50	150

Dr. York S. Straight Cr.

Date	No. Transfer	No. Certificate	No. Shares	Date	No. Transfer	No. Certificate	No. Shares	Cr. Bal.
				9/2/04	509	510	50	50
3/12/05	694	688	50					0

Dr. A. B. Strengle Cr.

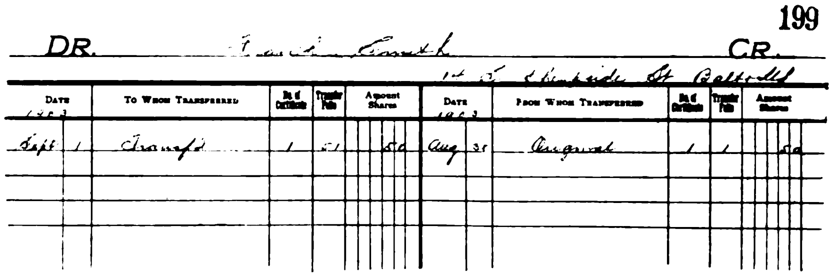
Date	No. Transfer	No. Certificate	No. Shares	Date	No. Transfer	No. Certificate	No. Shares	Cr. Bal.
				9/18/04	518	525	20	20

FIG. 35.—STOCK LEDGER.

below." The actual attorney for the transfer in each case is the clerk who does the work, and who signs his name in the space headed "Attorney for Transfer," opposite the entry of each transfer.

The transfer books used by various companies show some slight changes from this form. Some omit the column for the "Date of Old Certificate," since such date may be easily found if wanted, by turning back in the Register to the place where the issue of the certificate is recorded in numerical order. Some omit the column "Date Registered." Some add, at the right of the page, a column for the addresses of the persons in whose names the new certificates are issued; but it is more common to enter these addresses on the stubs of the certificate book, whence they are copied into the ledger.

There is a difference of opinion as to whether the form of assignment at the top of the page, and the signature of the clerk who acts as attorney for the transfers, really add anything in the way of legal safeguard.



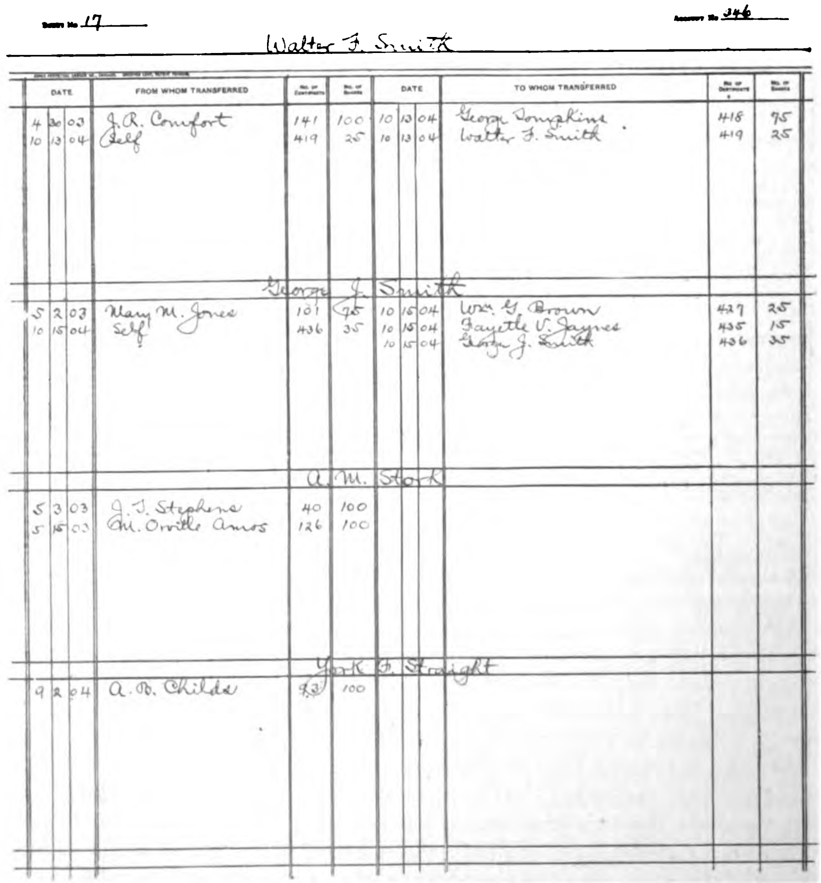
199

DR. CR.

Date	To Whom Transferred	No. of Certificate	Transfer Folio	Amount Shares	Date	From Whom Transferred	No. of Certificate	Transfer Folio	Amount Shares
1903					1903				
Sept 1	Transfer	1	51	50	Aug 31	Original	1	1	50

FIG. 36.—STOCK LEDGER.

In Figure 33 is given a form of stock transfer book which is recommended over the preceding form by the committee which compiled the Book of Forms issued by the Trust Company Section of the American Bankers' Association. The book is made with four blanks to a page, each form to be numbered from 1 upward.



Sheet No. 17 — Account No. 346

Walter F. Smith

Date	From Whom Transferred	No. of Certificate	No. of Shares	Date	To Whom Transferred	No. of Certificate	No. of Shares
4 30 03	J. R. Comfort	141	100	10 13 04	George Tompkins	418	75
10 13 04	Self	419	25	10 13 04	Walter F. Smith	419	25
	George J. Smith						
5 2 03	Mary M. Jones	101	75	10 15 04	Wm. G. Brown	427	25
10 15 04	Self	436	35	10 15 04	Fayette V. Jaynes	435	15
				10 15 04	George J. Smith	436	35
	A. M. Stork						
5 3 03	J. T. Stephens	40	100				
5 15 03	M. Orville Amos	126	100				
	York F. Straight						
9 2 04	A. B. Childs	33	100				

This book should be made with four blanks to a page, each form to be numbered from 1 upward.

FIG. 37.—STOCK LEDGER.

The form used by a Registrar to register transfers of stock is very similar to the Stock Transfer Book, as will be seen by an examination of Figure 34, which shows a usual form of the Register. With the exception of the dates of the old certificates (which some companies omit) and the signatures of the attorney for transfer, the entries in Figure 32 are reproduced in Figure 34. In the last column in Figure 34, headed "Date of Cancellation," is entered opposite each certificate the date when it is cancelled—if it is cancelled. Some Registrars, however, prefer to keep a stock ledger just as the Transfer Agent does. In such case, the column for "Date of Cancellation" is not needed, and is omitted on the Register. The essential function of the Registrar being to see that there is no over-issue of stock, it is important that the footings of the columns headed "Shares" be well kept up, and that the difference between the footings be never greater than the number of shares of

NAME A. M. Stock TRUST NO. 417

ADDRESS 321 Maple St., Cleveland, O.

CERTIFICATES SURRENDERED						CERTIFICATES ISSUED						
DATE				NO. CTF	SHARES	DATE				NO. CTF.	SHARES	BALANCE
						10	14	03		218	100	100
						12	4	03		257	50	150
						3	12	04		322	25	175
5	10	04		257	50							125

FIG. 38.—STOCK LEDGER (CARD).

the stock that should be outstanding. After the full amount of the stock has once been issued—as is supposed to be the case in the figure, 50,000 shares being outstanding—over-issue may of course be guarded against by the balancing of the debits and credits of each transfer, as explained under Figure 32.

It will be seen that the Stock Transfer Book is of the nature of a journal, giving an account of the changes in the ownership of the shares of stock. As the Transfer Agent must be in position to know at any time the present owners of the stock, and the exact number of shares owned by each, it is necessary to keep a stock ledger, four different forms of which are shown in Figures 35, 36, 37 and 38. The forms shown in Figures 35 and 36 are used in bound books, each corporation having a separate book. That shown in Figure 37 is made on the loose-leaf plan. That in Figure 38 is a card ledger form. These forms, all of which are in actual use to-day, illustrate the different methods of different companies. Two of the forms provide for information as to the person from whom shares are transferred and as to the person to whom they are transferred. The other forms leave this information to be obtained when wanted from the Stock Transfer Book. Two of the forms provide for balance columns, which is a great convenience. In the use of the card form, Figure 38, a case is provided for the ledger cards of each trust, with index cards, and the accounts of shareholders are thus kept in alphabetical order, a thing which can be done only approximately in bound ledgers. Figure 35 provides for four accounts on each page; Figure 36 for but one account. Four accounts may be carried in Figure 37, or the whole page may be used for one or two accounts, as circumstances require. In the card form, Figure 38, there is of course one account to a card, and a second card may be added when needed. The use of the card form is growing rapidly. The book form shown in Figure 35 has been widely used in New York and elsewhere.

CLAY HERRICK.

(*To be continued.*)

THE TYPICAL BANKER.—The retiring president of the Illinois Bankers' Association, in his address to that organization at Bloomington, hotly denounced the reckless falsehood of a New York financial journal which recently characterized bankers as "corrupters of Legislatures." His indignation was fully justified. The great—the overwhelming—majority of bankers are not in any sense that kind of men. There are bankers, it is true, who are not above trafficking in legislation for personal profit, just as there are bankers who seek to thrive by persuading people that they can by adding $2 to $2 make the sum of $5. There are also bankers who put on long coats and white ties and sit on platforms at political meetings, and who think they are winning success as bankers when they sit at the right hand of the toastmaster at banquets and get their names on first pages of newspapers in display type. But these kind of bankers are really an inconsiderable minority.

The typical banker is the man whose life is devoted to safely keeping and prudently increasing the money intrusted to him, and to paying 100 cents on the dollar under any and all circumstances. The typical banker knows that the final test, under which his life will be crowned with success or branded with failure, is simply this: That whenever any just demand is made upon him he pays 100 cents on the dollar.

Succeeding in that aim and meeting that test, the typical banker goes to his rest at night, and to his final repose, with an easy conscience and with a pleasing consciousness of duty well done and well rewarded, both in material ways and in the solid respect which he receives and deserves from his community as a strong pillar upholding the fabric of business, society and civilization.

That is the typical American banker.—*Philadelphia Commercial List and Price Current.*

CIRCULATION OF DIRTY BANK NOTES.—For some months past there has been a noticeable diminution in the proportion of filthy bank notes in circulation. This is undoubtedly due to a growing popular aversion to such notes, an aversion that has expressed itself in an increased demand on the Treasury Department for the redemption of soiled notes. This is said to have proved somewhat embarrassing to the Department and to the banks, and we are glad to be told that increased facilities for the redemption are to be supplied, but we hope that the embarrassment will in no degree be met by "refusing notes for redemption which are considered still durable," as if the possiblity of their enduring a while longer were the criterion of their fitness to circulate among decent persons. Let the people keep on demanding redemption if they wish to avoid the danger—and certainly it is a real danger—of contracting disease from the circulating medium. —*New York Medical Journal.*

A PRACTICAL TREATISE ON BANKING AND COMMERCE.

THE BANKER'S INFORMATION AND OTHER ELEMENTS OF SUCCESS.

INFORMATION NECESSARY TO SUCCESSFUL BANKING—CHARACTER AND CAPACITY OF BORROWERS—FAILURES IN BUSINESS—AMOUNT OF CAPITAL—FAMILIARITY WITH BANKING LAWS—DEALING WITH EMBARRASSED BORROWERS—KNOWLEDGE OF SECURITY VALUES—CREDITS—MERCANTILE AGENCIES—EXCHANGING INFORMATION.

Though a banker has proceeded so far as to have adequate capital, due authorization, suitable correspondents, and well-equipped office and staff, he will find himself utterly unable to proceed in the way of making profit, without an adequate stock of *information*.

If a young banker has passed through the grades of a banking office, and acquired proficiency in counting money, keeping books and handling securities, he may fancy he is well equipped for business, but this is only one-half of a banker's business, and by far the easiest half. It is when persons come with proposals for *Loans*, or for the *Discount* of business bills, that the banker finds the necessity of another sort of stock than money; and another sort of capacity than handling it.

A person, for example, comes into the office, with a proposal for a loan. The banker has funds, and he would be glad to employ them. But he is at once confronted with the question, who and what is the person proposing to borrow? Who and what is his proposed endorser? What is the real value of the security he offers?

The primitive banker, sketched in the beginning of this treatise, a wealthy and successful man of business and long established in the community, knows everybody in it, and *has* already this valuable stock of information at command. He can proceed safely enough in the business of lending. But woe to the unfortunate banker who would attempt to do a loaning business without information.

Information, then, being essential to successful banking, and to successful trading too (for banking and commerce in this respect are closely connected), it is proposed, at this time, to enter more fully than heretofore into a consideration of the whole subject.

There are four general heads under which may be grouped all the information a banker needs as to the *persons* who propose to negotiate loans or discounts with him; viz.—

1st Antecedents.
2d Character.
3d Means.
4th Experience.

Each of the above heads of information has peculiarities of its own, and each of them ramifies into numerous particulars.

For example, with respect to Character (for the above need not be taken in their order), the most essential quality is obviously honesty and uprightness; that is, that a man can be depended upon to *perform his promises*, to speak the truth and attempt nothing unfair.

It is not generally appreciated as it should be, that all the dealings of a banker in the way of lending money are based on *promises; i. e.*, the notes a merchant offers for discount, the acceptance of another merchant to bills of exchange, the endorsements on which so many millions of loans rest, even the contracts contained in debentures, are nothing but *promises* in writing. They all depend for their value on the character of the person promising. They are capable, indeed, of enforcement by law, but they would lose all negotiable value unless they could be depended upon without law. It is one of the marvels of modern banking that so many millions of assets consist simply of pieces of paper on which is written, either *I promise to pay*, or *I will see that some other person* fulfils the promise he has made to pay. Even such securities, so called the bonds of governments, or other corporations, are nothing but promises to pay certain moneys after a term of years, which promises may be kept or broken as circumstances develop. Such promises to the amount of millions have been broken (the bonds go into default, as the phrase is), and bond-holders on endeavoring to enforce performance by law, have repeatedly found themselves baffled and disappointed.

Certainty of performance, therefore, is the foundation of all dealing in promises; and it is only when a high degree of reliability is reached amongst any circle of customers that a banker can carry on business with success.*

But reliability as to *statements* is almost as important as reliability as to promises; inasmuch as a banker's business is largely founded on the *representations* made to him by his customers. There are degrees of reliability in men. One will make mis-representations, deliberately, from unscrupulousness, another from a sanguine temperament, and then from simple carelessness. Some men will tell a banker what they know to be false, though it is rare for men to go so far, unless in an extremity. Others (or the same man at other times) will color representations, diminishing some things, and exaggerating others, making the favorable points too prominent and keeping back those that are unfavorable; the effect being that a false impression is produced, although no direct falsehood has been spoken. Beyond all this lies the terrible region of fraud and forgery where a borrower brings promises to pay for discount, of which the supposed promiser never existed, or, if he exists, that he never saw.

When a man has gone so far as this, he has put himself out of the pale of bank dealings. His proper place is in the criminal dock.

Varying Degrees of Reliability and Capacity.

But apart from such a case as this—between the man of absolute honesty who can be relied upon to perform his promise, no matter what it may cost him, and the men whose word cannot be relied upon at all, there are many degrees

*It is generally known to bankers that the degree of reliability as to performance of promises is very high in the course of banking business of England. A protested bill is nothing but a broken promise, yet some banks doing a large business in England have so seldom had bills protested, that they looked upon such a case, when it did happen, to be almost as disgraceful as forgery.

of reliableness. Men there are, who on all ordinary occasions tell the truth, but whose moral courage fails them in an emergency. There are others who have a character for making misstatements to their neighbors, who never try to deceive their banker. The banker learns by experience how to balance conflicting reports. He will note whether statements may be made from personal prejudice, trade rivalry, or political antagonism. Equally will he guard against being misled by statements of a favorable nature that circumstances do not justify; for this is the more dangerous of the two. The one would lead to loss of business, whereas the other would lead to a loss of money. And, as Mr. Gilbart has well observed in his Treatise on Banking, when a banker has a written report on a customer before him, he will note as much what is omitted, as what is said. A man may be eminently honest and truthful, yet it might be very undesirable to lend him money. There are honest simpletons and truthful visionaries.

There are men who while scrupulously careful as to *performing* promises, are rash and sanguine in making them.

There are men who enter upon business operations who are foredoomed to failure from the outset. A banker, therefore, in the course of his loaning operations must direct his attention not only to honesty but to *capacity*.

This quality, like honesty, has many degrees and varieties. It is a composite quality, made up of various elements which are to be found in various combinations in different individuals.

Some of these are essential, such as good judgment, and common sense, together with a due combination of caution and courage; not an over-developed cautiousness, for in this case he would be afraid to run reasonable risks, nor an overweening courage, for in that case he will venture into rash operations. Capacity such as will make a man a desirable borrower is a sum of desirable qualities well and reasonably combined. For example, no man can be a desirable borrower from a bank who is not able to put forth strenuous exertions in emergencies; for such contingencies occur in every business; and if he cannot meet them he will be overthrown.

If a man is given to pleasure, and spends too much time in the enjoyments of the table, especially in drinking, he will prove to be a very undesirable customer for the banker. It need scarcely be said, except as a passing allusion, that all vicious pleasures must be shunned by every man who values his business character. Amongst these gambling and betting must be included.

A banker, then, has all the foregoing points to consider in their place and order. How, for example, can it be safe to extend credit to a man who is capable and economical, if he is not honest? Or, honest and industrious, if he has no ability? Or, capable and economical, if he has an idle disposition? Or, honest and capable, if he is a drinker or a sensualist? A perfect character can never be looked for, but it is certainly necessary to take the foregoing points into account.

The *Antecedents* of a man are generally more easy to ascertain than his real character, especially when his life has been spent in the neighborhood. When, however, a considerable part of a person's career has been spent in a distant locality, it is sometimes difficult to arrive at the truth. Enquiries as to antecedents obviously gather about several leading points. The first is, whether he has or has not been successful? Has he ever failed? If he has failed, then under what circumstances? Was it at a time of general depression, when the strongest firms could scarcely hold their own, or, was it when affairs in the commercial world were working smoothly? And what was the *reason* of his failure. Was it incompetency, idleness or extravagance? Did he over-trade or speculate, or neglect to insure? Was he carrying on a business of which he knew nothing? Was he foolish in crediting, and did he let every shiftless fellow in the community take advantage of him? Was he living in too fine a house, making too great a show, perhaps building, or buying property when he ought to have kept the money in the business? Prudent bankers will endeavor to ascertain in addition whether he got a settlement, and how he got it. Also what did his creditors think of it, especially what did his banker think? Particularly, was there any suspicion of *fraud* about his failure, or any attempt to take advantage of the easy provisions of the Bankrupt Act and make money by declaring himself, or by collusion, being declared, insolvent?

A banker might indeed save himself the labor involved in inquiries of this kind, by making it a rule never to lend money to any man who has failed under any circumstances. It would, perhaps, work to his disadvantage at times, for a man who had learned lessons from experience may be conducting a prudent and prosperous business. But it is certain that one who has failed is apt to fail a second time. When times of difficulty come, a person who has once failed, is strongly tempted to give up the struggle even when really solvent.

A banker may also reasonably enquire whether the man has had fair *success* in business, whether he "got on" as the phrase is. One who has barely kept his head above water, may sometimes prove an undesirable borrower. But such a man may have had to struggle with unusual difficulties, and yet have paid his way, and maintained an honorable reputation. Such men, although they do not accumulate money, are, sometimes, the very "salt of the earth," and among the safest of a banker's customers.

Amount of Means or Capital.

The third matter respecting which information will naturally be sought is as to a proposed customer's means, *or capital*. Some men who lend money would say that this is the only thing worth enquiring about. Without going so far as this, common prudence suggests that a man's capital is a matter of the first importance. Yet it is extremely difficult to get accurate information about it. Men almost invariably consider themselves worth more than they really are, hence it is necessary to criticise all statements of assets with a view to correcting over-valuations. But there are men in business and desiring to be customers of banks, too, who never make out a balance sheet at all, contenting themselves with mere lists of accounts due to them, and now and then estimating the value of their stock by guesswork.

If they own real property, they generally consider it worth its cost. Of liabilities they rarely keep an accurate account, except possibly of notes they have signed. Thus, judging both their assets and liabilities by guesswork, they estimate their means by guesswork too; guessing themselves to be worth one or more thousands of dollars, they claim credit accordingly.

But a banker would be simple, indeed, who would be satisfied with this. He will ask for what is generally called a "statement," which statement, for obvious reasons, should be in writing. Yet a prudent banker will rarely act upon a written statement without a conversation with the party who has submitted it. Such conversation will often bring out points that a bare statement leaves unrevealed, and will prove, if carried out judiciously, of great value to the party concerned, as enabling him to understand his real position. Moreover, in many cases, this will afford a fair index to the borrower's habit of mind, and show how far he is to be trusted in any future representations he may make.†

With regard to the *Experience* a proposed borrower has had in the business he is carrying on, it is a comparatively simple matter to ascertain it. If he has always carried on business in the same town or neighborhood his experience will be a matter of notoriety.

If it has been gained in some distant place the information received as to antecedents will cover the point.

But now supposing that the banker has acquired a sufficient stock of information to justify him in commencing to deal with borrowers, he must not imagine that he is exempt from the troubles of making future enquiries. Changes are constantly taking place, and it is necessary for a banker to keep his information abreast of the times. Last year's reports are not a safe foundation for this year's business.

Premonitory symptoms of coming trouble are of the first importance for a banker to consider. Especially such as come under his own observation. He will, however, take care that his observations are accurate and his information to be relied on. He will constantly be coming into contact with the better informed class of the community and have the opportunity of separating the chaff from the wheat. He will always be on the look-out for information, even when transacting ordinary business, but he will beware of encouraging his customers to gossip to him. This is particularly the case needful in country towns where a banker has farmers for customers.

In seeking information a banker will be careful not to waste his customer's time by asking too many questions. If he gets a reputation for what is called "pumping," he will be avoided. The time of mercantile customers is probably as valuable as his own, and while the information he may receive will have a direct monetary value to him, it is no benefit to him who imparts it.

In large cities there are generally to be found persons who have a sort of faculty for acquiring information. They pick it up on 'Change, or at the club, or at Board of Trade meetings, or in travelling. They have often a kind of instinct for discerning the quality of information and know what is worth talking about and what is not. Acquaintance with a man of this class is invaluable to a banker.

The knowledge to be acquired through Mercantile Agencies is dealt with further on.

There are, however, other things that claim the attention of a banker besides information as to the people with whom he is likely to do business. The first of which is a knowledge of the laws under which he does business. Later on in this work there is given a synopsis of the law relating to joint-stock banking in Canada and the United States. As by far the larger part of the banking of the country is carried on under this law it will be assumed

†There is, however, a mode of giving information which may be more valuable even than a written statement. When a merchant lives in a distant town and his banker casually calls upon him, the merchant may then take him into his office and open the private ledger containing his last stock-taking and statement of profit and loss. It is impossible for this to have been made up for the occasion, and the very act of doing so will tend to inspire confidence.

that a Canadian banker has become familiar with its provisions, especially with those relating to his function as a money-lender and the securities he can take therefor. He will learn from thence what he has power to do, and what he is prohibited from doing, what are his powers and limitations regarding real estate and fixed property, also as to security in the shape of warehouse receipts, bills of lading, liens, hypothecations, and other matters. Along with this he will learn what the law allows in dealing with depositors of various classes; also what are his obligations toward the Government itself. The provisions of the Bank Act should be so familiar that it will become practically impossible for him to incur any of the penalties providing for violating them.

Besides this special knowledge of the banking law, a banker will need a general acquaintance with the law of bills of exchange, and promissory notes; what constitutes their validity, and negotiability, also recourse upon endorsers, policies of insurance, guarantees, mortgages on real estate, chattel mortgages, how to proceed to enforcement, and other matters relating to securities. A banker need not be a lawyer to have such knowledge of these things as is necessary to conduct his daily business, and give instructions to his clerks. There will, however, arise at times questions regarding particular points of procedure respecting which he would do well to consult his lawyer. But, as he proceeds, a banker will gradually become as familiar with what he has power to do and what he has not as a merchant is with the tariff.

With regard to cash reserves and investments a banker should not only understand what is the proper proportion to be observed, but be possessed of sufficient skill and firmness to guide his discounting operations so as to maintain them.

An important qualification of a successful banker is the faculty of dealing with customers who fall into embarrassment, and of realizing securities to the best advantage. In spite of all a banker's caution he will find himself compelled at times to deal with embarrassed customers (embarrassed through no fault of his), and compelled also, much as he may dislike it, to devote time and skill to the working out of Insolvent Estates. Times of difficulty recur periodically in the commercial world, when insolvencies rise far beyond the usual average. It is in these difficult times that a banker's judgment and skill are severely tried; not only in making the best of securities, but in considering that most difficult question, Shall he support his customer, and nurse him into a safe position, or shall he refuse further advances and let matters take their course? Which of these lines to take is generally a perplexing question to answer. Either of them may lead to loss, if a mistake is made. The customer's business may be too deeply embarrassed to permit of its recovery; in that case additional advances will only lead to additional loss. On the other hand, if it is not too far gone, a little timely help may tide a worthy and capable man over temporary difficulty and preserve him as a good customer to a future time.

To refuse help altogether, would lead to certain loss. There is thus the alternative of certain loss on the one hand, of possible avoidance of loss on the other, with the other alternative that the help may prove insufficient, and the loss be increased. The only safe course to follow in such cases is this: if the party is honest and has the capacity to succeed if help is rendered—*then* care should be taken to ascertain, by the banker's own examination, whether the party is really solvent; and, next, to require such additional security as the law will allow, and as will not prejudice the customer's position. If the debtor is thus kept on his feet, it is not unreasonable to require that the banker should have some supervision over the business until such time as circumstances prove to be unnecessary. If such a step is taken, the banker will, of course, carry it out prudently, and not give the customer reason to complain of inquisitorial prying, or of unreasonable interference with his business.

It is, at all events, certain that this course has been more than once tried, and with the best results.

A banker will not have proceeded far in the way of his discounting before he perceives the importance not only of information respecting his immediate customers but of the persons with whom they deal. He will find it necessary also if he is doing business in a city to become acquainted with the various classes of *securities* that are offered for Loans, or which it may be desirable to purchase for investment. It will be well also that he should become acquainted, in some degree, with the staple *products*, which, under our banking law can be transferred to him as security, and with the prices current from time to time, and the condition of the trade in general.

A banker should be sufficiently well informed to be able to advise an importer, let us say, to moderate his purchases, giving reasons therefor; or an exporter whether to warehouse and hold for a time, or to engage all freight possible and bring his goods to market. This by no means implies that he shall acquire such technical knowledge as would enable him to either buy or sell the commodities. No banker could pretend with any reason to discuss the quality of a piece of cotton goods with a merchant, or to criticize the workings of the gangs in a sawmill with the owner. But he should know enough, let us say, of the trade of a wholesale merchant to judge whether he was carrying a reasonable or unreasonable amount of stock, as bearing on the amount of the credit such a merchant might apply for. Similarly, with regard to a flour mill, a banker should be well enough informed about the business to judge whether a proposed credit would be difficult. He should also have such a general knowledge of the timber business in its financial aspects as would enable him to judge whether the scale of his customer's operations was in proportion to his capital, and whether his credit was being used economically. He should know how much lumber a given expenditure ought to produce, and be able to judge whether the business was well managed or otherwise by the working of his customer's bank account.

And so with every leading line of business in which his customers are engaged. It tends to establish good relations between the banker and the merchant, when a man of business finds his banker well enough informed to be able to discuss the financial aspects of his business. From such a banker a merchant will more readily take, not only pertinent hints and ordinary advice, but those checks and refusals which at times are necessary to sound banking.

It is not only, however with regard to general lines of credit to the customer himself, that the banker's information is important, but also with regard to the credit that his customer gives to those who buy from him. A banker should be sufficiently informed to be able to say to a wholesale merchant who offers bills for discount, "You give a large line of credit to such a one. Probably you suppose you have his whole account. But I may tell you in confidence that you have not. He buys the same kind of goods to my knowledge, from another house, and my judgment is that both of you are giving him more credit than is desirable."

A merchant would be foolish indeed who did not take such a hint in good part and profit by it.

The conversation may take the shape of a criticism of the standing of a wholesale house. This house buys goods from a manufacturer, who is wise enough to consult his banker about credits. It would suit the manufacturer to sell the merchant a larger line of goods, but he does not know enough about him to take the risk. Here the banker may feel justified in giving his manufacturing customer the benefit of confidential information. In doing this he will consider well the kind of man to whom he is speaking, and what use he is likely to make of the opinion expressed.

Exporters are increasingly in the habit of attaching bills of lading to the bills they draw. These are commonly directed to be held until the bill of exchange is *paid.* But there are exceptions. It is in regard to these that a banker's information might be all important. Some merchants in Great Britain will not accept bills at all unless the bills of lading are given up; or they may require that bills shall be surrendered to a certain amount, and in some lines of export business it is not customary to attach bills of lading at all. In such cases the exporter has to rely altogether on the standing of the foreign house; and a well-informed banker can render his customer invaluable service. The banker may possibly express his opinion rather in acts than in words. He will not take the bill except with documents attached; or, if the documents are attached, he will not consent to their being surrendered before payment.

A Canadian banker will therefore take means to keep his information well up as to changes in foreign firms.

In the commercial centres of Great Britain the facilities for speculation are so multiplied as to constitute a positive temptation. A shipowner in Liverpool may be drawn into dabbling in cotton; a Glasgow grain merchant may try his luck with iron. As to London the opportunities for speculation are infinite, and embrace everything going on in the business world.

It is therefore of high importance to an exporter and a banker who deals with exporters to keep his information up to date.‡

Mercantile Agencies.

Mercantile agencies have been so remarkably developed during the last thirty years that they are indispensable to all who give credit, either in the shape of goods or money. The information they place at the service of their clients goes much beyond mere books of reference, and embraces detailed reports covering all four of the points referred to in an earlier part of this treatise.

Such reports, too, are often accompanied by balance-sheets, so that a banker has furnished to him what are practically a number of business histories condensed into a small compass and so methodically arranged as to be accessible with the smallest trouble.§

‡See the chapter on commercial bills drawn in sterling money.

§The records hitherto published by one great agency in Great Britain are of exceptional value, being arranged on scientific principles, and enabling every leading circumstance affecting credit to be taken in at a glance. It is well known in banking circles that the conductors of this agency have been men of remarkable information and sound judgment.

A banker, however, will find it prudent to bring a critical judgment to bear on such reports, for a mercantile agency makes mistakes, as well as their clients. It can only report what is reported to it; and its reporters, though generally well-informed men, do not, and cannot, know everything that is occurring.

In examining these reports it is always important to note the difference between *facts stated* and *opinions expressed.*

With regard to the balance-sheets in such reports, it should be remembered that they are communicated by the party himself. A banker, of course, will compare such balance-sheets with any that have been rendered to him.

But these reports are not the only reports that mercantile agencies publish. An important part of their business is to collect information of the *changes* that occur, especially those of an unfavorable character. Thus they furnish their supporters with lists of *suits* that are taken, and what is more important, of *chattel mortgages*, *bills of sale*, *judgments*, *executions*, and *insolvencies*. Partnerships also come within their purview; those formed or dissolved, together with information as to *death* of partners, which, of course, ends the partnership. The lists containing such information are long and the task of examining them laborious. But no banker who does an active business with the mercantile community can afford to pass them by, or to look over them in a perfunctory manner. An omission to notice some single unfavorable particular, may cost a banker or his customers thousands of dollars, especially if it relate to a foreign firm.

Bankers at times ask information of *one another*. Formerly there was scarcely any other source of information available, and much correspondence was formerly carried on between them on the subject. But time has brought new developments. Bankers do not now correspond as much as they did formerly respecting their customers, though they do occasionally compare notes in confidence. There are considerations as to such information that do not apply to any other mode of obtaining it. For example, let us suppose that a banker desires of a confrére information as to one of his customers. If the customer is in a good position and doing well, there is little difficulty in answering. But if the contrary is the case, what then? The account of such a customer may be one that the other banker is carefully "nursing," getting increased security whenever he can; hoping all may be well, yet being by no means sure.

Is he to damage his customer's credit by telling a confrére this? If he does, he may bring about a stoppage, and ruin his customer. On the other hand, if he conceals the real position and gives a favorable opinion, he will violate the confidence which ought always to exist between bankers.

The result usually is this: As bankers never care to give an unfavorable opinion, while a favorable one may be unjust, and as the declining to express an opinion would be construed unfavorably, they seldom or never ask one another at all, that is, as to their own respective customers.

A banker in Canada who buys a large amount of bills upon houses in centres of British trade, will find it advantageous to visit such centres occasionally, and compare notes on the spot, with his banking correspondents. In so doing he will learn many things which would never be communicated to him in writing, and which no mercantile rating would give him any idea of. There is this reason for taking such a course, that English bankers never commit themselves in writing except to very guarded statements. They are in the habit of stating that such and such a firm is "*considered to be worth*" say, a hundred pounds, or it is "good for engagements."

Such reports generally fail to meet the need of the enquirer. To say that a firm in Britain is good for a few hundred pounds, when the banker on this side knows that they are making purchases amounting to many thousands, is obviously insufficient. And to say that such a one is "considered" to be "good for his engagements," if the statement is taken literally, is simply to suggest that he has no capital at all.

If specific information is wanted, the better course is to ask specifically, giving exactly the point to be covered. When the question is put in a vague and general form, "What is the standing of such a one?" it will bring as a rule, only a vague and general answer.

But if the querist puts such a question as this: "Would it be safe for our customer here to ship such a firm two thousand pounds' worth of merchandise without security?" he is likely to get a much more specific answer, guarded though it may be.

The last remaining source of information arises in the daily intercourse of a banker with his customers and the public. This has been referred to already, but it may be desirable to observe that a banker, even while transacting routine business with customers, or mingling with his fellows in the club or elsewhere, will note anything affecting his interests; and by practice will acquire the art of doing this even when least appearing to do it. A casual remark dropped in conversation across the table, or a query addressed to him in a chance meeting with an acquaintance, may give to a quick intellect a clue which, if followed up, will lead to most important consequences.

Almost every particular in this and the preceding chapter has an application to Commerce as to Banking. The wholesale merchant with his large circle of customers is under the same pressure to keep up information as is the banker. Both mainly rely on the same sources of information and their interests, as regards information, are identical. They cover the same ground, and are subject to the same conditions. Both are dispensers of credit, the one in money, the other in goods, and the same general laws of credit are applicable to both bankers and merchants. G. H.,

Former Gen. Mgr. Merchants' Bank of Canada.

SOUTHERN BANK DEPOSITS.—The deposits of the National banks in the South, according to the report of the Comptroller of the Currency, aggregate about $450,000,000. If Missouri, Oklahoma and the Indian Territory are included, the total is nearly $600,000,000. The increase of deposits in the last two years was over $80,000,000. Florida in the last two years gained 45.4 per cent. and Arkansas nearly as much. The average gain in the South was 21.8 per cent. Maryland's deposits in 1905 were $61,985,715, Virginia's $42,277,158, West Virginia's $24,848,176, North Carolina's $14,056,820.—*Baltimore Sun.*

MARYLAND BANKERS' ASSOCIATION.—The annual convention of the Maryland Bankers' Association in session at Annapolis, October 6, elected the following officers for the ensuing year: David Sloan, President Lonaconing Savings Bank, president; Charles Hann, Cashier National Mechanics' Bank, Baltimore, secretary.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

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

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

CHECK—FORGED INDORSEMENT—RIGHT OF DRAWEE BANK TO RECOVER FROM INDORSER.

Supreme Court of Kansas, July 7, 1905.

WELLINGTON NATIONAL BANK *vs.* ROBBINS.

When an indorsement upon a genuine bank check is forged, or the name of the payee is placed thereon without authority, and the check is transferred and paid by a bank not the drawee, which bank in turn indorses it and collects it from the drawee bank, the drawee is under no obligation to inquire as to the genuineness of the first indorsement, but the latter indorser guarantles the genuineness of the prior indorsement.

In such case, if the payee brings suit against the drawee and recovers a judgment for the whole or a part of the amount of the check, and the drawee gives notice to its immediate indorser, and requests it to assume the direction and control of the defense, which it neglects to do, and the drawee employs counsel and defends the action in good faith, and judgment is rendered against it for a portion of the claim, and it pays such judgment, the drawee is entitled to recover of its immediate indorser the amount of the judgment so paid, together with all necessary and reasonable attorney's fees and expenses incurred in such defense.

(Syllabus by the Court.)

On September 5, 1898, Kettering & Sons were indebted to Parkhurst-Davis Mercantile Company in the sum of $249.71, and had on deposit in the plaintiff bank sufficient funds to pay said sum, and on that date drew their check on plaintiff for that sum,and delivered the same to one F. H. Teale, a salesman of the mercantile company. Teale indorsed the check, "Parkhurst-Davis Merc. Co., per F. H. Teale, Salesman," and presented the same to the defendant bank, and received from said bank $32 in cash and a draft for the balance of the check payable to the order of the mercantile company. Teale forwarded the draft to the mercantile company with instructions to credit it on two other accounts than Kettering & Sons, and converted the $32 cash to his own use. The defendant indorsed the check, "The Farmers Bank, Wellington, Kansas, paid September 6, 1898," and delivered the same to the plaintiff, and received full payment thereof.

The mercantile company, after learning of the transaction, claimed that the indorsement of the check by Teale was a forgery, that he was not authorized to indorse any check payable to them, and demanded full payment of the check from the plaintiff bank, and, upon refusal, brought suit against the plaintiff for the sum of $249.71. The plaintiff bank informed the defendant of the bringing of the suit, and requested it to come in and defend, to which the defendant paid no attention. Plaintiff defended, and the action resulted in a judgment in favor of the mercantile company against the plaintiff for the amount embezzled by Teale, with interest, $39.47, and costs, aggregating $85.12. The plaintiff paid the judgment of the mercantile company, and demanded payment from the defendant, which was refused, and thereupon brought this suit for the amount so paid and $50 attorney's fees, aggregating $135.12.

C. A. SMITH, *J.*: Under the agreed statement of facts in this case the defendant was responsible to the plaintiff for the money he paid out upon the check with the forged indorsement.

The rule as laid down in People's Bank vs. Franklin Bank, 17 Am. St. Rep. 898 (note), reads: "Money paid upon a forged indorsement of a check or draft may be recovered back. The bank or drawee is not bound to know the signature of an indorser. And the holder, whether he indorses the instrument or not, warrants the genuineness of all prior indorsements. If, therefore, a check or draft upon which the name of a prior indorsee has been forged is paid, the amount may be recovered back from the party to whom it has been paid, or from any party who indorsed it subsequent to the forgery."

The case of the Corn Exchange Bank vs. The Nassau Bank, 91 N. Y. 74, cited by the defendant, sustains this doctrine; but in that case it was held that the payee bank was not entitled to recover the expenses of a suit, for the reason that it had not discharged its duty to the defendant bank as a depositor. In the case at bar, however, the plaintiff, upon being sued for the entire amount of the check, notified the defendant in writing, and requested the defendant to assume and take charge of the case. This it was the defendant's duty to do, and it neglected to do it. The owner of the defendant bank, however, testified as a witness in that suit and had every opportunity to have any defense made that it could have made, if it, in fact, had been a party. It was the duty of the defendant bank to see the plaintiff harmless on its contract of warranty that the indorsement of the mercantile company on the check was genuine, and it ill becomes the defendant in this case to say that when the plaintiff was sued it should have paid the full amount claimed and then sought to recover it of the defendant. The plaintiff defended in good faith, employed counsel in good faith and at an agreed reasonable price, and saved the defendant over $200, and it is entitled to recover the full amount claimed.

The agreed statement of facts embraces every question material to the determination of the case, and the evidence offered and introduced by the defendant devolved neither upon the trial court nor upon this court the weighing of evidence to determine the facts. In the case of Bank vs. Williams, 62 Kan. 434, 63 Pac. 745, the court quotes from Sutherland on Damages (2d Ed.) § 58, as follows: "If one's property is taken, injured, or put in jeopardy by another's neglect of duty imposed by contract, or by his wrongful act, any necessary expense incurred for its recovery, repair, or protection is an element of the injury. It is often the legal duty of the injured party to incur such expense to prevent or limit the damages, and, if it is judicious and made in good faith, it is recoverable, though abortive." The act of the plaintiff in defending the action of the mercantile company was in good faith and was not abortive, but resulted in great good to the defendant. By so much more ought it to recover.

The judgment of the district court is reversed. The case is remanded with instructions to enter judgement for the plaintiff below for $135.12, with interest at the rate of 6 per cent. per annum from November 19, 1901, with costs. All the justices concurring.

PROMISSORY NOTE—PROVISION FOR DEDUCTING A DISCOUNT—NEGOTIABILITY.

Supreme Court of Minnesota, June 2, 1905.

LORING *VS.* ANDERSON.

It is an essential condition of a promissory note that there be no uncertainty as to the amount of money that it calls for at any particular time, but, if the promise be to pay a stated sum of money, plus or minus a definite amount or discount, the amount called for by the note is certain.

A written instrument whereby the maker promised to pay on October 1, 1903, to the order of the payee, $250, with interest—a discount of 6 per cent. to be allowed if paid on or before October 1, 1903,—is not uncertain as to amount, and it is a promissory note, and therefore negotiable.

The evidence herein justified the trial court in directing a verdict for the plaintiff on the ground that she was an indorsee of the note in question before maturity, for value, and without notice of any defense thereto.

(Syllabus by the Court.)

START, *C. J.*: The plaintiff, as indorsee before maturity, for value, brought this action upon a written instrument which is in these words:

"$250.00. October 1st, 1903 after date I promise to pay to the order of the Maplebay Wind Stacker Company of Crookston, Minnesota Two Hundred & Fifty and 00-100 Dollars.

Value received, with interest before and after maturity at the rate of 10 per cent. per annum until paid.

A discount of 6 per cent. to be allowed if paid on or before Oct. 1, 1903.

Payable at Christine State Bank, Christine, N. D. Anton Anderson.

Sec. Twp. Range.

P. O. Comstock.

This note is given for one Maplebay Wind Stacker No. 940."

The answer admitted the execution of the note, denied that it was indorsed for value, and alleged that it was given for a Maplebay Wind Stacker, which was warranted; that the defendant complied with the warranty on his part, but there was a failure of the warranty on the part of the payee of the note, and thereupon it was mutually agreed between the parties that the sale of the stacker should be rescinded, and the note returned to the defendant; and, further, that the defendant complied with the terms of such agreement on his part, but the payee refused to return the note. The new matter in the answer was put in issue by the reply.

The cause came on for trial by a jury, and at the close of the evidence the court, on motion of the plaintiff, directed a verdict in her favor for the amount of the note. The defendant appealed from an order denying his motion for a new trial.

The plaintiff introduced in evidence the note, with the indorsements thereon, showing that it was indorsed by the payee to the Scandia American Bank, and by it to the plaintiff. The evidence shows that the plaintiff purchased the note before maturity, in the usual course of business, and for value, without notice. The note was given for a stacker, as alleged in the answer; and the defendant gave evidence tending to show a warranty of the stacker, and a breach thereof by the payee of the note, and the agreement to rescind the sale and return the note. The defendant claims that the evidence also tends to show facts sufficient to take the case to the jury on the question of the bona fides of the several indorsees in acquiring the note. It is immaterial whether the bank was a purchaser without notice, if the plaintiff was such purchaser.

We have considered the record with reference to the question whether the plaintiff was an indorsee of the note before maturity for value, and without notice of any defense thereto, and find that the evidence was practically conclusive that she was such an indorsee. It follows, then, that, if the instrument sued on be a promissory note, the trial court did not err in directing a verdict for the plaintiff. The contention of the defendant is that it is not, because the amount thereof depends upon a contingency.

It is an essential condition of a promissory note that there be no uncertainty as to the amount of money it calls for at any particular time. Thus an instrument whereby the maker promises to pay to the payee or order or bearer a definite sum plus or minus a definite amount or discount is a promissory note, and hence it is negotiable; but, if the promise be to pay a stated sum of money plus or minus an indefinite amount or discount, it is not a negotiable instrument. (Smith vs. Crane, 33 Minn. 144, 22 N. W. 633; 1 Daniel, Neg. Instruments, § 53; 4 Enc. of Law, 96.)

Within which of the two suggested classes does the instrument in question fall? This is a question of some difficulty. The case of Mansfield Savings Bank vs. Miller, 2 Ohio Civ. Ct. R. 96, cited by counsel for the plaintiff, is the only one that we have been able to find touching the question. In that case the note contained this provision: "If this note is paid in full when due a discount of $39.78 is to be made from the amount then due." It was held that this provision did not render the note uncertain as to the amount thereof, for the reason that "the presumption is that parties will perform their obligations, rather than break them, and therefore, in the commercial world, if this note should be offered for negotiation, the amount at the time of payment would be known with certainty. While the note is undishonored and has any standing in the commercial world, the amount is definitely fixed. If any uncertainty could in any way arise, it is only when it becomes dishonored and ceases to have any standing as commercial paper." This reasoning is applicable to the note here in question, for, in legal effect, it is a promise to pay October 1, 1903, $250, with interest at the rate of 10 per cent. per annum, less a discount of six per cent. if paid on or before maturity. If the note were not paid when due, there could be no uncertainty as to the amount recoverable on it, for such amount would depend not upon any contingency or question of fact, for the law would determine the amount due on the note from its terms. (See Smith vs. Crane, 33 Minn. 144.)

On the other hand, while there is a contingency before the maturity of the note as to whether the maker will pay it at maturity or before, there is no contingency or uncertainty as to the amount to be paid in full discharge of the note at maturity or at any time before, if the maker elects to pay before. The amount is $250, with interest, less a discount of six per cent.—a matter capable of being made certain by computation. The result of such computation would give the exact amount due on the note at its maturity, and the exact amount which the maker was required to pay in full discharge of the note at any time before October 1, 1903, or at any time on that day, and the exact amount called for by the note at all times until it became dishonored by non-payment.

We therefore hold that the instrument which is the subject-matter of this action is a promissory note, and that the trial court did not err in directing a verdict for the plaintiff. Order affirmed.

NOTES GIVEN FOR PATENT RIGHTS—STATE STATUTE REQUIRING STATEMENT OF CONSIDERATION.

Supreme Court of Arkansas, May 6, 1905.

JOHN WOODS & SONS *vs.* CARL.

A State statute declaring void all notes given in payment for patent rights, unless they show upon their face that they were given for such consideration, is not in conflict with the constitution of the United States.

This was an action by John Woods & Sons against Frank Carl to recover upon a negotiable promissory note executed by the latter to the Human Gas Company, and which said payee, for a valuable consideration, assigned to plaintiffs before maturity. The defense was that the consideration of the note was the sale by the Human Gas Company of a certain patented medicine, and the right to the patent thereof in Arkansas, and the said note, not being executed in the form required by law, is absolutely void. The Human Gas Company, a partnership composed of C. G. Human, Chas. Herberer and J. W. Hansell, were the owners of the right to manufacture and sell in the State of Arkansas and other states a patented machine, known as the Human Automatic Acetylene Gas Generator, used for the purpose of generating gas; and in consideration of the note sued on, and the payment of the sum of $200, executed to appellee a written contract reciting that they "have sold, and by these presents do sell, to Frank Carl, of Little Rock, Ark., party of the second part, an undivided one-half interest in our business to be known as the Human Gas Company of Arkansas for the sale and manufacture of the Human Automatic Acetylene Gas Generator in the said State of Arkansas."

The court instructed the jury as follows: "If you find that this note was given for a patent right machine, or territory, you will find for defendant; if not, you will find for plaintiff." To which instruction plaintiff excepted. The jury returned a verdict for the defendant, and the plaintiff appealed.

McCulloch, *J.* (after stating the facts): The note sued on does not conform to the provisions of the act of April 23, 1891 (Kirby's Dig. §§ 513-516), in that it does not show upon its face that it was executed in consideration of the sale of a patented article or patent right.

The statute in question is as follows:

"Section 513. Any vendor of any patented machine, implement, substance, or instrument of any kind or character whatsoever, when the said vendor of the same effects the sale of the same to any citizen of this State on a credit, and takes any character of negotiable instrument, in payment of the same, the said negotiable instrument shall be executed on a printed form, and show upon its face that it was executed in consideration of a patented machine, implement, substance or instrument, as the case may be, and no person shall be considered an innocent holder of the same, though he may have given value for the same before maturity, and the maker thereof may make defense to the collection of the same in the hands of any holder of said negotiable instrument, and all such notes not showing on their face for what they were given shall be absolutely void.

Sec. 514. The foregoing section shall also apply to vendors of patent rights, and family rights to use any patented thing of any character whatever.

Sec. 515. Any vendor of any patented thing of any character, or any vendor of any patent right or family right to use any patented thing of any character whatsoever, who shall violate the provisions of section 513 shall upon conviction be punished by a fine of not more than three hundred dollars.

Sec. 516. This act shall not apply to merchants and dealers who sell patented things in the usual course of business."

Appellant contends, in the first place, that the contract in evidence shows neither a sale of a patented article nor a patent right, but we think it is quite clear that the contract must be construed as a sale of a patent right. It in express terms conveys to appellee an undivided one-half interest in the business of manufacturing and selling a patented machine in the State of Arkansas for an unlimited time, and provides that "in the event the net earnings of the Human Gas Co. has not been sufficient to cover the amount of the said Frank Carl's investment by January 1, 1902, then the Human Gas Co. hereby agree and bind ourselves to relinquish all of our right, title and interest in and to the said State of Arkansas * * * and give said Frank Carl a good deed and manufacturer's right in and to the said State of Arkansas for the sale and manufacture of the Human Automatic Acetylene Gas Generator."

A conveyance of an interest in the right to sell a patented article in a given territory is as much a sale of a "patent right" as a conveyance of the entire right to sell in the territory. No distinction can be made between the transactions in this regard. (New vs. Walker, 108 Ind. 370; Pinney vs. First Nat. Bank [Kan. Sup.], 75 Pac. 119.)

It is urged by appellants that this statute is in conflict with section 8, article 1, of the Constitution of the United States, giving to the Congress of the United States the power "to promote the progress of science and useful arts, by securing, for limited times, to authors and inventors the exclusive right to their respective writing and discoveries."

In the case of Tilson vs. Gatling, 60 Ark. 114, this court had under consideration the act of April 9, 1891 (Kirby's Dig. § 512), changing the rules of the law merchant concerning commercial and negotiable paper, so as to permit the payee or drawee of such paper executed in payment of a patent right, or patent right territory, to make all defenses against the assignee or holder of such paper that he could have made against the original payee or drawee, whether such paper be assigned before maturity or not; and that statute was held not to invade the power of Congress to create patent rights, etc.

It is difficult to perceive any distinction between the validity of the two statutes in that regard, for, if the Legislature had the rightful power to pass one of the statutes, it had also power to pass the other. If the jurisdiction of Congress over the subject of patents and patent rights is so extensive as to exclude the power of a State to declare void, unless made in certain form, written obligations given in consideration of sales of patent rights or patented articles, then it also follows that the State is powerless to alter the established rules of the law merchant so as to permit defenses, not applicable to other negotiable paper, to be made to such paper given in consideration of sales of patent rights or patented articles.

The argument of learned counsel for appellants that such legislation is an improper "discrimination against patented articles, by imposing upon their sale conditions and restrictions not placed upon the sale of other similar articles," is as cogent against one of the statutes on the subject as against the other.

In Wyatt vs. Wallace, 67 Ark. 575, the precise question was presented there as presented here, and the court held that there could be no recovery upon the note sued on. We are asked by counsel to review the question, inasmuch as in the last named case the alleged conflict between the statute and the constitutional power of Congress on the subject was not discussed either in the argument of counsel or the opinion of the court. This question was before the Supreme Court of Tennessee in a recent case (State vs. Cook, 107 Tenn. 499), and that court held that a statute similar to our own was valid and not in conflict with the Constitution of the United States. The reasoning of that court, in the very lucid opinion by Judge Caldwell, where all the authorities are carefully reviewed, is, to our minds, conclusive of the proposition that such legislation by the States is not in conflict with the Federal Constitution. In Tennessee, as in Arkansas, the Legislature first enacted a statute permitting the same defenses against negotiable paper in the hands of any holder or assignee as while in the hands of the original payee, and, later, another statute was passed declaring it to be unlawful to accept a note given for the sale of a patent right unless it shall appear upon the face of the note that the same is given in the purchase of a patent right.

The learned judge, in the case cited, said: "The two statutes are to be construed together as different parts of the same legislative scheme. Their combined effect, when each is strictly observed and enforced, is simply to prevent written obligations for the purchase of patents or interests therein from being negotiable in the highest sense, and to subject them, in whosesoever hands, to all defenses available to the maker against the original payee. So construed, neither act by itself, nor the two combined into a single scheme, can be truly said to contravene any provision of the Federal Constitution and statutes in reference to patents, or to restrict or impair the right of sale guaranteed thereby. * * * These statutes are also sustainable as valid police regulations, having been passed in good faith for the real promotion of the public welfare, and being well calculated to accomplish that end through the fair and much-needed protection thereby afforded against imposition and fraud, so often and so easily perpetrated in the sale of the peculiar incorporeal right or intangible property contemplated."

This view is sustained by the following decisions of the courts of last resort of other States: Sandage vs. Studebaker, 142 Ind. 148; Hankey vs. Downing, 116 Ind. 118; New vs. Walker, 108 Ind. 370; Union National Bank vs. Brown [Ky.], 41 S. W. 273; Mason vs. McLeod, 57 Kan. 105; Pinney vs. First Nat. Bank [Kan. Sup.], 75 Pac. 119; Tod vs. Wick, 36 Ohio St. 370; Haskell vs. Jones, 86 Pa. 173; Patterson vs. Kentucky, 97 U. S. 501.

The Kentucky Court of Appeals, in passing upon a similar statute, said: "The right to prescribe regulations for the protection of its citizens against fraud and imposition is not taken from the State by the Federal Constitution or by any national statute. On the contrary, it may be considered as having been authoritatively settled that the national Government cannot exercise police powers for the protection of the inhabitants of a State. These are local matters, and must be governed and regulated by the State." (Union National Bank vs. Brown, supra.)

In New vs. Walker, supra, the Supreme Court of Indiana said, concerning a statute on this subject: "As the Federal Legislature cannot enact police regulations which will yield the citizens of the State just protection, it must be that the State Legislature may enact such regulations, or the citizens be left without protection. We are unwilling to declare that vendees of patent rights cannot be restrained by reasonable police regulations, and we do therefore declare that the provisions of the statute under immediate mention, being in the nature of police regulations, are constitutional and valid." The contrary view is expressed, with more or less directness, in the following cases in State courts: Hollida vs. Hunt, 70 Ill. 110; Cranson vs. Smith, 37 Mich. 309; Wilch vs. Phelps, 14 Neb. 134; Crittenden vs. White, 23 Minn. 24; and in the following Federal cases: Ex parte Robinson, 2 Bis. 309, Fed. Cas. No. 11,932; Woollen vs. Banker, 2 Flip. 33, Fed. Cas. No. 18,030; Castle vs.

Hutchinson (C. C.), 25 Fed. 394; Reeves vs. Corning (C. C.), 51 Fed. 774, and Pegram vs. Am. A. Co. (C. C.), 122 Fed. 1000.

We have no hesitancy in reaching the conclusion that those cases are best supported by reason which hold to the doctrine that such statutes as that now under consideration do not amount to an interference with or impairment of the rights conferred by the patent issued by the Federal Government, nor to an invasion of the constitutional authority of Congress. We therefore adhere to the rule announced by this court in Wyatt vs. Wallace, supra, and Tilson vs. Gatlin, supra, that the statutes in question are valid.

It is urged by appellants' counsel in argument that the last clause of the act of April 23, 1891, exempting from its operation "merchants and dealers who sell patented things in the usual course of business," violates that clause of the fourteenth amendment of the Constitution of the United States guarantying to all persons within the jurisdiction of a State "the equal protection of the laws," and renders the entire act void. Our attention is cited by counsel, among other authorities thought to sustain their contention on this point, to the opinion of Judge Rogers in the recent case of Union County National Bank vs. Ozan Lumber Co. (C. C.), 127 Fed. 206, but we do not find it necessary to review these authorities, nor to pass upon the question now, as it is not essential to a decision of this case. The exemption in question applies only to the sale of "patented things" in the usual course of business, and not to the sale of patent rights. If it be conceded that this exemption be an improper discrimination (which we do not decide) as to those who sell patented articles, and renders the act void as to its application to all sales of patented articles, it leaves the act unimpaired in its application to the sale of patent rights. The act may be unconstitutional and void as to its application to part of the subject-matter and valid as to others, and we think this rule preserves unimpaired the provisions of the statute with reference to notes given for the sale of patent rights. (Leep vs. Railway, 58 Ark. 407; State vs. Deschamp, 53 Ark. 490; L. R. & F. S. Ry. vs. Worthen, 46 Ark. 312; State vs. Marsh, 37 Ark. 356; Union County Bank vs. Ozan (C. C.), 127 Fed. 206; Cooley's Const. Lim. [7th Ed.], pp. 246-250.)

Though section 1 of the act applies primarily only to the sale of patented articles, and even if it be held to be void as to its application to those articles, it will yet be retained so as to carry the application of the second section to it as to the sale of patent rights.

It is further contended that the cause should be reversed because the court erred in submitting to the jury the question as to whether or not the note was given for sale of a patented machine, when there was no evidence of such sale. The instruction was erroneous in this respect, but no harm resulted, as the facts were undisputed, and upon proper construction of the contract, and applying the law as herein declared, the verdict was right.

Affirmed.

TAXATION OF NATIONAL BANK STOCK—RES JUDICATA—RETROACTIVE STATUTE.

Supreme Court of the United States, April 17, 1905.

CITY OF COVINGTON *vs.* FIRST NATIONAL BANK OF COVINGTON.
FIRST NATIONAL BANK OF COVINGTON *vs.* CITY OF COVINGTON.

In Kentucky an adjudication that a bank has a contract exempting it from taxation is not effectual to protect such contract rights as to taxes for years other than the one directly involved in such adjudication, and in a case arising in that State the Federal court will follow the same rule.

The Kentucky statute of 1900 imposing taxes upon National banks is void, in so far as it lays a tax for past years upon stock held without the State, and which before the act of 1900, it was not required to return.

This action was brought to enjoin the assessment or collection of taxes on certain shares of capital stock of the First National Bank of Covington for the years from 1893 to 1900, inclusive, and to enjoin the arrest of the President and Cashier of the bank for not listing such shares, and for a decree adjudicating the same not liable to taxation up to the time of the expiration of the charter of the bank on November 17, 1904.

The principal grounds alleged and relied upon were that, by reason of the acceptance of the terms of the act of the General Assembly of Kentucky, passed in 1886, known as the Hewitt law, an irrevocable contract had been made between the bank and the State, whereby the former was to pay to the State taxes at a certain rate on its stock, surplus, undivided profits, which, when paid, were to be in full of all other State, county, or municipal taxes, except those levied on the bank's real estate.

It was averred that complainant had regularly paid such taxes up to and including those due July 1, 1900. That the fact that the bank had such irrevocable contract had been adjudicated and finally determined by a decision in the Court of Appeals of Kentucky in a litigation wherein the State and the City of Covington and the bank were parties. The bill further set up that an attempt was being made to compel the complainant to list for taxation its shares of stock under an act of the State of Kentucky, passed March 21, 1900 (Session Acts 1900, p. 65).

It was also averred in the bill that the act of March 21, 1900, which undertakes to impose taxes for the years 1903 and following, is unconstitutional and void, and operates to discriminate against the complainant, in violation of § 5219 of the Revised Statutes of the United States (U. S. Comp. Stat. 1901, p. 3502).

The defendants having filed a plea to the jurisdiction and a general demurrer to the bill, upon motion for a temporary injunction, attempt to enforce taxes levied or assessed upon the shares of capital stock at any time previous to March 21, 1900, were enjoined.

Mr. Justice Day delivered the opinion of the court:

That the acceptance of the provisions of the so-called Hewitt law did not constitute an irrevocable contract, releasing the bank from taxes upon compliance with its terms, has been settled. (Bank Tax Cases, 102 Ky. 174; Citizens Savings Bank vs. Owensboro, 173 U. S. 636.) Reference is made to the various cases leading up to this result in Deposit Bank vs. Frankfort, 191 U. S. 499, 508. We are therefore left upon this branch of the case to consider the effect of the judgment of the State court of Kentucky, set up in the complainant's bill as an adjudication of the rights of the parties and a final determination that the acceptance of the Hewitt law had the effect of a valid contract. When this case was before the circuit court for the second time (129 Fed. 792), Judge Cochran, after an elaborate review of the Kentucky cases, reached the conclusion that, as the taxes involved in the case in which the adjudication was had were for a different year than those involved in this suit, the former judgment did not have the effect of an estoppel between the parties, being only conclusive, under the Kentucky decisions, as to taxes in the years involved in the suit in which the judgment was rendered. We do not doubt that this is the settled law of the Supreme Court of Kentucky. Nor does it make any difference, in the view which the court takes of the matter, that the adjudication as to the right to collect the taxes involved the finding of an exemption by contract, which included, not only the taxes for the years in suit, but all taxes which might be levied under the authority of the contract. The ground upon which the court based its decision with reference to the effect of such adjudication is stated in the case of Newport vs. Com. 106 Ky. 444, as follows:

"The only question remaining for decision is upon the plea of *res judicata*. The plea in this case avers that the subject-matter of the former suit was identical with that involved in this action, and that the facts were the same in both actions, except that the former action attempted to collect a tax for the year 1893, and the present action was attempting to collect a tax for the year 1894.

The authorities seem to hold that when a court of competent jurisdiction has, upon a proper issue, decided that a contract, out of which several distinct promises to pay money arose, has been adjudged invalid in a suit upon one of those promises, the judgment is an estoppel to a suit upon another promise founded on the same contract. But taxes do not arise out of contract. They are imposed *in invitum*. The taxpayer does not agree to pay, but is forced to pay, and the right to litigate the legality of a tax upon all grounds must of necessity exist, regardless of former adjudications as to the validity of a different tax.

It is unnecessary to cite the cases; they will be found in Judge Cochran's opinion. It is sufficient to say that, if this case had been decided in the State court of Kentucky, the adjudication pleaded herein, not involving taxes for the same years as those now in controversy, would not avail as an estoppel between the parties. It is true that a different rule prevails in the courts of the United States. The reasons therefor were stated in an opinion by Mr. Justice White, speaking for the court, in the case of New Orleans vs. Citizens' Bank, 167 U. S. 371, and in cases in a Federal jurisdiction the doctrine therein announced will doubtless be adhered to. The learned counsel for the plaintiff in error refer to the decision of this court in Deposit Bank vs. Frankfort, 191 U. S. 499, as authority for the doctrine that, where a contract right had been adjudicated which involves an exemption from all taxation, such adjudication will conclude the parties as to the right to legally tax for other years, although the particular year was not directly involved in the suit in which the adjudication was made. But in that case the court was dealing with the effect to be given to a judgment of a Federal court in which such contract right had been adjudicated, when the Federal judgment was set up in a State court; and in that case it was recognized, in the opinion of the court as well as in the dissenting opinion, that the courts of Kentucky, in giving effect to the judgments of their own courts, were guided by a different rule, and in that State an adjudication involving taxes for one year cannot be pleaded as an estoppel in suits involving taxes for other years. (191 U. S. 514, 524.)

The case of Deposit Bank vs. Frankfort was only concerned with the effect to be given to a Federal judgment adjudicating a contract right, when pleaded in a State court. We are now dealing with the weight to be attached to a State judgment when pleaded *res judicata* in a Federal court. That was the very question decided by this court in the case of Union & Planters' Bank vs. Memphis, 189 U. S. 71, wherein it was held that the Federal courts were not required to give to such judgments any greater force or effect than was awarded to them by the courts of the State where they were rendered. Upon this branch of the case the question then is, What effect is given in the courts of Kentucky to such pleas of estoppel? As we have seen, it is there settled that the judgment would not be effectual to protect the alleged contract rights of the complainant as to the taxes involved for years other than the one directly involved in the adjudication set up. We therefore find no error in the judgment of the circuit court refusing an injunction upon the ground of an estoppel by judgment.

As to the taxes for the years prior to the passage of the act of March 21, 1900, it is argued by the bank that to give this retroactive effect to the law will be to deprive it and its stockholders of their property without due process of law, and will be in violation of § 5219 of the Revised Statutes, prohibiting discrimination against National banks and their stockholders.

The act of March 21, 1900, as stated in the preamble, was passed because of a decision of this court holding prior legislation of the State undertaking to tax the property of National banks unconstitutional. Owensboro National banks vs. Owensboro, 173 U. S. 664. In the Owensboro Case it was held that §5219, Rev. Stat. U. S., was the measure of the power of the State to tax National banks, their property, or franchises, which power was confined to the taxing of the stock in the name of the shareholders and the assessment of the real estate of the banks, and that taxation under the laws of the State of Kentucky upon the franchise of the bank was not within the purview of the authority conferred by the act of Congress, and was therefore illegal. Section 5219 of the Revised Statues of the United States is as follows:

"Sec. 5219. Nothing herein shall prevent all the shares in any association from being included in the valuation of the personal property of the owner or holder of such shares, in assessing taxes imposed by authority of the State within which the association is located; but the Legislature of each State may determine and direct the manner and place of taxing all the shares of National banking associations located within the State, subject only to the two restrictions, that the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State, and that the shares of any National banking association owned by non-residents of any State shall be taxed in the city or town where the bank is located, and not elsewhere. Nothing herein shall be construed to exempt the real property of associations from either State, county, or municipal taxes, to the same extent, according to its value, as other real property is taxed."

Under the new taxing law (act of March 21, 1900), it is declared to be the purpose to require the bank to return the shares of stock for the years prior to 1900, and since the adoption of the revenue law of 1892, with the privileges and deductions stated in § 3 of the act. Notwithstanding the prior revenue law had been held invalid, and there was no statute specifically taxing these shares of National bank stock on the statute books of Kentucky, prior to the passage of the act of March 21, 1900, the Supreme Court of Kentucky, in the case of Scobee vs. Bean. 109 Ky. 526, 59 S. W. 860, has held that there was ample statute law in that State for the taxing of shares in National banks under the laws of that State providing for the taxation of real and personal property of every kind, and that the provision that the individual shareholder in a corporation shall not be required to list his property therein so long as the corporation pays the taxes on its property of every kind, impliedly requires the individual to list his shares and pay the tax in the absence of the return required by law of the corporation.

In that case the court held that there was nothing in its decisions running counter to § 5219. (These views were further enforced in Com. vs. Citizens' Nat. Bank, 25 Ky. L. Rep. 2100; London vs. Hope, 26 Ky. L. Rep. 112; Citizens' Nat. Bank vs. Com. 25 Ky. L. Rep. 2254.)

Following the State court in the interpretation of its own statutes, it may be said that, as to shareholders residing in Kentucky and over whom the State has jurisdiction, the Supreme Court of that State has construed its statutes as requiring shareholders in National banks for the years 1893 to 1900, inclusive, to return their shares for taxation; and if they did not make the return the duty was required of the corporation. In this view of the law it may be that, as to local shareholders, the act of March 21, 1900, as held by the Supreme Court of Kentucky, created no new right of taxation, but gave simply a new remedy, which by the law is operative to enforce preexisting obligations. It may be admitted that § 5219 permits the State to require the bank to pay the tax for the shareholders. (First Nat. Bank vs. Kentucky, 9 Wall. 353; Van Slyke vs. Wisconsin, 154 U. S. 581; First Nat. Bank vs. Chehalis County, 166 U. S. 440.)

But there is nothing in the general statutes of Kentucky before the act of March 23, 1900, specifically requiring National banks to return shares of stock in the corporation when such shares are held by persons domiciled beyond the State. This situs of shares of foreign-held stock in an incorporated company, in the absence of legislation imposing a duty upon the company to return the stock within the State as the agent of the owner, is at the domicil of the owner. (Cooley, Taxn. 16.) It is true that the State may require its own corporations to return the foreign-held shares for the owner for the purposes of taxation. (Corry vs. Baltimore, 196 U. S. 466, ante, p. 297.) Section 5219, Rev. Stat., authorizes the State to tax all the shares of a National banking association, including those owned by non-residents, as well as those owned in the State, in the city or town where the bank is located; but this section does not itself impose the tax; it is authority for State legislation to thus tax National bank shareholders. And this statute is express authority to the State by appropriate legislation to make the bank the agent of the shareholders for the purpose of returning the shares and paying the taxes thereon.

In Com. vs. Citizens' Nat. Bank, 25 Ky. L. Rep. 2100, 80 S. W. 158, the Kentucky Court of Appeals seems to have held that a National bank might be required, under § 4241, Ky. Stat. 1903, to return the shares held in it for the years 1893 to 1900, inclusive, as omitted property. In that case it is said: "It was held under the previous statute that the shares of stock in National banks might be assessed to the shareholder by the assessor, and should be given in by the shareholder in the list of his personal property. (Scobee vs.

Bean, 109 Ky. 526.) The act of March 21, 1900, did not [it was held], therefore, make that taxable which was not taxable before, but simply provided another mode for the assessment of the shares of stock and the payment of the taxes. It was the duty of the assessor to make the assessment. It was also the duty of the resident and Cashier of the bank to list the shares of stock with the assessor; but when the assessment was not made the property was simply omitted from the tax list, and the sheriff is authorized by § 4241, Ky. Stat. [1903] to institute the proceeding to have any omitted property assessed." And the court further held the bank liable for the penalty imposed for not listing taxable property. The ground upon which this judgment rests is that shareholders were bound to return the shares in the years from 1893 to 1900 under the then existing State law, and the act of 1900 made the bank the agent of the shareholders, and did not require a new duty, but only imposed the duty upon the agent as a means of making effectual the former obligation of the shareholders. None of the Kentucky cases deals with the effect of the requirement under the act of 1900, that the bank return the shares of stock held by foreign stockholders, who clearly were not required, under the previous laws of that State, to return shares of stock when neither the shares nor the owners were within the State.

Section 5219 requires that a State, in taxing National banks, shall be subject to the restriction that the taxation shall not be at a greater rate than is assessed upon other capital in the hands of the individual citizen. Neither this section nor § 5210 of the Revised Statutes (U. S. Comp. Stat. 1901, p 3498), requiring a list of the shareholders to be kept by the bank, has the effect to levy taxes. It is a limitation upon the right of the State, and the State must not discriminate against National banks by the use of methods of taxation differing from those in use in taxing other moneyed capital in the hands of individual citizens.

It is averred in the amended bill, and, the answer having been stricken from the files and the case submitted upon the plea to the jurisdiction and general demurrer, it must be taken as true, "that during said years [1893 to 1900] many of its shareholders were non-residents of the State of Kentucky, who, in many instances, have sold and transferred their shares of stock during said time."

The statutes of the State of Kentucky, which have been construed by the Supreme Court of that State in the cases cited, to require the payment of taxes by the shareholders or by the bank for its shareholders, can have reference only to shareholders within the jurisdiction of the State. Whether the system operates as a discrimination against National banks within the prohibition of § 5219, involving, as it does, a right of Federal creation, must be ultimately determined in this court.

The act of March 21, 1900, imposed upon the bank a liability for taxes assessed upon its shareholders, whether within or without the State. This liability did not exist before the passage of the act, and in Com. vs. Citizens' Nat. Bank, 25 Ky. L. Rep. 2100, the Court of Appeals of Kentucky held that the statutes of the State made the bank liable for a penalty of twenty per cent. for the years 1893 to 1900, inclusive. It seems to us that to permit the statute to require the bank to return the shares of such foreign-held stock, and be subjected to a penalty in addition, is imposing upon National banks a burden not borne by other moneyed capital within the State.

In support of the equivalency of taxation, which it is the purpose of § 5219 to require, this court said, in Owensboro Nat. Bank vs. Owensboro, 173 U. S. 664, 676: "The alleged equivalency, in order to be of any cogency, must of necessity contain two distinct and essential elements,—equivalency in law and equivalency in fact."

Without considering the question of constitutional power to tax non-resident shareholders by means of this retroactive law, it seems to us that, in imposing upon the bank the liability for the past years, for taxes and penalty, upon stock held without the State, and which before the taking effect of the act under consideration it was not required to return, there has been imposed upon National banks in this retroactive feature of the law a burden not borne by other moneyed capital in the State. This law makes a bank liable for taxes upon property beyond the jurisdiction of the State, not required to be returned by the bank as agent for the shareholders, by a statute passed in pursuance of the authority delegated in § 5219; thus imposing a burden not borne by other moneyed capital within the State.

We think the Circuit Court was right in that part of the decree which enjoined the collection of taxes against the bank for the years 1893 to 1900, inclusive.

As to the alleged discrimination against shareholders in National banks because the assessment of the property of State banks is upon the franchise, and not upon the shares of stock, there is nothing in the bill to show that this difference in method operates to discriminate against National bank shareholders by assessing their property at higher rates than are imposed upon capital invested in State banks. And, as to the deduction of the value of real estate and other deduction allowed to State banks, the Supreme Court of Kentucky has held that all deductions allowed to State banks must be allowed in like manner in assessing the property of shareholders in National banks. (Com. vs. Citizens' Nat. Bank, 25 Ky. L. Rep. 2100.) Nor does the allegation that in cities of the first, second, and third class State banks are assessed upon their shares for city taxation, but upon their franchises and property for State and county taxation, in the absence of averments of fact showing that thereby a heavier burden of taxation is imposed upon National than State banks in such cities, warrant judicial interference for the protection of shareholders in National banks. (Davenport Nat. Bank, vs. Board of Equalization, 123 U. S. 83.)

Judgment affirmed.

PROMISSORY NOTE—IRREGULAR INDORSER—PAROL EVIDENCE.

Supreme Court of Nebraska, April 19, 1905.

HORNETT *vs.* HOLDREGE, *et al.*

Persons who write their names in blank on the back of a promissory note payable to the order of the maker, which is endorsed by such maker and afterwards delivered to a third person, in the absence of any special agreement to the contrary, become liable thereon as indorsers and not as joint makers, and their liability cannot be varied by parol evidence.*

Parol evidence of a custom or course of dealing previously pursued by the maker with regard to other notes of a like character is not admissible for the purpose of showing inferentially that the indorsers were joint makers, and thus change and enlarge their liability.

BARNES, *J.*: When this case was before us the first time it was heard by Department No. 2 of the Commission, and an opinion was written (and approved by the court) affirming the judgment below. (Neb. Unof., 97 N. W. 443.) A rehearing was allowed, and a reargument had before the court. On such rehearing some fault was found with the statement of facts contained in our former opinion. However, the principal criticism was that the indorsement, "For value received we hereby guarantee the payment of the within note, and waive presentment for payment, demand and notice of protest," was stamped twice on the $2,000 note in suit, and only once on the one for $5,000; yet such indorsement appeared twice on the copy of the $5,000 note which is set out in the opinion.

While the point appears to be well taken, a re-examination of the notes shows us that the indorsement appears on both notes under the name of the maker, the payee, and above the signatures of the defendants, F. I. Foss, G. W. Holdrege, and J. W. Deweese, who are the only ones sought to be held liable in this action. It would therefore seem that the variance is not only

*By §114 of the Negotiable Instruments Law (New York Act) it is provided: "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 accomodation of the payee, he is liable to all parties subsequent to the payee."

immaterial, but is extremely trifling. This explanation, taken with the full and complete statement contained in our former opinion, to which reference is hereby made, renders any further statement unnecessary for a proper understanding of the present decision.

Counsel for the plaintiff in error vigorously assail that part of our former opinion which holds that the defendants above named were liable only as indorsers of the notes in question, for the reason that the liability incurred by them is the pivotal question in this action. It is conceded that if they are to be treated as indorsers, then our former opinion should be adhered to, and the judgment of the district court must be affirmed. Plaintiff insists, however, that they are not indorsers, but are joint makers of the notes, and should be held liable as such. To sustain this contention, counsel point to the statement contained in the amended petition "that the defendants borrowed the money" (sought to be recovered herein) "from the plaintiff's intestate on said notes." No other facts are alleged in the amended petition from which such a liability can be inferred, and it may be stated, in passing, that the evidence not only fails to sustain the allegation, but it would seem that the corporation, the maker of the notes, borrowed the money and received the proceeds of the transaction. In fact, it is alleged in the original and amended petitions that the South Fork Irrigation & Improvement Company made the notes, and the defendants Foss, Holdrege and Deweese wrote their names on the back of those instruments; and both petitions charge them with the liability of indorsers in clear and explicit terms, even to the proper allegation of demand, protest, and notice of protest.

So we will again consider the question as to what was the liability assumed by the defendants by writing their names on the back of these notes. It must be remembered that they were made by the South Fork Irrigation & Improvement Company (a corporation) payable two years after date to its own order, and indorsed as follows: "The South Fork Irrigation & Improvement Co., By G. W. Holdrege, Pt., By A. L. Emerson, Sec'y & Tr." Then follows: "For value received, we hereby guarantee the payment of the within note and waive presentment for payment, demand and notice of protest. F. I. Foss, C. H. Peck, A. L. Emerson, G. W. Holdrege, W. L. Matson, J. W. Deweese." It is claimed by the defendants that the waiver above quoted was not on the notes when they indorsed them, and that such waiver was placed there, after they signed their names thereon, without their knowledge or consent; that the notes and their liability thereon were thus materially altered and changed, and were not the contracts signed or indorsed by them.

After an examination of the evidence, we are unable to say that it is insufficient to support this claim. No evidence was offered by the plaintiff tending to prove his allegations of demand, protest, and notice of protest, and, as we are required to hold that no waiver was established, the case must turn on the nature of the liability of the defendants, under the facts above stated.

It is perhaps well to state that while the South Fork Irrigation & Improvement Company, Fayette I. Foss, W. L. Matson, Geo. W. Holdrege, A. L. Emerson, C. H. Peck and Joel W. Deweese were all alleged against in the petition, yet the case proceeded against the defendants Foss, Holdrege and Deweese alone.

One of the earliest cases in which the question of the liability of one who signs his name on the back of a promissory note made payable to the order of the maker, indorsed by him, and delivered to a third person, arose, was Lake vs. Stetson et al., decided by the Supreme Judicial Court of Massachusetts (13 Gray, 310, note).

In that case it appeared that one Stetson made a note payable to his own order, on which one Bates had written his name, after which Stetson indorsed it and delivered it to the plaintiff, Lake. The trial court rejected the evidence offered by the plaintiff that the note was given by the defendants Stetson and Bates as a part of the consideration of a joint purchase by them, and that the note and all of the signatures thereon were made at one interview, and before the delivery of the note, in order to charge both defendants as joint makers. A verdict was given for the defendant Bates, and the plaintiff prosecuted his exceptions, which were overruled by the Supreme Court.

The question next came before that learned court in the case of Biglow vs. Colton, 13 Gray, 309.

The following is a copy of the note sued on: "Great Barrington, July 18th, 1857. Two months after date I promise to pay to the order of myself, $250.00 at the Mahaiwe Bank, for value received. Edwin Hurlbut." Upon the back of the note was the signature of Hurlbut, and under it that of Colton.

At the trial it appeared that both names were signed before the delivery of the note to the plaintiff, the signature of Hurlbut being made first. At the trial the judge ruled that the defendant could not be held as a maker, and directed a verdict for him, which was returned, and the plaintiff alleged exceptions. The Supreme Court affirmed the judgment, and held that one who puts his name, before delivery, on the back of a promissory note payable to the maker or order, and indorsed by the maker, is an indorser and not a joint maker, and his liability cannot be varied by parol evidence. We quote from the opinion as follows: "A promissory note payable to the order of the maker, and by him indorsed, is in legal effect a note payable to bearer. By placing his name on the back of the note the maker agrees to pay it to whomsoever may be the holder thereof. (Story on Notes, §§ 16-36a.) Although a note payable to bearer is transferable by delivery, it may also be transferred by the indorsement of any holder. In such case the indorser incurs the same obligations and liabilities as an indorser of a note payable to order, and is entitled to demand and notice. (Story on Notes, § 132.)"

In Clapp vs. Rice, 13 Gray, 403, 639, Lake vs. Stetson and Biglow vs. Colton, supra, were followed, and it was held that parties who indorse their names on a promissory note before its delivery, for the benefit of the maker, are not liable as joint makers if the payee afterwards indorses his name above theirs before the note is delivered, and other parol evidence is inadmissible to show that they were joint makers. We append the following quotation from the body of the opinion in that case: "When this note was first passed to any holder for value so as to make it a valid contract, it was indorsed by 'W. T. Davis, Treas.,' to whose order it was payable. It was therefore never a contract by which the plaintiffs were holden to Davis or the railroad company. Their names were put upon it with the obvious understanding and expectation that it would be indorsed by Davis before it should be negotiated. By his indorsement above their names it was made, in form and effect, an indorsed note, with successive indorsements following. The bank took it in this form, complete and effectual, when it first had any validity; and it has been settled in the recent case of Prescott Bank vs. Caverly, 7 Gray, 217, that under such circumstances it is not competent for the person whose name appears upon the note as an indorser to show by parol evidence that his contract was different from that which such signature ordinarily imports."

About the same time the question was before the Supreme Court of Maine, where the same rule was announced. (Smalley vs. Wight, 44 Me. 442.) The question was again before the Supreme Court of Massachusetts in Dubois vs. Mason, 127 Mass. 37, 34. The court followed the cases above cited, and held: By the law of this Commonwealth, one who puts his name on the back of a promissory note, payable to the maker of the order, before it is negotiated, and before it is indorsed by the maker, is an indorser, and not a joint maker, if, when negotiated, the maker's name appears first on the back of the note.

We quote from the opinion: "The liability of a party whose name appears on the back of a negotiable note is determined by the position of his signature with reference to other parties at the time when the note first takes effect by delivery. When a note is payable to the maker's own order, it can take effect only when indorsed and delivered by him. The fact that the defendant put his name on the back of the note before it was indorsed by Shurtleff does not make him a joint promiser, because he then knew that it must be indorsed by the maker before it could be negotiated, and the implication is that he intended to be liable only as indorser."

The question came before the Supreme Court of Illinois in Bogue vs. Melick, 25 Ill. 91, where it was held that a promissory note, payable to one of the makers, while in the hands of the payee is a nullity, and can never become operative except by indorsement of the payee, and that the position of the names of the parties on the back of the note will be notice to any one purchasing the same of the extent of their rights and liabilities. It was further held that one who writes his name on the back of such a note incurs the liability of a second indorser.

In Blatchford vs. Milliken, 35 Ill. 434, we find the following: "It is the settled law of this State that a person who is not a party to a promissory note, which is to become a valid obligation against the maker upon its delivery to the payee, by writing his name in blank on the back of the note is presumed to assent to the obligation of a guarantor. But where the note creates no valid obligation against the maker, and can create none until it is indorsed and transferred by the payee, the presumption is that a person writing his name in blank upon the back of the note assumes the obligation of an indorser. Inasmuch as the note can never have any validity until the name of the payee appears upon it as an indorser, the person writing his name in blank upon the note understands that when the note takes effect his name will appear upon it as a second indorser, and it is reasonable to conclude that such was the position which he intended to occupy. All persons receiving a note thus payable and so indorsed are apprised of the apparent obligations of the indorsers, and, if they rely upon any other obligation, it is their duty to ascertain whether or not it exists. Any other obligation is dehors the instrument. An authority to fill out an undertaking over a signature is to be exercised consistently with the nature of the instrument and the intention of the parties. From the nature of a note payable to the maker's own order, it is known what the law will presume was the intention of the parties in indorsing it in blank; and, if any agreement is written over the signature inconsistent with such presumption, it is the duty of the persons receiving the note to ascertain how, and by what authority, it was written there."

In Kayser vs. Hall, Adm'r, 85 Ill. 511, it was held: "Where a promissory note made payable to the maker is indorsed by him, and another person indorses his name just following the first, and the note is then negotiated, the person last indorsing will assume the liability of second indorser, and not that of guarantor. A promissory note payable to the order of the maker has no liability until it is indorsed and transferred by him."

In Heidenheimer Bros. vs. Blumenkron, 56 Tex. 308, it appeared that a promissory note was made by Blumenkron payable to the order of himself, and indorsed by one Hirsch and others, and it was held that on the face of the note, as indorsed and delivered, Blumenkron was the maker, and Hirsch and the others were the indorsers. It was said: "The fact that Hirsch became a party to the note in its inception, and for the accommodation of Blumenkron, did not make him liable otherwise than as an indorser. Nor is parol evidence admissible to show the intention with which he signed."

The question was again before the Supreme Court of Texas in Williams, et al. vs. Bank, 67 Tex. 606. It appears that Williams made a promissory note for $12,500, payable to the order of himself at the office of the Gainesville National Bank, with interest from maturity, until paid at the rate of twelve per cent. per annum. The note was signed by Williams, indorsed by him, and delivered to the Gainesville National Bank, after it had been indorsed by one Washington. In a suit in which it was sought to hold all the parties as joint makers, it was held: "The names of the third parties appearing after the payee, it must be presumed that the indorsers signed after the payee had indorsed, and parol evidence cannot be admitted to vary the plain terms of such a contract."

In our former opinion the case of the First National Bank of St. Charles vs. Payne, 111 Mo. 291, was made the leading case for comment, and that decision has been vigorously assailed by the plaintiff. A re-examination of the opinion in that case impresses us with the learning and ability of the Supreme Court of that State. The decision is in line with the other decisions of that court on the same question, and follows the early Massachusetts cases, and others from which we have so liberally quoted. This rule has also been recognized in Little vs. Rogers, 1 Metc. 108, and in Claflin vs. Freibelman, 44 La. 524, and seems to be the rule adopted by the English courts. (Hooper vs. Williams, 3 Exch. Rep. 20.) Indeed, this rule is so well established that it is stated without qualification in Daniel on Neg. Inst. §§ 130 and 707a, in Tiedeman on Com. Paper, § 20, and in 2 Parsons on Notes & Bills, c. 11, p. 122. It is approved in Burton vs. Hansford, 10 W. Va. 486, and by the Supreme Court of the United States in Rey vs. Simpson, 22 How. 350.

Plaintiff has failed to call our attention to a single case in which any court has held that one who signs his name in blank on the back of a promissory note made payable to the order of the maker, and which is afterwards indorsed by the payee and delivered to a third person, is liable as a joint maker. And after the most thorough research we have been unable to find but one such case, to wit, Ewan vs. Brooks-Waterfield (Ohio) 45 N. E. 1094, which seems to support plaintiff's contention.

As opposed to the authorities above cited and quoted from, plaintiff cites Salisbury vs. First National Bank of Cambridge, 37 Neb. 872, and insists that that case, with a long line of decisions from other States, together with Good vs. Martin, 95 U. S. 90, hold a contrary doctrine.

An examination of Salisbury vs. The Bank discloses that the note there sued on was as follows: "Omaha, Nebr., Feb. 15th, 1889. $2500.00. Ninety days after date, we, or either of us, promise to pay to the Bank of Omaha, or order, Twenty-five hundred and no/100 Dollars, for value received, payable at the Bank of Omaha, Nebr., with interest at the rate of 10 per cent. per annum from maturity until paid. Signed C. H. Sloman." Across the back of this note was written the names of J. G. Salisbury and S. A. Sloman, and before maturity it was indorsed and transferred by the Bank of Omaha to the Bank of Cambridge. In a suit against the maker and indorsers it was held that they were liable as joint makers. It is only necessary to compare the notes in question in this case with the one just quoted to show that Salisbury vs. The Bank is not authority in this case. A careful examination of Good vs. Martin, supra, and the whole list of twenty-odd cases cited by counsel, shows that the notes in question therein were made payable to third persons, indorsed in blank, and afterwards indorsed and negotiated by such third persons; and in none of the cases, so far as we have been able to ascertain, was the note in suit made payable to the order of the maker himself.

So we conclude, not alone from the weight of authority, but from all of the authorities on the question in this country, that the defendants Foss, Holdrege and Deweese, must be held to have assumed the liability of indorsers only, and that under the issues in this case, and according to the principles above discussed, parol evidence cannot be received to charge them with any other or an enlarged liability. It follows, then, that the district court did not err in excluding the evidence by which it was sought to show, inferentially, by a custom or course of business on the part of the maker in regard to other transactions, that the defendants were not indorsers, but were joint makers of the notes. A re-examination of the pleadings convinces us that our former holding as to their legal effect, and the issues raised thereby, is correct, and we decline to give that matter any further consideration.

It is again urged that in any event judgment should have been rendered against the defendant Holdrege; and this contention is based on the fact that he was not present at the trial in person, and did not testify in his own behalf. This point does not merit our serious consideration. It is sufficient to say that the evidence of his codefendants made at least a prima facie defense for him, which was not assailed or overthrown by the plaintiff.

For the foregoing reasons, our former opinion is adhered to, and the judgment of the district court is affirmed.

CERTIFICATE OF DEPOSIT—WHEN DUE—STATUTE OF LIMITATIONS.

Supreme Court of Iowa, June 7, 1905.

ELLIOTT VS. CAPITAL CITY STATE BANK.

An ordinary deposit of money in a bank is not, in the legal sense, a loan to the bank.

A certificate of deposit payable "on the return of this certificate properly indorsed," is not due until presentment is made and payment demanded, and hence the statute of limitations does not begin to run until such demand is made.

This was an action upon a certificate of deposit as follows:

"$1,500.00, Des Moines, Iowa, March 23, 1885. Capital City Bank. Mary J. Penrose has deposited in this bank fifteen hundred dollars, payable to the order of herself on the return of this certificate properly endorsed, with four per cent. interest, per annum. A. W. Naylor, President, No. 15,108."

A demurrer was sustained on the ground that the cause of action was barred by the statute of limitations.

SHERWIN, *C. J.*: The trial court evidently sustained the demurrer on the authority of Mereness vs. First National Bank, 112 Iowa, 11, and, under the rule there announced, its decision was right. The decision in the Mereness Case, however, was planted on the ground that a general deposit of money in a bank is a loan of the money to the bank, and that an ordinary certificate of deposit is nothing more or less than a promissory note, to be governed, with certain exceptions, by the rules governing such notes.

If it be true that a deposit in the usual course of business is a loan to the bank of the money deposited, then it may consistently be said that a certificate representing such loan is a promissory note; but the fundamental error in the Mereness Case, and in the cases on which it was based, was the holding that an ordinary deposit of money in a bank is a loan thereof to the bank. (See Lowry vs. Polk County, 51 Iowa, 50; Long vs. Emsley, 57 Iowa, 11.) In the later cases of Officer vs. Officer, 120 Iowa, 389, and Hunt vs. Hopley, 120 Iowa, 695, we distinctly held that an ordinary deposit is not a loan to the bank, and in the latter case we expressly overruled Lowry vs. Polk County, in so far as it so held.

With this conclusion, and the arguments on which it is based in these cases, we are content, believing it to be sound and in accord with the great weight of authority. The conclusion in the Mereness Case having been predicated on false premises, it follows that it must fall with its foundation, unless there be some other sufficient reason for holding that a demand certificate of deposit should be treated as a demand promissory note, so far as the statute of limitations is involved. We do not believe that any sound reason for so holding exists. It is undoubtedly true that such certificates have many of the incidents of promissory notes, and that they are often classed as such, but it is equally as true that a certificate of deposit represents a transaction entirely different from that represented by a note. A promissory note ordinarily represents a loan or its equivalent, and it is generally the duty of the debtor to seek the creditor and pay him, and it was for the protection of the debtor that demand notes were originally held to be due at once.

Deposits are made in a bank in accordance with the universal commercial usage, which becomes a part of the law of the transaction. They are neither loans, nor bailments in the strict sense of the term. A deposit is a transaction peculiar to the banking business, and one that the courts should recognize and deal with according to commercial usage and understanding. The primary purpose of a general deposit is to protect the fund, and some of the incidental purposes thereof are the conveniences of checking and transacting large business interests without keeping and handling large sums of money. The transaction is in reality for the benefit and convenience of the depositor, and while the relation of debtor and creditor exists, and the bank has the use of the money for commercial gain, it assumes no further obligation than to pay the amount received when it shall be demanded at its banking house. (Girard Bank vs. Bank of Penn Township, 39 Pa. 92.)

A bank may receive or decline deposits, and do business with whom it pleases. It may receive a general deposit to-day, and to-morrow, for reasons of its own, it may return the amount deposited, and refuse absolutely to transact business further with such depositor. (See 5 Cyc. and cases cited.) But unless the banker desires to return the deposit, he is under no obligation to seek his creditor for the purpose of making payment. If no actual demand be necessary to mature the debt created by a deposit, then depositors may sue at once upon leaving the bank, and a transaction intended to be for the mutual benefit of both may become one of oppression and wrong to the bank, and this the law should not tolerate.

That a certificate of deposit is distinguishable from a demand promissory note, we think clear. (Morse on Banks and Banking [3d Ed.] § 298;

Smiley vs. Fry, 100 N. Y. 262; In re Hunt, 141 Mass. 515; Murphy vs. Pacific Bank, 130 Cal. 542; Bank vs. Bank, 40 Vt. 377; Officer vs. Officer, supra; Hunt vs. Hopley, supra.) And that it is not due and payable until demand is made, we think is held by the overwhelming weight of authority. (Morse on Banks and Banking [3d Ed.] § 301; Merchants' National Bank vs. State Bank, 10 Wall. 604, followed by the same court in later cases; Cottle vs. Marine Bank, 166 N. Y. 53, and New York cases therein cited; Dickinson vs. Leominster Savings Bank, 152 Mass. 49, Miller vs. Western Natl. Bank, 172 Pa. 197; McGough vs. Jamison, 107 Pa. 336; Girard Bank vs. Bank of Penn. Twp., supra; Brahm vs. Adkins, 77 Ill. 263; Long vs. Straus (Ind. Sup.); Bellos Falls Bank vs. Bank, 40 Vt. 377; Tobin vs. McKinney [S. D.] 88 N. W. 572; Citizens' Bank vs. Fromholz [Neb.] 89 N. W. 775.)

The decisions of many of the other States are to the same effect, but we need cite no further authority on the proposition. Furthermore, the certificate in issue provides that it is payable on presentation properly indorsed, and its express language repels the thought that it is payable otherwise than on actual demand. (Morse on Banks and Banking, § 302; McGough vs. Jamison, supra; Cottle vs. Marine Bank, supra; Girard Bank vs. Bank of Penn. Tp., supra.) And the principle is also analogous to that of a bill payable on or after sight, which is not due until it is presented and payment demanded (3 Randolph on Com. Paper, 1608).

We think there is no merit in the appellee's contention that, if an actual demand is necessary to mature the certificate, such demand must be made within the period of the statute of limitations. The parties may contract as they will. The depositor having the right to demand the amount due him at any time, and the bank having the right to pay at any time, there can be no extension of the statute of limitations by either party, nor any laches on the part of either.

The demurrer should be overruled, and the case is reversed.

Reversed.

Mexican Bank Notes Restricted.—The circular just issued by the Secretary of the Treasury to the Government interventors in the thirty-two chartered banks in the Republic, shows clearly the determination of the department to restrict the issue of bank notes to the amounts stipulated in the primitive charters and in cases where banks ask the official approval of a proposed increase of capital, such approval will not authorize a corresponding issue of additional notes.

This very wise resolution of the Government will cool the ardor lately manifested by some state banks to increase their capital by the issue of an additional number of shares to be sold for cash, and at the same time authorize the issue of an additional amount in notes. The approval of the treasury when given will be limited to the issue of shares representing the cash capital. The probable effect of this circular will be to weaken the price of many bank shares, which in some cases are hardly warranted by the dividend power of the institution.

The Bank of London and Mexico lately increased its capital from $15,000,000 to $21,500,000. The Treasury department approved the issue of $6,500,000 represented by shares, but limited the total issue of bank notes to $20,000,000, though the share increase is to $21,500,000. Its bank note circulation on August 31 was $18,796,053. There remain therefore $1,203,947 to reach its limit of bank note issue.

The National Bank of Mexico circulation of notes on August 31 was $24,982,049. Its actual authorized capital is to-day $26,000,000. Its charters authorize the issue of notes to three times the amount of the cash in its vaults. On August 31, it had $29,112,570.27 in specie on hand and $2,045,092.17 cash reserve, and debtor accounts available at any moment to $24,036,176.82.

These are the two principal banks authorized to issue notes.

The total of bank notes in circulation in the whole country, including all the thirty-two city and State chartered banks on June 30 was $89,454,255. The total authorized capital of these banks on that date was $120,600,000. —*Mexican Herald.*

THE CAPITOL, WASHINGTON.

AMERICAN BANKERS' ASSOCIATION.

THIRTY-FIRST ANNUAL CONVENTION, WASHINGTON, D. C., OCTOBER 10, 11, 12 AND 13, 1905.

WASHINGTON gave the American Bankers' Association a most delightful welcome, and fully justified the wisdom of selecting that city as the meeting-place of the thirty-first annual convention. There was a large attendance of delegates, members and visitors, and the programme was one of exceptional interest, including addresses by the Secretary of the Treasury and the Comptroller of the Currency.

To an American no city in the world is so attractive as Washington. Its historic memories and rare beauty proved of unfailing interest and charm to everyone who attended the convention. Besides, the arrangements made by the local committee representing the Bankers' Association of the District of Columbia were so complete as to leave nothing to be desired. The reception by the President and Mrs. Roosevelt, by Secretary and Mrs. Shaw, by the Trustees of the Corcoran Art Gallery, and by the Bankers' Association of the District of Columbia, trips to Mount Vernon, Arlington and Fort Myer—all these constituted a programme of social enjoyment that was thoroughly appreciated by all. Visits to the various public buildings—especially to the Treasury and the Library of Congress, where special courtesies were shown—were also interesting and instructive.

The officers of the American Bankers' Association and the Bankers' Association of the District of Columbia are to be congratulated on the great success of the Washington convention.

PROCEEDINGS OF THE CONVENTION.

FIRST DAYS' PROCEEDINGS.

The convention was called to order by the President, E. F. Swinney, at 10 o'clock a. m.

PRAYER BY THE REVEREND RANDOLPH H. MCKIM.

Almighty God, we invoke Thy presence and benediction in the exercises of this hour and upon the deliberations of this convention. It is meet and right, O Lord, that we should thank Thee for Thy abundant kindness and Thy gracious providence over us, Thy servants, and over all this people that we represent. Thou hast given us, O Lord, a land which is the glory of all lands, a land of abundance and of plenty; a land out of whose hills we have taken coal and iron and silver and gold; a land whose plains and valleys O Lord, a great place among the nations of the earth. Thou hast given us oh Lord, a great place among the nations of the earth. Thou hast given us liberty, and justice, and freedom, and opportunity in this great land; and Thou hast set us on high among the peoples of the world to execute Thy trust and to do Thy will. Thou hast given us a ruler wise and brave and strong. Through his instrumentality this nation has become the peacemaker among the nations of the world, saying to those who are at war one with another, "Sheathe the sword and let there be peace and harmony."

For all these, Thy blessings, Almighty God, we praise and thank Thy holy name. May we never forget that all that we have has to be given us by Thee, and may we use Thy blessings and all these opportunities for the honor and glory of Thy name; and to our thanksgiving, Almighty God, we add the confession of our sin. Many of our people have set at nought Thy laws; they have broken Thy Sabbaths; they have despised Thy Word; righteousness has been in many places set aside; we have seen corruption in municipal life, corruption in commercial life, corruption in political life, corruption in buiness life; we have seen the rights of the widow and the orphan set aside, set at nought, trampled under foot. For these, our sins, Almighty God, we make our humble confession before Thee, and we supplicate Thy forgiving mercy and grace.

And now we ask for Thy blessing upon this people; may it be a wise and understanding people recognizing its position and its part and its duty and fulfilling the trust which Thou hast committed unto it. May this great nation seek to understand Thy will and to remember that all its blessings come from Thy hand and all its mercies flow from Thy loving providence. And may it seek not only to be great and strong but to be wise and humane and generous and gentle among the people of the world. We pray, Almighty God, that there may be high aims and noble endeavors among our people in all classes, in all ranks and all conditions of men. We pray that these people may be bound together not only by a common interest, but by a common noble aim which may lead them like a pillar of cloud by day, a pillar of fire by night, through the ages.

And now, O Lord, in particular we invoke Thy blessing upon this convention here assembled. Grant, we pray Thee, Almighty God, that it may recognize its responsibility; that it may realize its power; that it may see its opportunity; that it may be led on from one height of endeavor to another, ever setting before it the noblest, the highest and the purest aims. May it seek to be the protector of the poor and of the weak, of the widow and of the orphan. May its great power be exercised always for righteousness for uprightness, for integrity and for the common weal. May its temples of business be also temples wherein righteouness and justice and kindness reign and rule supreme. May all of us, we beseech Thee, Almighty God, live according to Thy will; whether we eat or drink, whether we buy or sell, may we do all to the glory of God. May we serve God not only on Sunday, but on all the days of the week. May we recognize that the spirit of religion must be over all we do, in commercial life, in business life, as well as in our religious life. And so may this great body here assembled be a great power for righteousness, for good and for truth in this land. Grant these things, we beseech Thee, Almighty God, and pour out upon us the spirit and wisdom and understanding that all things may be ordered and settled in this land upon the best and purest foundations, so that peace and happiness, truth and justice, religion and piety, may be established among us for all generations.

These things we ask in His name, who has taught us to pray and say, 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, for Thine is the kingdom, and the power, and the glory, forever and forever, amen.

THE PRESIDENT: The bankers of Washington City have been saying to us that they were glad to see us. They will now tell us how glad they are to see us, through Mr. John Joy Edson, President of the Bankers' Association of the District of Columbia.

Address of Welcome by John Joy Edson, President Bankers' Association of the District of Columbia.

Mr. President and Members of the American Bankers' Association—The American Bankers' Association has held thirty annual conventions since its organization, and this is the first time the City of Washington has been selected as a place of meeting. You have generally selected financial, commercial and manufacturing centers, which, no doubt, have proven attractive and instructive as well as pleasurable.

We of Washington are extremely gratified that this year we have the pleasure of receiving and entertaining the members of the Association at the national capital.

While you are the special guests of the Bankers' Association of the District of Columbia, the citizens of Washington all unite with us in extending to you an earnest and cordial welcome.

Although commerce and manufacturing will not appeal to you here, there are other features, not existing in other cities, that will attract your attention.

Washington has become a center of art, literature, schools and universities, including all the departments of science; and above all, it is the seat of the Government of the greatest republic in the world. Students in the various educational institutions are furnished unsurpassed opportunities to study the science of government—legislative, executive, judicial and diplomatic. Their instructors are largely those holding high positions in all branches of the Government, which fact is a distinctive practical advantage. Moreover, students generally have an excellent opportunity of observing the organization and operation of the Government.

Washington also has become preëminently attractive as an ideal residential city. You will find much that is unique and instructive, and in which you as citizens of this country have taken a personal interest and pride, not only in what already exists, but in what is further to be promoted on national lines as the best and most appropriate for the beauty and dignity of the nation's capital.

The Bankers' Association of the District of Columbia was organized June, 1901, and has a membership consisting of twelve National banks, four trust companies, four Savings banks, and five private banking firms, in all numbering twenty-five. We have found the organization productive of great good, not only in banking methods and procedure, but in individual association and in the establishment of cordial intercourse between its members. While we are fair, straightforward rivals, we are all friends. By reason of this association, we entertain for each other a higher respect; we sympathize with each other in mishaps, and glory in each other's progress and prosperity. We know that the success of each institution insures for all the highest confidences and the best attainable service for the community.

In 1861 the population of the District of Columbia was 75,000. By the police census taken in April of this year is shown an increase of 248,000, and a total population of 323,000.

The National Currency Act was passed in 1863. In 1866, immediately after the war, there were in this city five National banks with a capital of $1,350,000, deposits of $1,448,000, and surplus and undivided profits of $259,000, with resources and liabilities of $7,131,000. In September, 1905, this year, in the last reports called for by the Comptroller of the Currency, it is shown that we had twelve National banks and four trust companies with a total capital of $11,527,000, individual deposits of $40,000,000, surplus and undivided profits of $6,500,000, with resources and liabilities amounting to $70,000,000. These figures do not include Savings and private banks, which do not report to the Comptroller of the Currency and which, if taken into account, would add to the sum of deposits several millions of dollars.

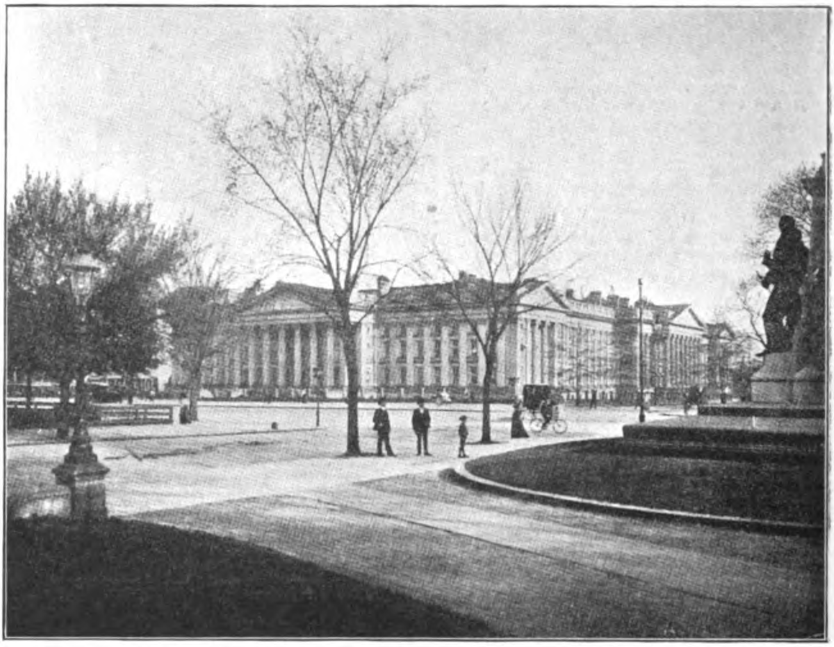
The first trust companies were organized in 1889. There are four now doing business in the District of Columbia. They are the only trust companies in the United States organized under the laws of Congress, and which are placed under the supervision of the Comptroller of the Currency. Reports are called for not less than five times a year as required for National banks. This relation to the national Government is of great advantage to the companies and to the public.

We believe that while a considerable portion of the increase in the volume of deposits is attributable to an increase of all branches of business, it is certain from an analysis of the figures given that it is due also to a large increase in the percentage of population which has acquired a knowledge of and confidence in banking sufficient, at least, to open accounts and do a checking business.

Valuable Work of the American Bankers' Association.

The results attained by the American Bankers' Association have long since proved the wisdom of its foundation. The consideration and adoption of measures that tend to the best banking methods and involve the highest principles of banking, and lessons learned from addresses and papers by members of the association and others eminent in finance, have increased public confidence and accuracy in transacting business.

This year some of the subjects on the programme for discussion are "Practical Banking Questions," "The Examination of Banks," "Our Commerce," "The Currency Question," "The Scotch System of Banking," "Accounts Opened



THE TREASURY, WASHINGTON.

by two Persons," "The Growth and Status of Trust Companies in the United States," "Relations between Banks and Trust Companies," and "Trust Company Loans and Investments." These subjects illustrate the scope and character of the instruction given to the general public, and particularly to those interested in the management of financial institutions.

The meeting of the members and the acquaintanceship formed at these annual conferences have been also a great factor in establishing and increasing confidence and good banking.

THE FINANCIAL POWER OF NEW YORK.

The last report made by the Comptroller shows that over one-sixth of the total individual deposits in National banks in the United States, including Hawaii and Porto Rico, were held by banks in New York city; and that over one-fifth of total deposits and amounts due to banks and trust companies combined were also held in that city.

This statement, among other things which might be mentioned, clearly demonstrates that New York city is the financial center of the country. Its weekly statement of the condition of National banks in New York is the financial barometer that is regularly looked for and carefully examined throughout the country. It is a good indicator of the general financial situation and a reliable guide.

I deem it also fair to say that there are no abler bankers or more patriotic citizens than the Presidents of the National banks in New York.

CLEAN RECORD OF THE BANKS.

While of late, unfortunately, wrong-doing has been discovered to some extent in Federal, and to a startling degree in municipal affairs, and in corporations in some lines of business, in banking, there has never been a period in our history, so far as I am aware, when fewer errors and less misconduct have been committed, or more universal confidence prevailed. Of course, this statement is made taking into full consideration the vast increase in the volume of banking business and in the greater number of men engaged as officers and employees in positions of absolute trust.

As a logical outcome of this favorable banking condition and of the good work of the American Bankers' Association and the high estimate we place upon the integrity, ability and cautious action of our leading bankers, what twenty-five or forty years ago would inevitably impair confidence and cause a panic, would to-day only create a ripple on the financial surface with no serious consequence. Let us hope that no act of any man or set of men will be done to impair in the least degree this most desirable situation in the banking world.

In closing I wish to assure you one and all of the happiness it affords us to welcome you here and to contribute in every way in our power to your entertainment, comfort and pleasure. We hope that every moment may be enjoyable, and that you may, at the end of your visit, have a safe return to your respective homes and share with us in future the pleasant memories of your brief sojourn as our guests in Washington.

THE PRESIDENT: We will next have an address of welcome on behalf of the Board of Commissioners of the District of Columbia by its President, Honorable Henry B. F. MacFarland.

ADDRESS OF WELCOME BY HONORABLE HENRY B. F. MACFARLAND, PRESIDENT OF THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA.

The national capital most heartily greets you. You are welcome personally and as the representatives of our leaders in material progress. Your indispensable and honorable service to our country, through its financial and commercial interests, entitles you to the hospitality of its political center.

Here at the home of the national Government, in sight of the Treasury Department, the heart of its financial system, you can fittingly survey the splendid record of the bankers in deeds, as well as in words, which again and again have sustained the national life in struggles and crises. Here, too, has been enacted the financial legislation under which you have done your work, and here is the headquarters of that supervision over the National banks which has been of inestimable value to them as well as to the public. Here the great waves of financial heresy have broken against the rock of public credit which has been maintained, ever since it was set up by George Washington and Alexander Hamilton, by the best of our statesmen, and always with your support. What if it was self-interest which first prompted that support? Happy are they whose self-interest coincides with the interest of the republic, and whose self-service becomes patriotism. As yet no monument has been raised in the parks of Washington to the men who have saved the country by saving its honor, and the credit without which it could not have lived. Among the soldiers and sailors whose statues abound even near the Treasury Department Alexander Hamilton should stand in enduring bronze, and Robert Morris, and John Sherman, and others like them of either century should have such honors here. But meanwhile their results speak for them and the intelligence of the nation delights to honor them.

As you go about our beautiful capital, yours as much as ours, with all its memories of great men and great acts, you will see frequent evidences of what financiers have done for their country, just as you will see here as elsewhere how financiers have contributed with public spirit and philanthropy to the highest interests of the community in which they live. Our Rock Creek Park and our Corcoran Gallery of Art are but two of the visible proofs of the civic service of Washington bankers.

You will all share our desire, the desire of our country, that the national capital should be made in every respect the most beautiful in the world.

THE COUNTRY'S FINANCIAL PROGRESS.

When the Pilgrims set foot on Plymouth Rock modern banking was just beginning. The seed of freedom in three centuries has reached no greater growth than the seed of finance. Those who planted both seeds were men of faith who taught by example that men should walk by faith rather than by sight. They were practical men who knew that sentiment rules the world. The marvelous commercial organization which is the characteristic feature of our civilization absolutely depends for life upon the sentiment of credit. Its gigantic achievements, undreamed of in the older time, are possible only because of the network of banks, which is the nervous system of commerce, and which has knit all peoples together with invisible bonds stronger than any that can be seen. You have taken every invention that quickens communication as well as every form of human ability as your servant in the task of making money, which consciously or unconsciously is the task of making the world move forward to greater things. By conservative innovation you have brought the nations to mutual efficiency, mutual acquaintance and that far towards mutual good will. Wars cannot be made without you, and you are recognized as the great peacemakers. International justice is to be established as the substitute for war by you quite as much as by statesmen and jurists. You control an unequaled force in the affairs of men. It is our highest honor that, making all due allowance for exceptional cases and individuals, it can be truthfully said that your mighty power is in general used for the advancement and enrichment of mankind.

Your power and your character and your record naturally suggest that you should have a leading part in that moral renovation in the business world, especially with reference to fiduciary relations, which recent revelations make imperatively necessary. Once more, but in a new way, you must restore impaired confidence to the people, this time by convincing business men of other minds not only that honesty is the best policy, but that integrity is more precious than money, and vital to the republic. The old-fashioned commercial honor, finer than that of any chivalry, must be re-enthroned, and you are the men to do it. In such an effort, as in your patriotic endeavors of every kind and in your zeal by international peace through international justice, for international welfare, you will have the inspiring leadership of the foremost American, the chief pride of the national capital, Theodore Roosevelt, President of the United States.

Reply to Address of Welcome by E. F. Swinney, President of the American Bankers' Association.

On behalf of the American Bankers' Association I beg to make grateful acknowledgment of your cordial welcome to this capital city. While it is your personal home, and its large hospitalities are peculiarly in the keeping of yourself and other residents of the District, in the broader sense of our national life we feel at home in Washington City. To the politician it is the temple of fame that shines afar in his imagination and ambition. It is the Mecca toward which he ever looks with longing eyes. Some of us so-called "men of affairs" doubtless have felt the yearning that our constituents might have the appreciative sense of merit to send us here at the public expense, or that the President might have the wisdom to invite some of us to come hither to take charge of the reserve fund in the Treasury. Despairing of that, we have taken advantage of reduced rates, and come at our own expense to tell Congress, Secretary Shaw and the Comptroller of the Currency how to run the Treasury and take care of the finances of the nation. If, at the conclusion of this convention, the republic is not safe, we will return to our respective homes with the firm conviction that our suggestions have not been heeded.

Of one thing we are glad, and that is that Congress is not in session, as thereby we attract more personal attention, and more largely share the unappropriated hospitality of the city, and have freer access to its accumulated "refreshments."

We do not crave the freedom of the city, or care to have its keys delivered over to us. Where there is too much liberty, indulgence may take the place of healthful restraint, and if anything should be missed while we are here it might be attributed to the men who carried the key. We prefer to trust ourselves as guests to the safer guardianship of your well-known discretion in dealing with untamed Congressmen and untrained statesmen.

President's Address by E. F. Swinney, President of the American Bankers' Association, and President of the First National Bank, Kansas City, Missouri.

The conventions of this association have been held in the cities of the East, West, North and South, but prior to this, never before in the nation's capital. We have been entertained by the princely hospitality of the world's greatest metropolis and the Golden Gate has swung wide to bid us welcome, but to-day for the first time we meet at the fountain-head of this great Government. The heart of every true American swells with justifiable pride when he reflects on the history of this city. A little more than a hundred years ago it was but a barren place; less than a hundred years ago it was sacked and burned in war. To-day no capital in the world is a more potent force for peace and none more feared in war; none more beautiful in its arrangements and architectural adornment. It is the city of our fathers, of ourselves and of our children. Here no narrow sectional lines divide us into parties or factions; no borders of States make us New Yorkers, Kentuckians or Oregonians, but we are all Americans. We realize, as never before, that this Government of ours is indeed a national government and not the weakly governmental force of separated and jealous States. We have a common pride in the names of Jefferson and Jackson; of Lincoln and Grant and Lee and of that splendid galaxy of other distinguished statesmen, soldiers and patriots who have builded these United States on such everlasting foundations.

Washington's Relation to the Banks.

To bankers is Washington of especial interest. The whole financial history of the country is closely interwoven with it. Here the country's financial laws are enacted and from here enforced. It was the seat of the first great bank of the United States, and is to-day the headquarters of the largest banking institution in the country—the Treasury of the United States. The National banks of the country look to Washington for their legislation and largely for their government. The man of all men who comes nearest being the arbiter of their destinies, the Comptroller of the Currency, issues his orders from here. It is therefore more than an ordinary honor and one of which any should be proud to be called upon to preside over this, the thirty-first convention of the American Bankers' Association, in the great City of Washington.

The Progress of Banking.

The purposes and objects of our gathering are too well known for me to dwell upon. In the technical sense of the term, our association is not "organized for pecuniary profit," and yet in a broad sense it leads to that end. By the interchange of ideas, by listening to the speeches and papers, by the meeting of the brighest and best bankers and learning their manner and methods of banking, each of us returns to his place of duty better qualified to conduct his business for the benefit of stockholder and depositor. The day has passed when a successful banker can be a man who rests content to be merely acquainted with the highest interest rates obtainable in his given locality and the financial responsibility of his neighbors. Time was when banks and bankers were merely thermometers registering the local financial atmosphere of the country, but to-day in the larger sphere of business undertakings they largely create that atmosphere. No better illustration of this can be given than the attitude of the bankers during the period of the disastrous silver craze. To the American bankers more than to any other class of business men is due the fact that the country did not go irredeemably astray on the question of the monetary standard. Largely by reason of national and State associations, the bankers were better acquainted with the question than any other class of men and acted more nearly as a unit in its correct solution. And in the bringing about of such a happy result these meetings have been of tremendous aid. I cannot too much disparage the too prevalent notion that our meetings and conventions are merely the assemblages of good fellows for a good time and are not of practical benefit. They are practical and of widespread benefit.

WORK OF THE AMERICAN BANKERS' ASSOCIATION.

The business of the association during my term of office will be given you in detail through the reports of the secretary, treasurer and the various committees. When elected president a little more than one year ago, I asked and expected the loyal support of every member and officer of the association. The success or failure of the year's work depended on this. It is a great pleasure at the year's end to state that such support has been faithfully and loyally given. I would bespeak my thanks, and those of the other members of the association, to the secretary and executive council for their work so faithfully and conscientiously done; work that will be more fully appreciated when the detailed statements of such work are laid before you.

A TRIBUTE TO THE LATE HON. JOSEPH C. HENDRIX AND HON. CHARLES PARSONS.

Since our last convention, death has been amongst us and there have gone to the great beyond two men often honored and now highly revered by this association, Hon. Charles Parsons, of St. Louis, and Hon. Joseph C. Hendrix, of New York. Mr. Parsons was born in New York State, but hardly before attaining his manhood saw the advantages of the then far West for a young man with no capital but an honest determination to build for himself a name. He settled in St. Louis in the early sixties, and for almost forty years has been at the head of one of the most solid institutions in that place. He was one of the original number of bankers who met at Saratoga and organized the American Bankers' Association, being chosen president of the association a few years later. He died only a few weeks ago, leaving a name that will be honored as long as history tells of the men who aided in building and maintaining the high standard of men in that great Western city.

Since my boyhood I had known Joseph C. Hendrix. He attained his fame and reaped his honors in the East, but we of the West are proud of him as a Western product, for it was in the West that he was born and spent his early days. When scarcely more than a boy he left his native State of Missouri and sought fortune in the activities of New York. His first work there was as a reporter on one of the leading dailies, and it was done so well that he was gradually advanced to the position of night editor. He left his newspaper career to become secretary of the Brooklyn Bridge Company, then to be postmaster of the City of Brooklyn. His sphere of usefulness widening, he was elected a member of Congress, where, in Washington, as in Brooklyn, he measured up to the full standard of a statesman. Some of the leading financiers of New York saw and appreciated his sound financial ideas and business methods, and he was called upon to become the head of the second largest banking institution in America. He was long a member of the association and its executive council and served one term as its president. Without disparagement of any man, it can be said that no man ever contributed more materially to the success of our association than our deceased ex-president. In business he was regarded as a man of cold, calculating facts, but no one could ever have any dealings with him without appreciating his high business ability and his utter contempt at all times for any of the little things so often found, unfortunately, in men holding the highest positions. We recall with pleasure his ready wit, appropriate anecdotes and forceful talks made at our annual conventions and at council dinners. His life and career will spur many a young man on to success and forever give the lie to that false notion so many have that in this age that merit is not fully rewarded and no great success can be attained without "influence," for Joseph C. Hendrix attained for and by himself a name and fame that will not soon perish; his own individual efforts and abilities were the only influences he possessed.

I wish I could say such words of praise of another one recently honored with the presidency of the American Bankers' Association or could refrain from speaking of him at all. I cannot, in justice to the truth, do the former, and cannot, without a sense of cowardice, do the latter. I think I ought to voice the deep sense of chagrin and shame that every member here feels at the disgrace brought upon the high office of president of the American Bankers' Association, the banking profession in general and good citizenship everywhere by the felony of one who was so honored by us, held in such esteem and now justly occupying a prison cell. By his own voluntary act he stabbed in the back the financial institution of which he was the head and exchanged an honored career for a criminal record.

The lives of the men to whom I have referred serve to "point a moral or adorn a tale." The former as a model and an incentive; the latter as a warning and an admonition.

Prosperity of Banking and of General Business.

We have cause to congratulate ourselves upon the abundant evidence that the past year has been, in the main, marked by prosperity in all lines of business, and comparatively few bank failures have occurred. All such periods have, however, produced a feeling of over-confidence and led to the floating of unsound industrial enterprises.

Changes in the Banking Laws.

The few bank failures of the past year are mostly traceable to excess loans made to such enterprises or their promoters. The present statutory provisions of the National Bank Act limiting loans to any one individual, firm or corporation to ten per cent. of the capital stock of the lending bank, seems to be inadequate. I would recommend a change in the banking laws permitting banks to loan one-tenth of their combined capital and surplus to one individual, firm or corporation, and provide suitable penalties for any bank violating the law. At the same time I would recommend that any funds passed to surplus be reported to the Comptroller of the Currency and be not thereafter allowed to be in any way impared, under the same penalties and conditions as now prescribed for impairment of capital stock. These amendments would tend to remove the incentive to excess loans and also provide a larger loaning power to the banks. Similar provisions in State laws could and doubtless would be enacted. A much more serious abuse lies in the not infrequent acts of managing offices of banks making large discounts to themselves out of the bank's funds. It is an observable fact that in a great number of bank failures there have been found among their assets the worthless notes of high officers of the bank, for large loans, frequently without any security at all or with "straw" security, which proved to be absolutely worthless. This is a most flagrant and reprehensible violation of law, to say nothing of business efforts. It is the essence of personal dishonesty; it is a wanton disregard of the fundamental conceptions that such officers are the chosen guardians of a trust fund. It opens wide the door to speculation and fraud, and it is a travesty upon a legitimate banking. We should urge Congress to deal rigorously with these abuses by pronouncing them as felonies, with extreme pains and penalties; and we should urge this association and the State bankers' associations to take this matter before their respective State Legislatures, so as to compel protection where there is wanting official integrity and a proper sense of propriety.

The Country's Currency System.

On the ever-present question of the country's currency system, this association spoke at San Francisco two years ago. The recommendations of the currency committee are as applicable to-day as when approved, and this association should see that these recommendations are carried to speedy success. We all agree that quality and not quantity comes first. Largely through the influence of our association, and as I have already pointed out, quality has been forever assured. No currency in the world rests upon a more firm and solid foundation to-day than does ours. On the question of quantity your voice will be no less potent and eventually decisive. Financiers differ as to the proper method of assuring at all times a currency ample but not redundant, elastic but not capable of ulterior manipulation. "Asset currency" and "emergency currency" are terms not yet capable of an exact definition. It has been said that "Fools often rush in where angels fear to tread." In considering this question let us not emulate the former nor arrogate to ourselves the wisdom of the latter, but as conservative, patriotic business men may we solve the question aright and having once made up our minds have the courage to enforce our convictions.

In conclusion, gentlemen of the association, I wish in the most appropriate of words to voice the sentiment which all of you must feel of good will and wishes for the President of the United States, who, in the high office which he fills with distinguished abilities, brings to bear upon questions of public moment a profound sense of patriotism and sincere desire for the nation's and the individual's good. I am sure I utter your thought in hoping for him continued health and strength and unmeasured success in his high endeavors.

We congratulate him upon the happy and successful outcome of his long, wise and patient labors to bring peace to our unhappy and warring neighbors and we express the hope that our country and our country's power and greatness may ever find its high field of usefulness in promoting the arts and splendors of unbroken peace.

The President: I believe for the first time in the existence of the American Bankers' Association we have with us the representative of a foreign nation, engaged in the banking business. I would ask Mr. Blythe, Manager of the Union Bank of Scotland, to come upon the stage.

Mr. PUGSLEY: Mr. President, an event of transcendant importance, not only to humanity but to the financial and commercial interests of the world, has recently transpired in the little town of Portsmouth. Through the initiative of the President of the United States, through his wisdom, counsel, and splendid efforts, an honorable peace has been secured to Russia and Japan; a peace which means to this nation and to all civilized countries, I believe, a new era of prosperity and commercial advantage and a new incentive for the nations to submit their grievances to arbitration. I believe, Mr. President, that when a man has wrought a great deed in a great way, he is deserving of great credit, and I believe it is eminently fitting that this convention should pause in its deliberations to express its appreciation of the magnificent work of President Roosevelt in the interests of peace.

I move you, therefore, Mr. President, the adoption of the resolution that I am about to read:

Resolved, That the American Bankers' Association, assembled in its thirty-first annual convention, extends its thanks to the President of the United States for his untiring efforts and eminent services in the interest of humanity and civilization, which were so abundantly crowned with success in the honorable treaty of peace at Portsmouth, and that this association expresses its appreciation of the President's unselfish action and courage in taking the initiative to restore to Russia and Japan those peaceful relations that must of necessity make for a greater and higher development of civilization and for the betterment of mankind.

Mr. JENNINGS, of Florida: Mr. President, coming from the far South, I want to reiterate and emphasize the feeling that has been presented in the resolution we have just heard read. Coming as I do from the Southland, we all love peace, and we love the President of the United States. I would not feel satisfied to remain silent here and hear the words of patriotism that thrill all Americans without arising to second the resolution.

THE PRESIDENT: You have heard the resolution, and I think in a matter of this kind we should take a rising vote.

The resolution was unanimously adopted, by a rising vote.

THE PRESIDENT: We will now be favored with an address by the Secretary of the Treasury, Honorable Leslie M. Shaw.

TRADE EXPANSION.—ADDRESS OF HON. LESLIE M. SHAW, SECRETARY OF THE TREASURY.

The nations of earth sell to each other $10,000,000,000 worth of merchandise per annum, one-eighth of which originates in the United States, and one-ninth of this grand aggregate finds our ports for ultimate consumption. Within the last half century the United States has not only assumed importance among commercial countries, but in the last decade she has become the greatest commercial nation of the world. Not only do her exports exceed those of any other country, but her domestic commerce is two and one-half times as large as the aggregate international commerce of the round earth. While the eighty and more commercial countries are selling, the one to the other, merchandise worth $10,000,000,000, the American people sell to each other merchandise worth practically $25,000,000,000. These stupendous and incomprehensible figures make some of us proud, some arrogant. They should make us all thoughtful, and prevent any of us from becoming recklessly critical.

We point with pride to our export trade of a billion and a half, and with our thumbs in the armholes of our waistcoats we contemplate our skill and foresight and our ability as international merchants. Will I be pardoned if I suggest that this export trade is due in no very large degree to our skill either as international bankers or as international merchants?

We grow three-fourths of the cotton of the world, and there being no other limitless supply the world comes to us for it. It comes willingly and it comes in its own ships.

The world never has six months' food in store. If harvests should cease to follow seedtime for six months, the world would starve. Again, the United States is fortunate, for her farms annually yield largely in excess of what eighty million people can consume, and, as in the days of Joseph, a starving world goes to Egypt, or to the United States, or wherever there is an excess of corn or other food, and now, as then, it provides its own conveyances. It requires no international merchant to sell raw cotton to countries which grow none, or food products to people who produce less than they consume.

We produce 400,000 tons of copper per annum—more than half of the world's aggregate. Of this we consume somewhat over 200,000 tons and export nearly as much. This being the source of greatest supply, the world again comes for our surplus, and comes in its own ships. It requires no international merchant to sell copper.

We produce seventy-three per cent. of the world's supply of refined petroleum. It would seem to require neither an international merchant nor a merchant marine to market our surplus petroleum. The Standard Oil Company, however, in its international business has found it convenient to provide ships.

Of our aggregate exports, about $1,000,000,000 consists of raw cotton, food products, petroleum products, crude copper, lumber, and other raw materials and crude articles, of which we produce a surplus, which the world not only needs but must have.

The time is coming, gentlemen—with our increasing population more largely urban than ever, with factories multiplying more rapidly than farms, with limitless manufacturing resources, and matchless aptitude for production—when the United States will need new and important markets. The world may come to us in its own ships for the products of our farms and the raw products of our mines, but it will not come in its own ships for the finished products of our factories. The time is coming when we will need international bankers and international merchants and an international merchant marine.

Revival of American Shipping.

I am well aware that this is not supposed to be a popular theme, but I did not accept your courteous invitation for the purpose of discussing subjects on which all good men agree. I accepted for the purpose of bringing to your consideration questions which public speakers usually avoid, to the end that you may think them over, talk them over by your firesides and in your places of business, in the hope that we may some time, and as soon as possible, agree upon some course, some policy, that will restore our flag to her deserved place on the seas and give to American enterprise its share of the carrying trade of the world.

I am well aware that there are some, and they are not confined to any one party or to any one locality—they are prominent in both parties, and are found on the shores of New England and on the prairies west of the Mississippi—who urge that we need do nothing more than gracefully surrender a portion of our $25,000,000,000 of domestic commerce, and then, by a logic which I do not understand, we will get so much larger share of the world's $10,000,000,000 export trade as to fully compensate ourselves, and that in addition we will make the world happy. I quite agree with them that it would make our competitors happy. But I will not discuss that question. I desire to confine my remarks to the importance of a merchant marine.

Over one hundred years ago Congress passed an act giving to the American shipbuilder and the American shipowner a monopoly of our coastwise trade. Since then political parties have passed into forgetfulness and others have come and gone. Administrations have changed again and again, but that old law remains intact. It has been often assailed, but no party has dared to repeal it. It, therefore, has the stamp of non-partisan approval. As a result we have the largest and cheapest coastwise trade in the world. The Detroit River floats more tons of American freight than all the foreign commerce that enters London, Liverpool and New York city combined, and under every ton is a ship built of American materials, by American workmen, owned by American capital, operated by American enterprise, and over every pound floats the Stars and Stripes. This country certainly possessed some measure of statesmanship in the days of James Madison, and wisdom did not die with the fathers, or the law ere this would have been repealed.

Practically a half century ago the present minority party inaugurated, and the present majority party adopted, a policy of liberality to the promoter. It gave subsidies of money, or subsidies of land, or both money and land, to encourage the construction of trans-State and trans-continental railways. The Union Pacific, the Southern Pacific and the Northern Pacific railroads each received Government aid. These roads opened an empire of matchless resources, and here our ever-increasing population found ample room and abundant opportunity. They improved farms, developed mines and builded States yielding a commerce which has made these roads in turn self-supporting, so that no county, State, or the general Government, longer grants aid to new roads. We not only have the largest and best railroad system in the world, but the cheapest rates in the world.

Not only has the general Government subsidized domestic commerce by direct appropriations from the public Treasury in aid of railroads, but it annually subsidizes commerce, both domestic and foreign, by large appropriations for the improvement of rivers and harbors. No difficulty is ever experienced in passing a river and harbor bill if its benefits are sufficiently distributed.

The Government is now enlarging not only the scope but also the amount of its bounty. It has paid fifty millions for the right to dig a ditch in aid of international commerce, and proposes to pay two hundred millions more, or five hundred millions more, if necessary, in the construction of that international ditch, other millions in its maintenance, and no end of millions, if necessary, in its defense. Then after all this outlay we are under contract to grant its use, for all time, to all the world, on the same terms as to the people of the United States. At first blush one might expect partisan opposition instead of non-partisan co-operation. But so manifestly wise is the enterprise, so abundantly able is the Government to bear the expense, and so many are the advantages to be derived therefrom, that throughout the length and breadth of the nation no voice is heard against it.

You may find it necessary to glance at the map before you appreciate that it is about the same distance from the principal ports of Europe to San Francisco via Cape Horn as from New York to the same port. It is also about the same distance from the principal ports of Europe to San Francisco via the

Suez Canal as from New York to the same destination via the Straits of Magellan. Cut the Isthmian Canal and it will be about the same distance from New York to Hongkong via Panama as from Liverpool to Hongkong via Suez. The completion of the canal will move the line of equal distance from the eastern to the western shore of the Pacific. Have no fear, brethren, we will get the worth of our money, provided we place ourselves in position to get our share of the use of the canal.

The markets of South America, South Africa and the adjacent islands are just being developed. The eyes of the world are upon them. The merchant nations of Europe know where they are located, and they are establishing banks and warehouses within them, and they have already established regular and fast lines of steamers to them. The United States has neither banks, nor commission houses, nor warehouses in these ports, nor has it means of communication with them, except through old, worn-out, dilapidated ships, sailing under foreign flags and making eight or ten knots an hour.

The United States imports a million dollars' worth per day of tropical and semi-tropical products. It sends to Europe, in excess of everything we receive from Europe, a million a day in raw materials and food products such as I have described; and Europe in turn sends a million a day to the ports of South America, South Africa and the islands adjacent. I do not need to tell you of the great number of ships that sail the triangle. They start from home with a cargo of finished products which they leave in those southern ports, then load with coffee, rubber, hemp, sisal, mahogany, dyewoods and fruits for the United States, then take a load of our raw materials, cotton, copper, petroleum and food products, back to Europe.

I have been many times taken to task for remarks like these. I have received letters, for instance, from certain commercial associations, the principal officers of which are interested in foreign steamship lines, calling my attention to the fact that means are at hand for carrying to these southern ports all the merchandise that America sends thither. Gentlemen, I have never taken the position that what goods we ship to South America do not ultimately reach those ports. I have sometimes called attention, however, to the fact that the quickest way to go to South America, or to send mail to South America, or to ship freight to South America, and the most usual way, is to send first to Europe and thence to the ports of destination. A large share of our paltry commerce with those countries does actually go by way of Europe, rather than in these old scows; owned by the men who take the position that because there are ways in which goods can be sent thence, therefore no occasion exists for improving the means of communication.

Iowa was dotted with settlements long before railroads tapped the Territory. In those days some grain was grown, and the little that was grown was hauled in wagons, frequently a hundred miles and sometimes more. A few cattle were fattened, and they were driven sometimes four hundred miles to market. There were trails, even then, and sometimes roads. Some hogs were fattened. These were killed, their carcasses frozen, and hauled to market—a process which consumed sometimes weeks and frequently entailed an expense exceeding the value of the freight carried. But in those days Iowa did not contribute very much either to inter-State or to international commerce. Not until railroads, encouraged by Government aid, were built, did her commerce multiply, and not until these became of the best did she take rank and contribute abundantly.

I am also aware, for my attention has been called thereto repeatedly by letter, and more frequently still by editorial comment, that a representative of the Department of Commerce and Labor, sent to South America for the purpose of investigating this subject, has reported that there are means of communication between the United States and South America. I have read his reports, and I beg my critic's pardon, for the distinguished college professor does not take the position assumed by the steamship companies, that existing means of communication are satisfactory, or that they should not be improved. Permit a few extracts from Professor Hutchinson's report:

"Suffice it to say that the service from Europe is carried on by large and fast steamers, thoroughly equipped in every way for freight, passenger and mail business, running on accurate schedule time, and giving regular communication between Brazil and Europe, in each direction, at least six times per month, while the steamers from the United States are small and slow, have only inferior accommodation for passengers, and, with the exception of a single sailing each month, are more or less irregular as to time of departure and arrival. It is thus often possible to get much quicker delivery of an order from England or Europe than from the United States."

After expressing the opinion that this inferiority of American service does not seriously affect large wholesale dealers in standard grades and sizes of goods, because the cables run independently of the mails, he adds:

"With smaller dealers and smaller orders, as well as in all larger orders, where full and specific instructions have to be given as to sizes, shapes, weights and grades of goods, the mails must be used, and I have met with many complaints as to the inadequacy of the service. I have heard of instances in which it took twice as long to get such orders from the United States as from Europe."

In speaking of the flag as a means of advertising he says:

"At present our flag is never seen here except on an occasional warship, or private yacht, or an out-of-date sailing vessel. The mass of the people scarcely know that such a country as the United States exists, and those who do know it, most of them, have but the dimmest notion of the vast economic activities of our people. This is a market peculiarly sensitive to notions of fashion and prestige. Most of the population, all except the very few who have traveled in the United States, have exalted ideas as to the greatness of England, France and Germany, and the 'fashionableness' of using commodities produced in those countries. There is not the slightest question that these impressions are deepened by visible illustration of the superiority of European merchant marine in Brazilian ports."

These instances are from the one expert quoted by the owners of foreign ships and by the press as having reported that the means of communication with South America are ample for the amount of commerce that now exists.

Transportation Companies as Agents of Commerce.

But suppose that were true, gentlemen. There are no such agents of commerce as the representatives of transportation companies. Senator Proctor once told me that his company had a large Australian trade in marble, but he said it was through no skill or foresight of the company. A line of steamships had begged that instead of going back empty after having brought southern products to the United States, or of going to Europe for a cargo, they might be permitted to carry some marble to Australia. Thus, through the skill and enterprise of a foreign transportation company, so large a trade in marble was established that the company is now compelled to have representatives down there. I have never heard of any manufacturers of cotton goods or of household utensils, or of anything else produced in competition with Europe, to whom the owners of European steamship lines have offered any special advice or encouragement.

One great difficulty in getting a foothold in these markets is to get our producers interested in the subject. For this purpose the Government goes to great expense in getting consular reports on conditions in these foreign ports. These reports are regularly published in pamphlet form for general distribution. Quantities of them go to Europe, however, and are furnished, not as we furnish them, to whomever asks them, but they are sent direct to the firms engaged in the trade at the ports whence the report is made. These reports are full of statements to this effect. I quote again from Professor Hutchinson, he being the principal authority of those who oppose every means for the creation of a merchant marine. He says:

"As I came south I found conditions much more encouraging, and here in Rio de Janeiro and in the neighboring State of Sao Paulo, I have been deeply impressed with the possibilities which are awaiting development. It is pleasant to note an undercurrent of friendliness toward the United States, and a seeming willingness to meet any advances our people may make at least half way. There is a great field awaiting development if our exporters can be made to believe that it is worth while to employ the right methods."

Does any one doubt that an American line of steamships making regular trips to Rio de Janeiro, the Government paying the loss until the trade is established, would knock at the door of every factory in the United States, submit samples of the goods consumed by the people, and beg their production and the privilege of carrying them? In the same report Professor Hutchinson says:

"New lines established now would have to run at a loss for a very considerable time. Of this there can be no doubt."

In the same trade report in which Professor Hutchinson's oft-quoted article appears is an article by A. T. Wills, who was sent abroad by the "New York Commercial" to inquire into trade conditions, from which I quote:

"The Germans are especially aggressive, and many of the German houses are doing the business we ought to be doing. If they see that American goods are in demand they get samples of them, send them home and invite the manufacturers to imitate the articles, even if they are inferior, and thereby get the trade. This is not difficult, for there is no representative of the American interests on the spot to defend our goods."

Does any one doubt that an American line of steamships, in part dependent upon the traffic, would see that our goods were defended? He further says:

"Spain has the East India and Egyptian cotton market to draw upon as well as ours, has good shipping facilities, and, more important than all this, turns out goods which the Spanish-speaking people all over the world want. It gets the trade, because its manufacturers turn out goods to meet the requirements, rather than, as we do, try to educate their customers to take what they produce."

The reports are literally full of specific instances where our manufacturers have refused to change their patterns to meet the conditions of South American trade, or where they have abandoned a trade partly established whenever there has been a local demand sufficient to keep their factory employed. Does any one doubt that the representatives of American transportation companies would do much toward correcting these defects?

Possibly some one will say, "Who cares particularly for the American manufacturer? It is his business, not ours." Yes, but it is my business also. I own some farms in Iowa and I want my tenants to feed the men who manufacture for these markets. I am selfish. In fact, I am so selfish that I desire every industry under our flag to prosper, and I hope I am wise enough to know that no one class of American people ever did prosper except when all our people prospered. I hope I am wise enough to know that the prosperity of any one class means the prosperity of all.

The United States is the owner of the Philippine Islands, and these possessions, plus the Panama Canal, plus a merchant marine, would insure to the American people somewhat more than their present ten per cent. of the one thousand millions of trade washed by the shores of the Pacific.

We occupy the best position on the map. We have the safest and the most convenient form of money in the world. We speak the language of commerce. Our farms produce more than the farms of any other country. Our mines yield gold literally by the carload, silver by the train load, and there is unloaded on the shores of a single commonwealth more iron ore than any other country produces. Our forests yield one hundred million feet of lumber for every day of the calendar year. Our factories turn out more finished products than all the factories of Great Britain and Germany combined by more than three thousand millions every twelve months. We transport this matchless product of farm and factory, forest and mine, from the interior to the sea at one-third what similar services cost anywhere else beneath the skies. We carry it from point to point along the coast in better vessels, on quicker time, and at cheaper rates than others. But at our coast line we are brought to an abrupt halt. Here we are no longer independent. Our foreign commerce is four times as large as forty years ago, but we carry in our own ships only one-third as many gross tons as forty years ago. We have protected and encouraged every interest but our merchant marine, and every protected interest has flourished. We have every facility for international commerce except international merchants, international bankers, and an international merchant marine. Shall we not have these? I am not urging ship subsidies. I am speaking of results, not of methods. If we will but take advantage of our opportunities we will send these products of farm and factory under every sky and into every port, and make our financial centers the clearing-houses of at least a fraction of the world's trade.

THE PRESIDENT: The next is the report of the secretary.

SECRETARY'S REPORT.

September 1, 1905.

To the American Bankers' Association.

Gentlemen—For two years the work of the protective committee has been conducted through the secretary's office with a reduction of expenses. During the past fiscal year, ending August 31, 1905, the Pinkerton National Detective Agency has obtained splendid results towards suppressing crime for the Association. They have captured sixty-two professional bank criminals, thirty-five of whom have been convicted. The total amount of their sentences aggregate eighty-four years. This does not include nine indeterminate terms; and nineteen of those arrested are now awaiting trial. William Rudolph, who, with George Collins, robbed the Bank of Union, Union, Mo., and later on killed Detective Schumacher, was executed May 8, 1905, at Union, Mo. The protective work of the association last year cost $26,031.61, while for the year ending August 31, 1904, it cost $34,282.44, a decrease of $8,250.83, although the membership is larger now than ever before. The expenses of the protective committee and the results of their work for the last five years are as follows:

	Paid members.	Cost per member.	Total expenses.	Arrests.
1901	5,392	$5.56	$29,973.20	54
1902	6,204	5.28	32,781.11	56
1903	6,943	5.93	41,145.61	50
1904	7,563	4.53	34,282.44	75
1905	7,677	3.39	26,031.61	62

The committee adopted this year a plan of issuing monthly reports to members and the press of the country, thus calling the attention of criminals to the fact that the committee is relentless in its pursuit of depredators who operate against members. The protective committee is a secret one, and a large part of the growth, prestige and importance of the association is due to its labors.

Sincere thanks are due its members for their earnest, painstaking and important work; their names being unknown, the only reward they can receive for difficult and regular labors is the knowledge that their duties are well performed and appreciated by other members of the association.

EDUCATION.

The committee on education has organized thirty-seven chapters, an addition of twelve during the last year. The efforts of this committee have been towards elevating the standard of educational work to even a higher plane than it has occupied. The total membership of the chapters is 5,350, being an increase of over one thousand in twelve months. Fifty-one students have already passed preliminary examinations in practical banking, eight in commercial law and thirty-six in political economy there are 299 applications for preliminary examination in practical banking, 178 in commercial law and 199 in political economy. The promotion in the banks in which they are employed of many clerks who have taken an active interest in the work of these chapters, shows that they are not only improving themselves, but that the work of the committee on education is being recognized by the banks of the country.

UNIFORM LAWS.

The committee on uniform law, has helped towards the adoption of the Negotiable Instruments Law by States who have not already taken it up.

Kansas, Michigan, Missouri and Nebraska have adopted it during the past year, making a total of twenty-nine States now having this law on their statutes.

BANK MONEY ORDERS.

Over six hundred members of the American Bankers' Association are now using the form of order adopted a year ago by the Association. One member, The American Bank, Manila, P. I., failed while sixteen money orders, amounting to $1,175.00, were in transit. These orders were promptly paid upon presentation by the American Surety Company, who guaranteed them, for the profit obtained by selling orders at the rate of $5.00 per $1,000. This company is now selling orders to members of the association which can be filled in up to an excess amount of $100.00 each, where formerly the limit was $25.00. During the past year twenty-one State Bankers' Associations have endorsed the order and recommended its use to their members.

THE CIPHER CODE.

The Cipher Code Committee appointed at the last Convention are entitled to the thanks of the association for their laborious and excellent work in compiling the best secret code yet devised for the use of banks and bankers. The need of the code was recognized by the chairman, Mr. F. F. Blossom; he compiled it and presented the result of his labor to the Association. Under the direction of the committee numbered codes have been issued to every member of the American Bankers' Association; numerous letters received show that the code is filling a long-felt want, and is daily growing in importance.

THE SECTIONS.

The Trust Company Section is still advancing, and its membership has increased from 566 to 632.

The Savings Bank Section during the same period has increased from 616 to 735 members.

ROUTINE WORK.

During the fiscal year ending August 31, 1905, 7,900 special letters and 111,000 circulars and reports have been issued from the Secretary's office.

The membership and resources of the association have increased as follows:

	Paid membership.	Annual dues.
September 1, 1875	1,600	$11,606
September 1, 1885	1,395	10,940
September 1, 1895	1,570	12,975
August 31, 1905	7,677	127,750
Interest on $10,000 Government Bonds of 1925		400
Making the total income		$128,150

During the past year 1,038 members were lost through failure, liquidation, consolidation and withdrawal from the association. This reduced the membership September 1, 1904, to 6,525. One thousand one hundred and fifty-two members have joined since that date. More members joined the association last year than ever before in the history of the organization. Their aggregated capital, surplus and deposits now amounts to $11,460,875,527.

In closing my tenth consecutive term as your secretary, I wish to thank most sincerely the officers, active committees, members and the clerical force in my office for their earnest and cheerful co-operation, without which such progress would have been an impossibility.

Respectfully submitted,

James R. Branch, Secretary.

THE PRESIDENT: We will now listen to the report of the Treasurer, Mr. Ralph Van Vechten.

Mr. Van Vechten read the following report:

TREASURER'S ANNUAL REPORT.

Financial statement of the membership account from September 1, 1904, to September 1, 1905:

September 1, 1904. To cash—	
Standing protective committee	$26,031.61
Committee on education	8,085.93
Committee on fidelity insurance	1,082.50
Committee on bank money orders	271.17
Committee on cipher code	2,144.15
Committee on uniform laws	54.00
Savings Bank Section	3,189.97
Trust Company Section	4,240.34
Executive council meeting, New York, May 3, 1905	2,853.66
Salaries	19,528.82
Expenses of convention	1,163.10
Proceedings, 1904	6,103.89
Distributing Proceedings, 1904	1,794.67
Rent	3,099.99
Postage	1,421.00
Printing, stationery, etc	709.24
Sundry expenses	414.06
New York Telephone Company	258.18
20,000 programmes—convention of 1904	225.60
Frames and inserts for 1905 and 1906 and pulp board	2,369.52
Typewriter in exchange	72.50
Travelling expenses of secretary	252.25
Premium on officers' bonds	56.25
Dues returned to two members	30.00
Dues paid to 1906, returned to trustee of M. L. Stewart & Company, Owosso, Mich	10.00
Petty cash	100.00
Amount transferred to Northern Trust Company, Chicago	45,000.00
926 drafts charged back account dues, 1904 5	12,795.00
Four drafts charged back account dues 1905-6	100.00
Balance, August 31, 1905	142,674.00
Total	$286,125.85

September 1, 1904. By cash—	
Balance, Sept. 1	$102,397.74
Interest on $10,000 Government bonds, 1925	400.00
Proceeds, sale of 4 copies of Trust Company forms	48.00
Proceeds, sale of Trust Company Section proceedings, 1896-1903	663.75
Amount paid account Dr. G. Marsland rebate account bill of Stumpf & Steurer, and stenographer and typewriter	591.77
Amount transferred from Northern Trust Company, Chicago, to National Bank of Commerce, New York city	45,000.00
Dues, 1,152 members, 1904-5	15,851.39
Dues from 1,582 old members paid in advance to September 1, 1906	27,440.00
5,764 bills for membership dues for ensuing year deposited with Commercial National Bank, Chicago, subject to deduction of unpaid bills	93,675.00
Total	$286,125.85

Balance, August 31, 1905 .... $142,674.00

National Bank of Commerce, New York city, holds for account of the American Bankers' Association, $10,000 U. S. registered 4 per cent. bonds of 1925, at a market value of $13,400.00.

Respectfully submitted,

RALPH VANVECHTEN, *Treasurer*.

THE PRESIDENT: I will also ask Mr. Van Vechten to read the report of the protective committee.

MR. VAN VECHTEN: The standing protective committee is a secret committee; and not being a member of it, I am requested to submit the report of that committee as follows:

REPORT OF STANDING PROTECTIVE COMMITTEE.

The Standing Protective Committee of the American Bankers' Association respectfully submits the following report:

The detailed financial statement of the Committee for the year ended September 1, 1905, is as follows:

Detailed Financial Statement of Standing Protective Committee.

Receipts.

Date			
1904.			
Sept. 1.	By balance		$3,761.64
" 16.	Appropriation of executive council at New York		20,000.00
1905.			
May 3.	Appropriation of executive council at New York		20,000.00
			$43,761.64

Disbursements.

Date			
1904.			
Sept. 1.	Pinkerton National Detective Agency	$25,871.03	
	20,000 Rules of Protective Committee	10.00	
	7,500 pamphlets	64.00	
	Second National Bank, Brownsville, Pa., refund case, forger A. E. Smith	86.58	
			26,031.61
Aug. 31, 1905.	Balance		$17,730.03

	Paid members.	Cost per member.	Total expenses.	Arrests.
1901	5,392	$5.56	$29,973.20	54
1902	6,204	5.28	32,781.11	56
1903	6,943	5.93	41,145.61	50
1904	7,563	4.53	34,282.44	75
1905	7,677	3.39	26,031.61	62

The meetings of the committee have been regularly attended by each of its members, and over seven thousand reports and communications have been considered during the past year.

It has been the purpose to conduct its operations at the least possible cost to the association consistent with accomplishing satisfactory results.

The committee asks the co-operation of the members of the association in an endeavor to secure an amendment to the penal codes of each State providing for the more severe punishment of the "yegg" burglar, as this class of criminal is the severest menace to the members of the association distant from the centres of population.

The committee recommends the adoption of the amendment to the constitution prohibiting the compromising of a crime either by the committee or a member of the association.

Realizing the advantage to the association of an adequate knowledge on the part of criminal classes of your probability of prosecution for attack on member banks, your committee has endeavored to give the largest possible publicity to the successful results of its operations. We take this occasion to thank the press of the country for its aid, and we ask the co-operation of the members in carrying out this policy.

The committee takes this occasion publicly to acknowledge the conscientious and laborious work of the secretary in the faithful performance of his arduous duties in connection with the protective work of the association.

The committee desires to express its appreciation of the untiring efforts and effective work of the Pinkerton National Detective Agency in the interest of the association. Their report of the details of operations during the past year is submitted in printed form.

Very respectfully,
Standing Protective Committee.

On motion of Mr. Mulvane the above reports were referred to the auditing committee.

THE PRESIDENT: The report of the executive council will be read by Mr. G. S. Whitson.

Mr. Whitson read the portion of the report relating to proposed changes in the constitution.

[For these proposed changes, see report of executive council, page 6‸7.]

THE PRESIDENT: You have heard the report of the executive council regarding the proposed changes in the constitution. It takes a two-thirds vote to change the constitution. What shall be done with the recommendation.

On motion the proposed changes were agreed to.

THE PRESIDENT: A committee, of which Mr. Robert J. Lowry is chairman, was appointed to draft memorial resolutions on the death of one of our members. I will ask Colonel Lowry, chairman of the committee, to read that memorial.

Mr. LOWRY: I will ask the secretary to read it.

The secretary read the following:

MEMORIAL AND RESOLUTIONS ON THE DEATH OF HON. JOSEPH C. HENDRIX.

Gentlemen of the American Bankers' Association—We are annually reminded that one or more of our worthy members have passed away, and that we will see their faces, shake their hands, and listen to their voices and their wise counsel no more.

It is the sad duty devolving on your committee to announce that since our last annual meeting the grim reaper has claimed our esteemed friend and co-worker, Honorable Joseph Clifford Hendrix, of New York, of whose death you have all heard. Your committee in making this announcement deem it proper to make mention of some of the principal features of the life of our late distinguished friend, and that proper resolutions of regret be passed by your body.

Honorable Joseph Clifford Hendrix was born in Fayette, Missouri, May 25, 1853, being the third son of Adam Hendrix of that place. He was only in his fifty-third year when he died, but into his active life he had crowded many important things, and, aside from being a prominent banker, he had distinguished himself in many ways.

At Fayette, Missouri, where he was born, he attended the Central College and finished his education at Cornell University, Ithaca, New York, his father being quite an advocate of liberal education. As an alumnus of Cornell Mr. Hendrix afterwards became a life trustee of that famous university and as such was ever enthusiastic for its welfare and watched its good work with deep interest and modest pride.

Mr. Hendrix developed early in his career a strong desire to enter the field of journalism. In 1873, when he was but twenty years of age, he left the West and went to New York, where he entered journalism. He was soon assigned to Brooklyn as a representative of the New York "Sun" there, and henceforth Brooklyn was his home. His remains now lie in beautiful Greenwood Cemetery in that city, which had been his home for thirty-one years, and with so many of whose institutions he was permanently identified.

In 1881 Mr. Hendrix became a member of the Brooklyn Board of Education, and five or six years later was made its president. His interest in educational matters never lagged, and from the day he entered Cornell University to the day of his death he was the champion of education, first, last and all the time.

Among the important offices he held during his life were Secretary of the Brooklyn Bridge Company, postmaster of the city of Brooklyn, as well as Congressman from the Brooklyn district. He was also a director of the Fifth Avenue Trust Company, and President of the Kings County Trust Company, which latter company he organized.

While the Honorable Mr. Hendrix was a member of Congress, he was offered and accepted the Presidency of the National Union Bank, of New York. This bank was later consolidated with the National Bank of Commerce, Mr. Hendrix remaining President of the consolidated bank until its consolidation with the Western National Bank of New York about a year before his death.

In 1895 Mr. Hendrix was elected chairman of the executive council of this association. In 1896 he was elected vice-president, and in 1897 he was elevated to the presidency of the American Bankers' Association, and all of these positions, being the most responsible within the gift of this body, were filled with the ease, grace and dignity, as well as the efficiency which characterized his conduct in every office he filled during his life. Not only was he efficient as an officer of this association, but as a member of the association he was ever ready to do whatever was assigned to him as duty, and would lend his wise counsel and suggestions at any and all times for the good of the association and its work. His devotion to the association was unselfish, his acceptance of its honors was with becoming modesty, and his efforts in its behalf were characterized by an interest scarce surpassed.

Socially, it was difficult to find a more genial and courtly gentleman. He was generous to a fault, kindly, courteous, patient and tolerant. He was always attentive, cheerful, bright and interesting. He was a member of quite a number of prominent social organizations both in New York and out at Bath Beach, where he frequently went to take a few days' rest from his strenuous duties, and the noise and traffic of the busy city.

The influence and example of such a man are of inestimable value. Every member of this association who has come in contact with him, will bear witness to his unfailing courtesy and watchful kindness. He was perfectly sincere, and his straightforward integrity impressed all that had relations with him, and his high-toned truthfulness inspired entire confidence; therefore, be it resolved by the American Bankers' Association:

1. That the death of Honorable Joseph Clifford Hendrix has brought to this association and its members deep sorrow and regret.
2. That our association has lost one of its most useful and honorable members, and each of us a devoted, loyal and faithful friend.
3. That the purity and excellence of the character of the deceased are an example to the young men of the banking profession worthy of emulation.
4. That the several institutions with which he was connected at the time of his death have suffered great loss in being deprived of his wise counsel and zealous advocacy.
5. That a page of our minutes be set apart for a permanent record of these resolutions as a token of the esteem in which he was held by the members of this association, and that a copy of the preamble and these resolutions be furnished to the family of our deceased member and friend.

Your committee respectfully recommend the adoption of the above.

Respectfully,

Robert J. Lowry, Chairman; M. M. White,
Myron T. Herrick, Logan C. Murray, Committee.

On motion the resolutions were agreed to.

THE PRESIDENT: The committee of which Mr. Walker Hill is chairman was appointed to draft resolutions on the death of Mr. Charles Parsons. I will ask Mr. Hill to read those resolutions.

Mr. Hill read as follows:

Whereas, the American Bankers' Association has heard with profound regret of the death, September 15, 1905, of Charles Parsons, President of the State National Bank in St. Louis; therefore, be it

Resolved, That the following tribute to his memory be spread upon the minutes of this convention, and a copy be engrossed and forwarded to his family.

Charles Parsons was one of the founders of this association at Saratoga in 1875. He served as President in 1890-91, and at the time of his death was ex-officio member of the executive council.

After an honorable military career during the Civil War Mr. Parsons entered the banking business in St. Louis, where for nearly forty years his name has stood for all that is wisest and best in his chosen field of labor, and not only will his influence and character be missed by those who held the privilege of his friendship, for it is well known that his record and attainments had achieved for him a national repute, and had he so desired he might have been honored high in the service of his country.

To those who knew him, his life will ever be a sacred lesson, as that of one who by his learning, his wisdom, his integrity, and his purity has achieved the highest ideal in a vocation which will ever demand the best in heart and brain.

Walker Hill, Dumont Clarke,
Jas. B. Forgan, R. H. Rushton,
F. P. Neal,
Committee.

On motion of Mr. Mulvane the resolutions were agreed to.

THE PRESIDENT: The reading of the balance of the report of the executive council will be postponed until to-morrow. We will now have an address by Mr. Frank A. Vanderlip, Vice-President of The National City Bank, of New York.

Mr. Vanderlip delivered the following address:

ADDRESS OF FRANK A. VANDERLIP, VICE-PRESIDENT NATIONAL CITY BANK, NEW YORK.

With almost unmixed satisfaction the members of the American Bankers' Association may contemplate the progress of financial events during the year which has elapsed since their last meeting. Little short of bewildering is the array of statistics which could be presented to demonstrate the rapid growth, sound development and satisfactory progress made in the commercial, financial and industrial fields. It is safe to assert that never before was our population so fully employed. Never before was the general level of wages so high, never before has the aggregate volume of industry been as great as it is to-day, never was the future of industrial activity so fully assured by advance orders. Never was the measure of commercial activity so large, and never before did such bountiful harvests meet such eager markets.

The total value of the agricultural crop of the United States will this year exceed by $500,000,000 the average value of that crop during the last ten years. The money value on the farms of this season's crop will reach the staggering total of $3,000,000,000. You of the West and South are close to the true meaning of these figures. To eastern bankers such statistics are merely figures. Their aggregate is so vast that it is difficult to comprehend their true import. You who are closer to the fields, the granaries and the cotton presses, you who with your own eyes see the direct results of this flood of wealth, are more competent to comprehend its significance.

BROADENING OF THE INVESTMENT MARKET.

Under the influence of harvests less bountiful than this, following one another with providential regularity, in the last half dozen years, you have seen whole communities change in character. People whose only acquaintance with finance was their knowledge of mortgage payments made to absent creditors, have been converted into commonwealths with surplus capital and investment capacity.

The whole great Mississippi Valley gives promise that at some day, distant perhaps, it will be another New England for investments. There is a developing bond market there which is of constant astonishment to eastern dealers. You have seen the farmer in these half dozen years discover the uses of a bank account, deposit his income, pay off his mortgage, accumulate a surplus and actually become an investor in corporate securities. You have seen that sort of thing multiplied and repeated until the aggregate wealth of the Western and Southern States has become astounding, even to you who have taken an active part in its growth.

Now on top of these succeeding years of good harvests, good prices, intelligent liquidation of debts and thrifty accumulation of surplus, comes the unprecedented figures of the value of this season's yield. Surely America is a country blessed.

PROSPERITY OF THE COUNTRY GENERAL.

The feature of agricultural life in these recent years has been great income, diminishing liabilities and the provision of ample working capital, with all the economies and advantages which ample working capital provides. These conditions have worked marvels in the way of prosperity for the agricultural communities. But prosperity is not confined to the farms. These same influences, large income, diminishing liabilities and the provision of ample working capital, have been factors in the industrial field as well; we can find as great prosperity under shop roofs as in the fields. The days when industrial competition commonly reached a point of destructive severity are largely past. The days when narrowness of outlook and lack of co-ordination led to the wasteful duplication of plants and a vast unproductive expenditure of capital, have given way to more intelligent management. That destructive competition, that duplication of unproductive expenditure, led with unerring economic force to the industrial combinations which marked the last years of the century recently closed. The forces which led to these combinations were so irresistible that some industries were swept together under hastily considered plans. Combinations were made that were properly open to criticism. Heterogeneous elements were united in ways that meant inevitable friction. Diverse interests were brought together but could not in a day be harmonized. For a time there was doubt as to whether or not true wisdom had been shown by the men who formed these great industrial combinations.

Economies Resulting from Combinations.

Evidence has now accumulated, I believe, to warrant an answer to that question. We anticipated economies when these combinations were made, but we are only just beginning to understand something of the full advantage which may result from the national organization of certain industries. It took a little time to get these organizations running smoothly. It was not easy to find men with the broad economic insight which the management of such great enterprises required. When a nation meets a crisis men seem to be raised up ready for the tasks. When this country faced war we produced great military generals. To-day, when the crisis in the management of vast industrial combinations is upon us, we are producing great captains of industry. These managers are not all great administrators any more than the war officers were all great administrators, but I believe the world has never seen the parallel of the business genius which is coming into the work of organizing some of these great industrial combinations. Economies are being brought about that were not conceived of when these organizations were formed. The co-ordination of a whole field of industry, the organization and distribution of plants so that the industry is working under the least possible disadvantage in respect to transportation charges, the combination into such aggregates that expenditures may be made to effect small savings, or in introducing mechanical aids which would be impossible in small plants, but which on a large scale effect remarkable economies—all these developments are answering the question as to the wisdom of these combinations. The results are beginning to appear in the income accounts and balance sheets. The improvement there foreshadowed is, I believe, but an indication of what may yet come.

With the aid of a wealth of raw material and a genius for mechanical manipulation, we developed a few years ago a capacity for industrial competition which startled the world. England, whose supremacy had been of such long standing that she rested in serene assurance, was crowded out of some of the international competitive markets. She was crowded to second place by America and then to third place by Germany. Our exports of manufactures doubled and doubled again and we had to be reckoned with in every international market.

Then came a halt. Europe awoke to the situation. She bought samples of our tools and duplicated them. She sent an army of investigators to study our methods. She arrested us in our commercial conquest. That halt is proving to have been only temporary. Again we are showing unexampled totals in our exports of manufactures. The present figures are substantially exceeding the totals which we made at the time Europe coined the phrase, "a commercial invasion." The reason for this late improvement, this regaining of ground temporarily lost, this making of new records, lies in the perfection of industrial organization which has been made possible by the great combinations. I believe we are just started on a new "commercial invasion." We have the cheapest raw material, the most efficient labor, a pre-eminent ability in the adoption of mechanical aids, and all that is combined with what I believe to be transcendent genius for economic organization. The combination of these forces will, I conceive, be well nigh irresistible. The logic of this combination spells for us an unexampled development of foreign trade. All we need is intelligently to foster the possibilities. I am not giving rein to imagination. The cold figures of Government statistics show the beginning of this new industrial conquest. Comparisons of manufacturers' cost sheets reveal the possibilities of future successes. Our own homogeneous domestic market, as great as that of half of Europe, contrasts strikingly with the tariff-hampered field of European manufacturers. Our foreign competitors meet at every turn the obstacles of customs restrictions, of racial differences and national jealousies. This great homogeneous market of ours makes a solid foundation upon which our industries can stand while they reach out successfully into competitive fields.

The conquest of foreign markets will not be an easy one, however. We are likely to meet with defeat and failure at some points caused by our failure to give proper attention to the business—and there are many examples of that in the past—or caused by a combination of obstacles which we cannot overcome. Perhaps we may see an example of the latter situation in the Far East. It is by no means certain that Japan is to stand courteously at the open door of Oriental trade and permit us to enter. We have seen in China what a racial boycott can do in interfering with trade totals. Oriental trade is not something won, but something to be striven for and there will be difficulty, defeat, disappointment and discouragement. Nor is the trade of Europe to be ours for the asking. The obstacles of tariff walls grow higher with every meeting of Continental Parliaments. The ability to compete with us increases as our methods are better comprehended. Germany has gone so far ahead of us in the proper education of the industrial classes that we may lose at times from that cause alone.

A Solid Basis for Business Expansion.

I do not mean that advantage is to come to us through disaster to others. We have perhaps more than our just measure of prosperity, but there seems, at the moment, to be good measure throughout the world. The world has withstood the financial strain of a war which cost the combatant nations two billion dollars. It has withstood that strain so easily that one is led to inquire how it has been possible that such a disaster should have produced no more unfortunate results. I believe the answer to that should be looked for in a quarter to which our academic friends have been giving some attention, but which has not as yet come to excite very great interest among practical financiers. It is not alone to the raisers of grain that nature has been bountiful of late. The mines of the world have been yielding treasure as lavishly as have our fields. In every day of this year, nineteen hundred and five, work days and feast days, holidays and Sundays, there will be drawn from the ground a million dollars of new gold. And then when the total is finally cast up there will be a number of odd millions to spare above that average. The mines of the world will produce this year $375,000,000 of gold. The final figures for the production of gold in 1904 have recently been made and they footed $347,000,000. We may reasonably look forward in the near future to an annual average output of $400,000,000 of new gold for at least a considerable number of years. When we remember that in 1885 the production of gold was but $115,000,000, we begin to get a comprehensive view of the significance of this increase. When we remember further that the entire monetary stock of gold in the world is about $5,700,000,000 we can calculate that the output from the mines in the next fourteen years promises to equal a total as great as the present monetary stock of gold. These figures are startling. They perhaps suggest the possibility of a disturbance of values. It does not follow, of course, that with the production of $400,000,000 of gold per annum the monetary stocks will be increased by that amount. The uses of gold in the domestic arts draw off at least $75,000,000 a year, but that will leave over $300,000,000 a year to add to the gold reserves. So eminent an economist as Leroy-Beaulieu has estimated that the monetary stocks of the world will be doubled in twenty-five years. In the light of recent statistics of the output of production I have no doubt that he would modify that estimate and incline to the view that the monetary stocks will be doubled in twenty years.

What is this to mean to the business situation? What is to be its influence upon prices? What effect will it have upon money rates? These are no longer academic questions. They are practical considerations which need to be taken into account by business men. The great increase in gold production which has been in progress since the close of the Boer War has, in my opinion, been a factor in the rapid recovery from the depression of three years ago. At that time, through financial excesses and indiscretions, we had been led into a dangerous position. In Europe also the chilling effect of the great destruction of capital, occasioned by that war, was everywhere manifest. This new gold production pouring itself into the bank reserves of the world has been an influence in bringing about the quick recovery from depression and in withstanding the shock of the further destruction of capital which the Russo-Japanese War entailed.

The classical economists, Ricardo, Adam Smith and Mill, evolved the quantity theory of money. They held that the prices of things would vary with the quantity of money in existence. If the money stock were doubled, prices would be doubled; if the money stock were halved, prices would be cut in two. That theory has been proved to be inadequate. There are many other interfering circumstances and modifying conditions. Nevertheless there is economic truth and force in it. It is within the intimate knowledge of all of us that if our bank reserves are increased we are moved to increase our loans. A pressure to increase loans tends to reduce interest rates. Lower interest rates enhance the price of income-paying securities. I think every one will accept, subject to important modifying conditions, the statement that an increase in the monetary supply has a tendency to advance prices. There may be other influences that will counteract in the final result. There can be no doubt, however, that with every million dollars of gold added to the bank reserves of the world, there is a disposition to increase credit lines. That increase in credit lines in turn has its influence on the side of advancing prices. As a practical matter, however, I do not believe we are facing any economic revolution as a result of this influx of gold. We must remember that the growth of business may keep pace or even run ahead of the substantial growth in the gold reserve so that in spite of actual increase the relative percentage of gold reserves to credit demand would leave prices unchanged.

The subject is a fascinating one, but at the outset it must be admitted that it is not one for accurate calculation and definite conclusion. There are a few considerations, however, and some popular misapprehensions in regard to it concerning which it would be well to have clear thinking. For example, it is rather commonly said a great increase in the gold supply will bring us to a permanently lower interest basis. This is a misconception. It is true that the first effect of gold additions to a bank reserve will be to lower the interest rate. That effect, however, is temporary. When the money supply has reached a permanent level, no matter how great the increase in it has been, the interest rate, other things remaining unchanged, will find its regular level. Interest is but a payment in kind. If the value of money depreciates, the value of interest payment depreciates as well. We need look for no permanently lower interest basis as a result of an increase in the money stock, but while that increase is in progress, the reserves are being constantly augmented and the tendency would be toward lower rates.

There is another consideration which we should have clearly in mind. Disregarding for the moment all other influences, we may lay down the principle that an increase in the supply of money will tend to advance the price of real property, but the price of an obligation repayable in money will not tend to advance. That is to say that real estate and all forms of property, including shares of corporate stock, which represent an ownership in real property, would advance, but bonds, which represent only the right to demand a payment in money, would not advance. All persons having a fixed income would find the purchasing power of that income reduced. The return from mortgages and bonds would have a reduced purchasing power. Persons receiving fixed salaries and wage earners generally would be at a disadvantage, for their incomes would not tend to increase as rapidly as the purchasing power of their wages decreased. Under such a set of circumstances there would be constant pressure from wage earners in order to increase their incomes so as to keep pace with the advanced cost of living. Is not that exactly what we have been seeing and are we not likely to see more of that same pressure to advance wages as the cost of living advances?

These are tendencies which would become sharply manifest if there were not counteracting influences opposing them. That there are sure to be such counteracting influences goes without saying. I recall a conversation which I once had with the great German financier, von Siemens, the creator of the Deutsche Bank. The balances of trade in our favor had been climbing up from $400,000,000 to $500,000,000 and then had gone well beyond $600,000,000, and it looked as if we might drain Europe of her whole monetary stock if that sort of thing was to go on. I asked Herr von Siemens what was to be the outcome for Europe. He replied with a well known German phrase, "A tree never quite grows to heaven." Events soon proved that this tree of favorable trade balances could not quite grow to heaven, although for the moment it did look as though it were likely to. And so with this increased production of gold which gives promise of doubling the monetary stock of the world in the next score of years. We might expect, if the theories of the classical economists held good, that with a doubling of the gold stock would come a doubling of prices. We can, however, be very certain that the theory will not entirely hold good. There will be counteracting influences. While there will undoubtedly be a tendency to advance prices as a result of this influx of gold into the bank reserves of the world, I do not believe the gold production is likely to become a serious menace. I do not believe that it will so disturb those business relations that are based upon the terms of money, as to cause any vital derangement of affairs.

What I do believe is that there is likely to follow just what followed in the two former periods of the world's history when there was an extraordinary production of gold added to the monetary stocks. One of these periods followed the discovery of America, when the treasures of Mexico and Peru were exploited. The other was in the years following the discovery of gold in California and Australia. In each case a mighty impulse was given to the exploitation of virgin fields of development. It seems to me not improbable that the next few years will witness the expansion of the field of commercial enterprise into new places. Countries that are commercially and industrially backward will yield to this new influence. It seems to me that one of the direct and important effects of this great production of gold will be to give an impulse to the development and industrial exploitation of South America, Africa, Asia and eastern Europe. At our own hand is South America on one side and China and Japan on the other. We are rapidly awakening to the commercial possibilities within these countries. If we are to have an influx of gold more than ample to sustain the credit operations for our domestic affairs, that fact will tend to lead our interests into these new fields of exploitation. Then, in turn, a wider use of credit which these new fields will develop and the increased reserves which that wider use of credit will make necessary, will probably absorb the increasing gold stock in beneficent uses, preventing it from ever becoming a serious menace to business organization.

Our Illogical and Unscientific Currency System.

The outlook is surely bright. What can hurt us? What dangers are ahead? With bountiful harvests, with lavish mineral production, with increasing financial strength, with wonderfully improved industrial organization, with a sound banking position, and with an impulse already given to every form of commercial activity, what is there to fear in the future? Is it clear sailing? Can we make commitments without fear for the future? Is the whole outlook into a cloudless financial horizon? An optimist might be forgiven for thinking that it ought to be. We have a good many elements of a firm foundation under our feet but again we might quote the German phrase, "A tree never quite grows to heaven." Sure as we are of many of the substantial foundation stones upon which to rear a structure of prosperity, we may be quite as sure that there are dangers lurking in the situation. Some may be avoided, others will not. Some it is possible to foresee, others we will fail to recognize until we see their evil effects. Among those which we know exist, there comes first to mind our illogical and unscientific currency system. We know that this system may at any time breed us trouble. We know that there is not a European financier of broad intelligence who, looking dispassionately from without at this currency system of ours, does not feel that it has in it dynamic possibilities for trouble even if other conditions are favorable.

Indeed it is when all other conditions are most favorable that the danger is the greatest. Now, in the very fullness of the prosperity that we have, there might be a pitfall for us in that quarter. A strain is on our currency system. With our usual good luck we may avoid disaster but it is the sort of time, nevertheless, when we ought clearly to see that we have a system which might endanger our banking position and retard most seriously our commercial development. We know that we are threatened by great social disorders; that the edict of a labor leader might change a cloudless outlook into an uncertain one. We know there is a disregard of law in labor unions and in corporation offices alike, which is threatening to our welfare. We can, at the moment, clearly see that however prosperous conditions may appear, this prosperity might receive a severe check should a speculative fever begin to rage. Should a stock market speculation start from the present high level of prices in the face of the extraordinary demand for capital and money which crops and business alike are making, the result might easily be temporary disaster.

I have been emphasizing some of the bright sides of the picture but there are shadows. In a gathering like this Jeremiahed songs are not pleasant, but there are some that might be sung which would not be out of harmony with true conditions. Never was there a better time to preach conservatism; never perhaps was it easier to be carried away by some of the obvious features of prosperity and to forget some of the dangers which in the end will be quite as potent in shaping the ultimate result. "A tree never quite grows to heaven." Although there may be many favorable features to the outlook, it is no time for prudence to be cast to the wind; no time for speculative commitments which would yield disaster if temporary reverses came; no time for laxness in any of the forms of business prudence and conservatism.

The president announced that the National Theater would not be available for the subsequent sessions of the convention, and stated that two places might be secured; one, the large hall on the tenth floor of the Willard Hotel, and the other the Columbia Theater.

On motion the Columbia Theater was chosen for the further sessions of the convention.

THE PRESIDENT: Some of you may not be personally acquainted with the next speaker. National bankers however are pretty well acquainted with his signature, attached to communication calling their attention to too large overdrafts, past-due paper, and section 5200 of the Revised Statutes of the United States. I beg to introduce to you Mr. W. B. Ridgley, Comptroller of the Currency, who will address you upon the subject of examination of banks.

BANK EXAMINATION AND SUPERVISION.—ADDRESS OF WILLIAM BARRET RIDGELY, COMPTROLLER OF THE CURRENCY.

After a careful study of the cases which have come under my observation during the past four years, I am firmly convinced that no system of bank examination or supervision from the outside of the bank can absolutely prevent fraudulent bank failures. The more thorough and efficient the supervision, the more surely and quickly frauds will be discovered and the more fear of detection will tend to prevent them, but they cannot be surely and in every case prevented by any practical means outside of the bank.

I am also equally convinced by the same experience that with careful and efficient work on the part of the examiner, aided by intelligent and thorough letters of criticism based on the examiner's reports, any board of bank directors of fair intelligence, with an honest desire to obey the law, can, by co-operating with the examiner and the Comptroller, make the failure of their bank practically, if not absolutely, impossible. Even if the whole board or a majority of it are not doing their duty in this respect, a respectable minority, or even one or two determined and honest men, can, if they will, secure for their shareholders and creditors this protection to which they are entitled.

I am sure that in this direction, the co-operation between the directors of a bank and the supervising authority, lies the best hope of decided and permanent improvement in the supervision of banks and the reduction of bank failures to a minimum.

No outside supervision can supply honesty or brains for the management of a bank, or take the place of either when it is lacking. The best it can do is to discover acts of dishonesty or bad errors of judgment, after they have occurred, and to some extent prevent illegal acts by fear of their discovery and punishment. If bank officers are honestly and in good faith doing their best, though with bad judgment and without ability, the advice of an examiner may often be of great assistance in judging of credits and preventing the increase of loans on weak lines, and the restrictions of any good banking law are of incalculable value to well-meaning, though weak or incompetent management. In most banks there is an honest desire to comply with the law and conduct the business safely, and legal restrictions have saved many such banks from trouble, if not failure. When, however, the officers of a bank are reckless, incompetent or dishonest, and sometimes they are all of these, the bank is in great danger of failure, in spite of any supervision which can be given it from the outside. In some such cases, an appeal to the directors may result in a change of officers and policy in time to save a bank, and I have known one good strong man to conduct a campaign almost alone among the stockholders, convince them he is right, and save a bank which had been brought very near to failure.

It is generally the case, however, when one bad man, or a bad crowd, get possession of a bank, and have large ownership of its stock, it sooner or later comes to grief, in spite of everything the examiner and Comptroller's office can do, unless they get honest assistance from some officer or director inside the bank.

An examiner always works under one great and unavoidable disadvantage. He can do little or nothing until after the law has been violated and much, if not all, of the harm is done. If the trouble is a bad, excessive or fraudulent loan, it has been made before he can act. If there is a shortage in the cash, through a defalcation or robbery, the money is gone before he can know it, and often with little or no chance for its recovery. A good examiner does his whole duty in the discovery of such a case. It is not reasonable to ask him to prevent it. Only so far as the fear of discovery deters bank officers from fraudulent acts can any supervision, short of frequent and complete auditing, prevent their occurrence.

Causes of Failures Deep-Seated.

A bank does not often fail suddenly. The condition which leads to it is apt to be of comparatively slow growth. Far the most frequent cause of failure is a large line of loans to some concern or group of concerns in which the officers are interested, or to the officers themselves. When the loans are new they look all right, and frequently are good. But if things go wrong and this outside venture loses money, the loans begin to increase, and soon good money begins to go after bad with the inevitable result. It is surprising to see in how few cases men who may have been theretofore honest and square, have the honesty and moral courage to face the failure of their bank when due to bad judgment or incompetency, without resorting to frauds of some kind. It is extremely rare to find a bank has failed without some of the officers committing fraudulent or illegal acts to hide it.

Every examiner, however, has many cases to report which are taken up and corrected, sometimes, after they have become very bad. There are a great many such cases where a bank gets into more or less serious trouble and yet is saved, where one goes on to failure. I believe there is seldom a day in the Comptroller's office, when we do not have pending a case of a bank which is found, not necessarily from frauds or always violations of law, but from bad banking, in a condition which, if allowed to go on, would lead to serious trouble, but which we are able to have corrected on the examiner's report and advice. We always have a list of those we are watching, and a very large percentage come out all right. They almost invariably do when the management is honest, and tells us the truth. It is very hard to tell when a bank is beyond hope and really is insolvent. The hard cases are where the officers are dishonest and untruthful, and perpetrate all kinds of frauds to conceal the condition. A common device is to put forged notes into the bank, ostensibly signed by people of good credit. Another is to fail to cancel and deliver to customers notes which have been paid, and to keep them in the bills receivable. One can readily see how hard it is for an examiner to discover such frauds, when they are perpetrated by shrewd scoundrels who have every advantage of being in the bank all the time, while the examiner comes only twice a year.

Difficulties Confronting Examiners.

After a bank fails and disclosures of dishonesty are made, it is wondered why such things could go on undiscovered so long. The examiner is blamed and abused, with or without reason. In some cases he is very much to blame, but in those which I have had occasion to investigate, this has not very frequently been found to be true. It must be remembered that these frauds and deceptions are, in most instances, being carried on by men of unusual ability—men who stand very high among their neighbors, not only in business, but also in social, religious and political matters. Almost invariably they deceive the whole community, their business associates, their friends, and even their families. It is frequently an astounding revelation to all of these, that the banker who has failed, defaulted and perhaps absconded, or killed himself, is not a man of wealth as well as the ideal of honor and business integrity. It is only the men who establish such reputations that have the opportunity to betray large trusts, and of these, only those with skill and shrewdness and the peculiar courage it takes to face unflinchingly such situations, can carry them on for any length of time without discovery. However his suspicions may be aroused, the examiner is, as I have said, under the great disadvantage of only being able to act after the crime is committed. He can discover them, but he cannot surely prevent such frauds.

Good Record of the National Banks.

Our system of National bank examinations is much the most extensive which has ever been undertaken by any country or government, and the experience accumulated during the forty-two years of its operation covers almost every conceivable trouble or complication into which the affairs of a bank may be brought, either by dishonesty, incompetency or neglect. The methods of examination, reports and criticisms based on them, have, of course, been a gradual growth. In spite of certain defects and weak points, some of them serious and now needing improvement, it has worked very well. In the main, the examiners have been faithful, competent men, doing conscientious and good work. The record of the National banks in regard to failures is better than any other banks we have ever had in the United States, or those of any other country, under at all similar conditions.

Of the seven thousand nine hundred and thirty National banks which have been organized four hundred and thirty-eight have failed, or five and one-half per cent. of the whole number, as against about seventeen and one-half per cent. of banks other than National in the same period. The National banks which have failed have paid their creditors over seventy-eight per cent. of the amount due them, while the other banks have paid only about forty-five per cent. Of the billions and billions of dollars they have had on deposit, the National banks have lost for their creditors in the whole period of their existence only about thirty million dollars.

These records in favor of the National banks are mainly, if not entirely, due to the wise provisions and restrictions in the National Bank Act and examination and supervision by the National authority. The examination provided in the Bank Act from the first, and in this it has never been changed, contemplated the examination of a bank by a single man and, except in the large cities, only provided such pay for it as would cover one or two days' fair pay, including expenses. This is not sufficient examination, no matter how efficient and careful the examiner, to infallibly detect, much less prevent, fraud and dishonesty. It does detect much of it—perhaps most of it—but not by any means all. I am more often surprised at what is detected by shrewd examiners, and upon what slight clews, than at what escapes them.

Examiners Should Receive Salaries.

The weakest feature of the present system of examination is that the examiners are paid by fees instead of salaries. I believe every Comptroller of the Currency has advised a change in this system; certainly all those of recent years have done so. The examiners as a whole are a fine body of men—faithful, industrious and attentive to their duty. But unfortunately this is not true of each individual, and the circumstances of their work being away from the observation of the office makes it difficult to check them up and see that all the work is well done. The temptation to slight it is sometimes too great, and this should be removed as far as possible by changing the basis of their remuneration. It is not reasonable to expect a complete audit of the books of a bank and the checking up of every department in it for a fee of sometimes only twenty dollars. If one were to employ a professional accountant to do such work it would cost many times this amount. This, in a large bank, is the work of many days or weeks. Perhaps it is not practicable nor advisable to have such complete service as this by officers of the Government. It is more a matter for the directors of a bank. It is now being done very thoroughly by an increasing number of the best banks, and it is a matter that every board of directors should give the most careful consideration. No bank should be without a good system of this kind.

The Government can, however, and should by all means, improve the service by paying the examiners salaries and greatly increasing their number, so that a man would have time, and take time, to go into matters throughly as is necessary to get at the real condition of the bank. The men ought to be paid good salaries—large enough to attract and hold good men. It is one of the difficulties of the present service that it is hard to keep a good man. Just as an examiner gets to know his district well, and becomes really efficient, he is apt to be hired by some bank looking for an officer. I see no way to altogether prevent this, but the salaries should be enough to keep men fit for the service in it. It is easy enough to get ambitious young men who are thoroughly competent to go into the service for the experience and acquaintance it gives them. It is more difficult and more important to keep them after they have been trained to the work.

Co-operation Between Directors and the Comptroller.

As I said in beginning, the direction in which we can look for the greatest improvement in bank supervision is in the co-operation between the directors of the banks and the supervising authority. The Government supervision can and should be improved, both by change in system and better administration, and it can do a great deal to help the directors realize their responsibilities and do their duty. For some months past, there has been a most determined effort on the part of the Comptroller's office to fix the responsibility of bank management on the directors of the National banks, and especially to see that the directors are promptly informed of what the bank examiners find in the condition of the banks which calls for criticism and needs correction. All letters of criticism from the office are addressed to the President of the bank, and are generally answered by the President or Cashier. Until recently nothing was done to call these letters to the attention of the directors, except when there was very serious criticism and a bank was in a critical condition. As a result of the former system, banks were often found in a very bad condition, without any effort having been made to advise the board of directors of the facts of the case, and it was a common complaint from directors that they had never been notified of things going on in the bank about which the officers had been written repeatedly. Under the new system every letter which contains any serious criticisms at all closes with a paragraph requesting the directors to join in a letter saying they have received the lettter from the Comptroller, and advising the office what steps will be taken to correct the matters complained of. During the short time this plan has been tried its good results are very apparent. It has resulted in many boards of directors making inquiries into the business of their institutions and bringing to light transactions of which they would otherwise have never known, although it was not only their right, but their duty, to know all about them. It has led to some complaint, and has been resented by the officers of some banks, who felt that it was in some measure a reflection not only upon their management, but upon their character as well. Careful consideration, however, of the proper relations which should exist between the directors of a bank and its executive officers, and especially their legal and moral responsibility to their shareholders and creditors, should convince the bank officer who desires to conduct the business of his bank as he should, that this is a measure looking only to more careful and better administration.

No bank officer who is running his bank properly should have any fear of his directors, and they have a right to know in what respects he is subjecting their business to the criticism of the Comptroller, and, above all, if he has been found violating the law. I feel that this is a most important improvement in the administration of the Comptroller's office, and have perfect confidence that when understood it will meet the approval of every bank officer who wants to run his bank as it should be, and every director who accepts the duties and responsibilities which his oath and the law wisely and properly place upon him. As long as I am Comptroller, I propose to assume, without evasion, my responsibility and to see, as far as I have power to do so, that the directors of the National banks and their officers accept theirs.

The bank examiner and the Comptroller's office have certain duties which they must perform and for which they are responsible, and it is no excuse for them to put blame for their failure to do so in any way upon the directors of the bank. On the other hand, the directors also have independent duties which they must bear and which they cannot shift to the examiners. It is no answer to a charge of neglect of these duties to criticise or complain of the bank examiners. The Bank Act provides that "the affairs of each association shall be managed by not less than five directors," and that "each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this title." No man is fulfilling the obligations assumed in this oath who accepts an election as director of a bank and then allows the officers to manage all its affairs without really letting him know what is going on in the bank at all, as is too often the case.

The duty of a bank director, if he would fulfill the obligation imposed by his oath and protect the interests of the shareholders for whom he is a trustee, and the creditors, to whom he is under even greater moral obligations, requires that he should know positively that the affairs of the bank are being properly managed. Meetings of the directors should be held regularly and frequently, and be well attended by all the members of the board. At these meetings the officers should be required to make full, complete and intelligent reports in such form and detail as to be easily understood by the directors. All loans and important transactions should be reported and passed upon, and especially all notes and securities should be submitted for the personal inspection of the members of the board who are not active officers. All loans to officers and directors should be more closely scrutinized and examined than any others, and the amount of their total liabilities clearly understood. In addition to such exhibitions as are made at regular meetings, the directors should have frequent thorough examinations made by committees of the board, or experts employed for the purpose. These should be made independently of the active officers of the bank.

Every clerk and every officer of the bank should be examined and checked up as thoroughly as possible, and required to show the examining committee or auditor just how the matters in his charge stand. No man who is in a position of trust has any right to resent such examination, and one who has a proper appreciation of the relation he bears to those who have reposed trust and confidence in him will welcome such an opportunity to show that he has been faithful and efficient. If all the boards of bank directors would do their full duty in the way here outlined, bank failures would almost come to an end. Banks would, of course, make losses, and occasionally one might fail, but it would be rare, and the result of very unusually bad judgment and incapable management. We would very seldom have such sudden and sensational failures of banks, looted from the inside by men who have stood high in their communities, and even thought to be models of honesty and trustworthiness.

Directors are Responsible for the Bank's Management.

The point I wish to emphasize is that the responsibility for bank management is by law placed upon the board of directors. By accepting a place on a bank board and taking the oath of office, a man accepts this responsibility and swears he will diligently and honestly administer the affairs of the association. He is under every moral and legal obligation to perform this duty fully and completely. It is certainly not asking too much of men who accept such trusts that they simply do their plain sworn duty and obey the laws.

This would seem to be a particularly opportune time for a vigorous self-searching among the directors of the banks of the country, as well as all other men who are in places of financial trust and responsibility.

Recent disclosures of the most disgraceful betrayal of trusts by men in the highest positions and the use of these very positions for private gain at the expense of those whom it was their sacred duty to protect, have put the American financier on trial before the country and the world. Not only those who usually are interested in such matters, but all the people of the country, are asking: "If these men are not to be trusted, who is?" "If this much is true, how much more must there not be?" It is only a natural inquiry, whether in the contest for wealth and power the American financial conscience has become deadened and the old ideals of honor and truth have given way to a newer code.

It is a shame, a disgrace, a national misfortune, that such things could have happened when and where they did, but it is a great good fortune that through a quarrel over the spoils, the knavery has been discovered. Unknown, or only suspected, such things are the greatest danger, but their discovery and exposure make it possible to reform them. The more complete the exposure, the more certain the reform. A director or officer of any bank, no matter how small or obscure, holds the same relation to his trust that these men held to theirs, which differ only in size. There is probably not a man here, certainly no member of the American Bankers' Association, who is not the guardian of some trust reposed in him by those who thus depend on his honor and fidelity. We are all responsible in some degree. It is not enough that we cry out for the punishment of those who have been caught in the act. Our duty lies in the faithful discharge of the obligations resting upon us. The upholding of the reputation and character of the banking institutions of the country is in our care and depends on each man doing his full duty.

The President: Before adjournment we will have time to listen to the report of the committee on uniform laws.

The secretary read the following:

Report of the Committee on Uniform Laws.

The committee on uniform laws begs leave to report that during the past year four States have been added to the roll of honor of States with the Negotiable Instruments Law on their statute books; namely, Kansas, Michigan, Missouri and Nebraska. In each of these States the history of success is practically the same—a united effort on the part of the State bankers' association, together with the strong undivided efforts of a few leading bankers. In other States, just as strong efforts were made, and in some the seed has been planted which will unquestionably bear fruit at the next session of the Legislature. In some, almost unsurmountable difficulties were encountered and it will take hard and painstaking work to wear these away. It is sincerely hoped by this committee that the different State associations will keep hammering away, educating the people and Legislatures until the merits of this law will become so clear that in the length and breadth of our beautiful land there can be but one construction of a piece of negotiable paper. In the different States whose Legislatures met during the past year, a brief notice of the reports may be of interest.

In New Hampshire it appears the State association has been disrupted through differences over local matters, and as this committee can only act through State associations, nothing was done there.

In Indiana a strong effort was made to pass the bill both by the bankers' association and by the bar association, but they could not get any intelligent consideration of it.

In Illinois about the same opposition was encountered. The chairman of this committee was one of a committee which laid the matter before the Governor and Speaker of the House, but in each instance the opposition, which was more negative than positive, was such that no effort was made to pass it. The feeling of the State association is such, however, that we know they will not quit until the law is considered on its merits.

In Georgia the State association carried matters along nicely and the bill would have unquestionably passed had it been reached on the calendar. There seems no doubt of its passage at the next session.

In Arkansas the State association made a thorough canvass of the Legislature and found such strong opposition that it was decided best to drop the matter for this session.

In California, South Dakota and Minnesota no efforts whatever have been made.

It is urged by this committee that each State association should take hold of this matter long in advance of the session of the Legislature in order that each member may be properly approached.

The following States are now acting under the Negotiable Instruments Law:

Connecticut,	New Jersey,	District of Columbia,
Florida,	Montana,	Oregon,
Maryland,	Idaho,	Washington,

Virginia,	Kansas,	North Dakota,
Wisconsin,	Michigan,	Arizona,
Tennessee,	Nebraska,	Ohio,
Utah,	Colorado,	Pennsylvania,
Rhode Island,	New York,	Kentucky,
Iowa,	Massachusetts,	Louisiana,
Ohio,	North Carolina,	Missouri.

Frank E. Tracy, Chairman; Homer A. Miller, J. D. Powers, Committee.

Thereupon the convention adjourned until October 12, at 10 o'clock a. m., at the Columbia Theater.

SECOND DAY'S PROCEEDINGS.

COLUMBIA THEATER,
WASHINGTON, D. C., October 12, 1905.

The convention was called to order at 10 o'clock a.m., by the president, Mr. E. F. Swinney.

PRAYER BY THE REVEREND T. S. HAMLIN.

Almighty God, we thank Thee for the beauty and glory of the morning, for the rain that Thou didst send to refresh the thirsting ground, and for the sunshine that this morning gladdened our eyes. We thank Thee for rest of the night; for health, and all the blessings with which the morning is crowned, and we entreat Thy blessing upon these men who have gathered for the business of this day. Grant that all their councils may be overruled by Thee, and that they may so deliberate and plan and execute as to promote the interests of those for whom they stand as representatives. We recognize as from Thee that great and permanent measure of integrity and honor that has marked the financial institutions of our country, and while we deplore all lapses from this high standard, we entreat Thee that Thou shalt so instruct and so strengthen the will that men may be able to execute trusts committed to them with perfect fidelity, that those who trust the institutions of the country in which they place their earnings may receive the due return for that which they deposit, and that there may be throughout all our banks, and trust companies and institutions of every sort where the financial interests of the nation are placed that complete integrity and high honor which shall safeguard all interests. Be with the families of those who are gathered together here as our city's guests; those who are absent from those whom they love, and grant that upon all this gathering in its remaining here and its departures, and in the homes, in the cities and towns of our land and other lands that are represented here, there may abide the blessings of our heavenly father. Forgive our sins, and receive us into the covenant of His love and mercy in His name who has taught us to pray, 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 them who trespass against us. And lead us not into temptation, but deliver us from evil; for Thine is the kingdom and the power and the glory for ever and ever, Amen.

THE PRESIDENT: We will proceed with the report of the executive council, Mr. Whitson, chairman.

REPORT OF THE EXECUTIVE COUNCIL BY THE CHAIRMAN, G. S. WHITSON.

Mr. President, and Members of the American Bankers' Association—While it has been the custom of my predecessors to make the report to the association at its annual meeting, it is not my intention to burden you with the details of the work which have been or will be covered by the full reports submitted by the various committees. The past year has been a most successful one. Each and every committee has not only cheerfully assumed, but faithfully carried out, the duties imposed upon it, notwithstanding their laborious nature in many instances; and I thank them for it.

The association has added largely to its roll, and our expenses have increased in consequence thereof, but the net result on the credit side of the ledger is about $40,000—the largest, I believe, in the history of the association.

Inasmuch as the constitution will not permit the names of the protective committee being made public, I think it but just that attention should be called to the work that they have accomplished; and notwithstanding the increase in membership and labor in consequence thereof, the amount expended is some $8,000 less than the preceding year. A committee appointed by the chairman in accordance with the resolution passed September 16, 1904, to revise the constitution and report at the next meeting of the council recommends the following changes, which are respectfully submitted:

Article 2, Section 1. Omit the words "those present at any regular meeting," and insert in their place "the executive council."

As the constitution stands at present there is no way to discipline a member or erase his name from the rolls of the association except by a two-thirds vote of the convention. The above change would delegate this authority to the council.

Article 4, Section 3 reads, "Said committee (protective committee) is prohibited from compromising or compounding with the parties charged with crime, or with their agents or attorneys."

The committee recommends that same be changed to read as follows:

"Said committee, or a member of the American Bankers' Association, is prohibited from compromising or compounding with parties charged with crime, or with their agents or attorneys, a case once committed to the association, which results in the apprehension of the criminal."

There is nothing in the constitution to prevent members of the association from making compromises of the above nature, and such action on the part of members on several occasions has seriously interferred with the work of the committee. Would it not be a good thing to insert a clause in the constitution not only prohibiting the protective committee from compromising or compounding with parties charged with crime, but also members of the association, after once having turned a case over to the protective committee for its investigation?

A committee composed of Messrs. Robert J. Lowry, chairman, and Myron T. Herrick, M. M. White and Logan C. Murray, was appointed to draft memorial resolutions relative to the death of the Honorable Joseph C. Hendrix, a former president of this association. Colonel Lowry, chairman of the committee, will read the memorial.

[This memorial will be found in the report of the first day's proceedings, page 676.]

A committee composed of Mr. Walker Hill, James B. Forgan, Dumont Clarke, R. H. Rushton, and F. P. Neal was appointed to draft memorial resolutions relative to the death of the Honorable Charles Parsons, former President of this association.

Mr. Walker Hill as chairman of the committee will read the memorial.

Mr. Hill read as follows:

[This memorial will be found in the report of the first day's proceedings.]

Mr. Whitson (continuing):

The council refers the following communication from Mr. Allen Ozburn, Cashier of the First National Bank of Pinckneyville, Illinois, to the convention, with the recommendation that it be referred to the new executive council.

Real Estate Loans by National Banks.

"Pinckneyville, Illinois, October 5, 1905.

The American Bankers' Association, New York:

Gentlemen—We have a law in the United States Revised Statutes prohibiting National banks loaning on real estate security. There may have been a time, no doubt was, when such legislation was deemed necessary in order to protect depositors to that extent who dealt with National banks. But that time has passed. There is no better security than real estate, neither indeed can there be, and National banks that are restricted in such a manner are put to a great disadvantage in that their competitors, State and private banks are not subject to the law. The fact is that ninety-five per cent. (estimated) of the National banks either evade or violate the law to the knowledge of the department, which proves the imbecility of the law. We believe all National banks outside of the reserve cities would hail with delight the repeal of this law and we feel sure would coöperate to secure this result if your good offices could be secured to champion their cause.

We believe you as an association are interested in securing legislation favorable to your members, and are no doubt just as desirous of having unfavorable legislation repealed. This could be done, we believe, with no injustice to the banks not affected, and we would consider its accomplishment the greatest single service you could render at this time to that class of your members who are under the ban.

We would thank you for your views on the subject, stating the conditions under which you would undertake the task, promising our assistance in arranging any preliminary.

Very truly yours,

ALLEN OZBURN, Cashier, First National Bank."

The President: If there is no objection the communication will be referred to the incoming council.

Mr. Whitson (continuing): The council refers the following communication from Mr. Myron Campbell, Cashier of the South Bend National Bank, South Bend, Indiana, to the convention, with the recommendation that it be referred to the new executive council.

The Secretary read as follows:

South Bend National Bank, South Bend, Indiana, October 3, 1905.

J. R. Branch, Secretary, New York:

Dear Sir—Referring to my communication of August 29, I feel so certain that the third item, protection for bank depositors, will not meet with general favor that I think it better not to ask the executive committee to consider it at this time. I therefore enclose substitute resolution, with this item omitted, which you may, if you please, offer for consideration in place of the original.

Yours very truly,

MYRON CAMPBELL.

"Resolved, That Congress be asked to pass in substance the following amendments to the National Bank Act.

1st. Whoever, with intent to defraud, shall by false or incomplete statement of the resources and liabilities, direct and indirect or contingent, of any firm, company or corporation, body politic or individual person or persons, or by color or any false token or writing or any false pretense, obtain from any National bank association, either directly or through any commercial agency or broker or dealer in commercial paper, any money or credit, or the transfer of any bond, bill, receipt, promissory note, draft or check, or anything of value, whereby such National banking association shall suffer any loss, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be imprisoned for not less than five years nor more than ten years.

2d. It shall be unlawful for any insolvent National banking association to receive deposits, and every President or Cashier who, knowing such association to be insolvent, or who having good cause to know or believe it insolvent, shall with intent to defraud, receive a deposit, or permit to be received a deposit from any person or persons, firm, company or corporation, or from any agent thereof, not indebted to such association, any money, check, draft, bill of exchange, stocks, bonds, or other valuable thing which is transferable by delivery, whereby the deposit so made or any part thereof, is lost to the depositor, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be imprisoned not less than five nor more than ten years.

The failure, suspension, or involuntary liquidation of any such association within fifteen days from and after the time of receiving such deposits shall be prima facie evidence of an attempt to defraud on the part of such President and Cashier.

3d. So amend section 5,137 that National banking associations may accept as security on original loans, mortgages on unincumbered real estate."

Mr. Burns, of West Virginia: I move that we refer the resolution to the executive council.

The motion was seconded; and the question being taken, it was agreed to.

Mr. Whitson (continuing): The council refers to the convention without recommendation a communication from N. B. Van Slyke, President of the First National Bank, of Madison, Wisconsin. As Mr. Van Slyke is attending the convention, we will be pleased to have him read his paper or explain his resolution.

Mr. Van Slyke, President of the First National Bank of Madison, Wisconsin, read as follows:

Address of N. B. Van Slyke.

Mr. President and Gentlemen of the Convention—The purpose of presenting this paper is to secure an expression of the association in reference to the need of amending an act which, since its passage, the banking interest has in some respects outgrown, and in order to bring out a free discussion of any objection that appears, the following is respectfully offered for consideration:

This thirtieth year of our association as a national body of bankers has clearly demonstrated the wisdom of organization, of concerted action to secure the success we have in our undertakings, and while very much good has already thereby resulted to the commercial and financial interests of the country through such combined efforts, there still remains opportunity for further improvement, both in our methods and laws governing the same.

I beg, therefore, as briefly as possible, to ask your consideration of what may be deemed advantageous to adopt.

Whether National, State, Savings or private institution, banks, in the estimation of the general public, are classified as one; and whenever a failure occurs, from whatever class, great or small, "It's another bank failure!" which for a time more or less affects the character of all, and touches that important element of banking capital—public confidence—creating distrust, and is harmful to every class; hence all banks are interested in the passage of restraining laws to protect their own stockholders, no less than the security of their patrons; laws admittedly just and reasonable, such as will be enforced when enacted. We have too many laws, and too little enforcement, and the popular tendency prevails to restrict, if not prohibit, many lines of perfectly legitimate trade.

Laws unreasonable in their requirements tend to disrespect and consequent disregard; this we too often see in the daily non-observance of municipal, State and Federal acts; when considered of minor importance, we are apt to overstep the line between a questionable compliance and open violation, begetting a certain spirit of lawlessness of greater or less consequence.

There should be no occasion for disobedience.

Owing to the lack of uniformity in State banking laws, only the National Bank Act will here be referred to as subject to amendment, though the States are conforming their respective laws more and more to the National Act, and are alike interested in improvement.

Conditions have materially changed in the past forty years, and what may have been prohibited has become a banking necessity to now adopt, as being especially applicable to the class of country banks now being organized.

Of Loans on Real Estate.

In all other cases, notes and bonds secured by mortgage on real estate are legally denominated "personal" property, but by implication alone, courts have construed mortgages held by National banks as real estate.

Section 5,137 of the U. S. Revised Statutes—the National Bank Act—says: "A National banking association may purchase, hold, and convey real estate for the following purposes, and for no others, etc." * * * "such as shall be mortgaged to it in good faith by way of security for debts previously contracted; * * * but no such association shall hold the possession of any real estate under mortgage, of the title and possession of any real estate purchased to secure any debts due it, for a period longer than five years." The holding of a mortgage on real estate does not constitute possession of the real estate until purchased. It is difficult to understand the difference between the bond of a railway company secured by mortgage on real estate (which banks are permitted to take) and the land mortgage given by an individual to secure his note or bond; however, such has been the ruling, intended no doubt to guard against too permanent investments in other than strictly commercial paper. This may be well for the large banks in the so-called commercial centers—the redemption points—but for the country bank the law is prejudicial both to the borrower and the lender. There is no better asset for a country bank to hold, in a limited proportion, than loans secured by real estate mortgage. Country banks at least should therefore be privileged to accept mortgage security, say not to exceed twenty per cent. of their loans, especially so since the only collateral a country borrower can well give is a mortgage.

Of Excessive Loans.

Attention is also called to the provisions of Section 5,200, U. S. Revised Statutes, so often quoted as limiting a certain class of loans to one-tenth of a bank's capital stock, an unreasonable restriction in many instances, and so frequently disregarded that it needs amendment. Were the limitation one-tenth of the actual unimpaired capital employed, the law would be respected; now it is not.

As the law stands, and with the disposition of banks to increase their surplus, rather than their capitalization, the limit becomes more and more disproportionate to the bona-fide capital, between which and its nominal capital stock there often exists such wide difference.

Other corporations are justly measured by their actual capital invested, regardless of their capitalization; why not banks in like manner?

I, therefore, offer the following:

1. Resolved, That this association earnestly requests Congress to amend section 5,137, U. S. Revised Statutes, so as to enable or permit banks located outside of the so-called redemption cities to accept of real estate mortgage security not to exceed twenty per cent. of the loanable funds.

2. Resolved, That to encourage the accumulation of surplus and undivided profits of banks, it is the opinion of this American Bankers' Association that Section 5,200 of the U. S. Revised Statutes, restricting loans to individuals, firms, and so forth, to one-tenth of the capital stock, should be so amended as to allow such loans to the extent of one-tenth of their actual unimpaired capital employed, irrespective of the nominal capitalization.

Mr. Hamilton: I move that this excellent paper be published and that the resolution be referred to the committee on financial legislation when organized. I think that there is a great deal of good in that paper, and I know that there are other questions of as equal importance coming before the association along the same line which should be embodied with that.

The motion was seconded, and the question being taken, it was agreed to.

Mr. Whitson (continuing): The following communication was received from the Association of American Railway Accounting Officers, and the council refers it to the convention for discussion.

The secretary read as follows:

Association of American Railway Accounting Officers, Chicago, Sept. 19, 1905.

Mr. James R. Branch, Secretary:

Dear Sir—Under another cover I am mailing you this day a copy of the twentieth report of this association, and beg respectfully to refer you to page 196 thereof, whereon are set forth two resolutions (No. 1 and No. 2) adopted by this association at its last annual meeting in regard to form of drafts.

Under the terms of resolution two you will notice that I am directed to call the attention of the bankers' association to the action of this association and to invite the coöperation of the bankers' association in the establishment of uniform standards for drafts.

The previous action taken by this association, and which was affirmed by resolution one, is set forth in memorandum attached to this letter.

I shall esteem it a kindness if you will take such action in this matter as will meet the desire of this association as outlined in resolution two above referred to.

This is signed by C. G. Phillips, secretary.

Memorandum: The form of draft recommended as standard by the association embodies the following characteristics:

(1) The number shall be in or near the upper right-hand corner.

(2) The amount in figures shall be at or near the extreme right center, followed on the next line by the amount in words.

(3) The name of the bank or individual on whom the draft is drawn shall be in or near the lower left-hand corner.

(4) The size of the draft shall be eight and a half by three and a half inches.

(5) This does not preclude the addition of a statement of accounts within the size named.

THE PRESIDENT: If there are no objections, the communication will be filed.

There were no objections, and the communication was accordingly filed.

Mr. Whitson (continuing): The council refers to the convention a communication received from Mr. G. W. Garrels, President of the Franklin Bank of St. Louis, Missouri, and as Mr. Garrels is attending the convention, we will be pleased to have him read his paper.

Mr. Garrels read his paper as follows:

RESOLUTION IN REGARD TO CURRENCY REFORM AND SUGGESTIONS FOR A PERMANENTLY SOUND AND ELASTIC CURRENCY SYSTEM, OFFERED BY G. W. GARRELS, PRESIDENT OF THE FRANKLIN BANK, ST. LOUIS, MISSOURI.

RESOLUTION.

Resolved, To appoint a committee to wait upon Congress, or the proper committees, and to ask that a commission be selected of members of Congress, professors of political economy, and practical bankers, whose duty it shall be to consider, determine, and report upon:

1. The nature of money, its functions, and scientific classification;
2. The duties of the Government in regard to money, and the limitations of the powers of the Government by natural, moral and commercial laws:
3. What can be considered a modern, practical, and elastic currency system, which will stand the test of panics, wars, and political changes, and is suitable for an advanced commercial nation opposed to privileged monopoly, without regard to the system now in existence?
4. To recommend such laws as will be necessary to change gradually from our present currency system to the one agreed upon by the commission.

CURRENCY REFORM.

Reform of currency is an intricate and delicate question, as currency is the life-blood of commerce, the arteries of which are so spread and interwoven with all phases of life in the modern system of exchanges of goods and services that a well-regulated currency is one of the causes of general contentment and welfare. History teaches us that erroneous currency laws have caused innocent sufferers untold hardships, unbearable wrongs, and general misery.

In opening a discussion of currency reform, it would be desirable that bankers, professors of political economy, and statesmen should first come to a full understanding and agreement concerning the following cardinal points:

1. The nature of money, its functions, and scientific classification;
2. The duties of the Government in regard to money, and the limitations of the powers of the Government by natural, moral, and commercial laws;
3. What can be considered a modern, practical, and elastic currency system, suitable for an advanced nation opposed to privileged monopoly, without regard to the system now in existence?

After an agreement has been reached on these points, it will be comparatively easy to find ways and means of gradually approaching this desirable currency system.

Our present currency system is an inheritance of the Civil War, and consists of a patchwork of political compromises. For sixteen years during and after the Civil War this system caused the nation to suffer under the curse of irredeemable paper money. The Legal Tender Act was only justified before the Supreme Court of the United States as a desperate war measure, occasioned by a war of such vast proportions and intense energy as to cost for five consecutive years, annually, a ten years' income.

The incorrect principle of endowing due bills of the Government with the function of money showed itself in what followed the excessive issue of such bills. In accordance with the Gresham law, the good money left the country. Gold and even fractional silver coins became articles of trade, and disappeared from circulation. The circulation soon consisted entirely of enormous issues of paper money, based on the credit of the Government. All values fluctuated with the fortunes of war. Defeats of the Union armies influenced public opinion to such a degree that the consideration of the possibility of final repudiation at one time placed a paper dollar at a discount of sixty per cent. as compared with gold. These bills had to be and were redeemed at par. Thus this incorrect policy more than doubled the cost of the war. Had the war been conducted on a gold basis, as was the essence of the advice given by New York bankers, and as was lately done by the Japanese, these enormous losses could have been avoided.

The power of coining money is forbidden by the Constitution of the United States to the States, and is granted to the United States.

The power over tender is forbidden to the States, and not granted to the United States.

The power of Congress to make Treasury notes legal tenders has been sustained by the United States Supreme Court on such slim grounds, as that the said power is incidental to the following powers:

1. To declare war;
2. To raise and support armies;
3. To provide and maintain a navy.

When the first legal-tender law was enacted Congress promised its abolishment at the close of the war. Forty years have since passed, but this pledge remains unredeemed.

We have in our currency about $500,000,000 of overvalued silver dollars. This is merely token money. As this is largely in excess of the demand for such coins, representatives of this token money are forced into circulation in the shape of silver certificates calling for forty-five cents value and for fifty-five cents trust. This subtle trick is ridiculous and degrades the dignity of one of the foremost nations of the globe by covering up an indebtedness of nearly $300,000,000 of the Government. This amount, representing fifty-five per cent. trust, does not appear as debt in the financial statement of the Secretary of the Treasury. In fact, when the silver was coined, sums aggregating about $130,000,000 were accounted for as extraordinary income, on the false assumption of seigniorage. The balance of about $170,000,000 represents the loss in the market value of the silver since it was bought by the Government.

The National Bank Note a Delusion.

We all know that the National bank note is a delusion. It is no bank note at all. It does not circulate on the credit of the bank of issue. It does not appear when the trade needs it, and it does not disappear when it has done its duty and is no longer needed. It is simply an artificial way for the General Government to borrow money cheaply. It is forced into circulation, after the Government has been in the market to sell bonds, without regard to a reserve of gold, of which every good paper money is a representative, and in which it must be easily redeemable to remain good. The National bank note is issued without regard to the needs of trade, for the benefit of which bank notes were invented. It does not go out of circulation until it has done all possible harm by congesting the money market and demoralizing interest rates. Abnormally low interest rates in turn promote non-dividend paying enterprises, inflate prices of securities, cause relaxation of the rules for doing a safe banking business, induce merchants and manufacturers to spread out beyond the safety limit, cause them to allow their assets to become slow and fixed, and promote gambling on the exchanges of the country.

Interest rates are indications of healthy or unhealthy business. Too high rates and too low rates indicate sickness in the commercial, industrial, financial, or political world. Countries with an elastic currency watch with anxiety their stock of gold on which their bank notes are based and protect the same by raising the rate of interest, which in turn is a signal of warning to every intelligent business man to contract his enterprises. The people of the United States have no such tocsin, which is due to their faulty currency system.

Bonds Issued for the Panama Canal Will Inflate the Currency.

The Government will need $200,000,000 or more for the Panama canal and will issue $200,000,000 or more in bonds. This will form the basis for $200,000,000 in bank notes. Forced into circulation, this addition of bank notes will first demoralize the interest rate and then drive out $200,000,000 in gold in accordance with the Gresham law. If we had a scientific currency law the result would be opposite. The large demand on the loan market would have the tendency to raise the interest rate, which in turn would encourage the importation of gold.

An enterprise like the Panama canal calls for loanable capital; or, in other words, for the savings and accumulated wealth of the nation. Only a small portion of this loanable capital will consist of the idle money seeking investment. The greater portion will be furnished by the products of our farms and of our mines, by the contents of our elevators and of our warehouses, and the products of our factories and other forms of our wealth. The money used for this transformation as medium of exchange will be only needed temporarily and under a good currency law would disappear after it has done its service.

Under our present currency law it may happen that our circulation is increased by the full amount of the Panama canal bonds to be issued. You are aware that trust companies and State banks use National bank notes without discrimination as reserve for deposits. You are also aware that large deposit accounts are created by loans made to customers. The increase of National bank notes of say $200,000,000 may, when digested by the banking mechanism, thus furnish loanable funds to an amount of nearly a billion dollars, and this without any regard to the loanable capital in existence.

Will not this be inflation against which our honorable Secretary of the Treasury has so earnestly cautioned?

All of our currency, excepting gold and gold certificates, is based on the credit of the Government. Hence, when money rates have hardened, in consequence of over-speculation, of over-trading, and over-production, the Government is looked to for help. It is expected to keep the money market easy in order to prevent disasters. It is often blamed for a depression of business, which is only the natural reaction, and often the proper correction, of over-trading. In fact, the Government is expected to put every business which is out of joint in good running order by distributing deposits of money amongst the banks. The Government should be relieved of this burden. It should be taken out of the banking business, and the currency out of politics. As long as the Government is a competitor in the banking business there can be no good financial legislation and no good banking.

Other enlightened nations have separated the credit of their Government entirely from their currency, and the time seems favorable for a similar separation of the credit of our Government from our currency system, and the building up of a new elastic currency system comprising gold and representative money readily and automatically redeemable in gold.

MONEY.

Barter has preceded trade.

Purchase and sales came into existence only where communities had singled out a general commodity which served as a common denominator, and as a medium of exchange, by comparison with which the values of other goods, or services, were measured. Cattle, shells, beaver skins, tobacco, iron, copper, tin, silver, gold, etc., have served at different times as such general commodities.

Gold, as the survival of the fittest, is now the standard of value of the civilized nations, and the medium of exchange in which the balances of international commerce are settled. Gold money, which as such a general commodity, completes an exchange fully, and gives value for value, is therefore the only real money, and is the basis of all substitute, representative, or token money.

THE DUTIES OF THE GOVERNMENT.

The Government is properly entrusted with the charge of assaying the gold, of weighing it, and of placing its stamp upon it as a certificate of correctness of the fineness and weight, but it should not make its coinage a source of profit.

There has been hardly a government in existence which has not abused this trust. History shows us how in ancient times, in the middle ages, and in modern times, governments have committed knowingly, and unknowingly, crimes by reducing the weight of coins, or debasing the alloy. The weight of the Roman as, which was originally twelve ounces, was repeatedly reduced until it was finally equal to five-twenty-fourths of an ounce. You all know how little is left of the pound sterling silver and the pennyweight silver in the English pound and the penny of to-day, respectively.

Levying a seigniorage in excess of the actual cost of coinage is immoral, and ought to be below the dignity of the Government. The sovereign prerogative of levying a disguised tax under the designation of seigniorage, which was formerly claimed by the rulers of the different countries, is mere stealing, and the holder who uses the coin in international settlements is the loser. The coinage laws of almost all civilized nations have now recognized this principle.

The issue by the Government of its own paper money with a legal-tender quality violates the theory that money is a commodity or its representative. The United States notes are not representatives of money, but certificates of indebtedness. A limited amount does circulate at par as long as such notes are redeemed in real money. Lack of redemption and excessive issues soon bring losses to the holders. These notes will then pass at a fraction of their face value only, proportioned to the probability of their final redemption. History teaches us that United States notes declined to forty cents on the dollar during the Civil War, and notes issued by the Continental Congress during the Revolutionary War declined to nothing, although the latter were finally redeemed at one cent for one hundred cents face value.

Successive bad crops, an extended civil or foreign war, extravagance in appropriations by Congress, may again cause an excessive issue of paper money by the United States, unless our currency system is put on a scientific basis, and is separated entirely from the credit of the Government.

The foremost European nations have left the issue of paper money entirely to banks, because they have found that credit is extremely sensitive, and that in bad times, when redemption of paper money, for which the Government is responsible, is in doubt, the money itself may become the explosive which may eventually shatter the foundations of the Government.

Is it not wise to divorce the money question entirely from politics?

European governments, in chartering national banks of issue, have created privileged monopolies. That such institutions could permanently exist in the democratic atmosphere of the United States is doubtful. History shows us that the two United States banks were dragged into the whirlpool of party politics and had to go out of existence, probably at the time to the detriment of commerce and of the people of the United States.

Co-operation of corporations created under general laws will give strength without monopoly, and this seems to be the proper solution of this question for the United States.

All paper money ought to be under strict control of the Government, but the burden of its redemption, with the exception of gold certificates, should be entirely removed from the United States Treasury.

As gold money is subject to wear in circulation, it should be the duty of the Government to facilitate and enforce the withdrawal of light-weight gold pieces.

It is the duty of the Government to provide subsidiary or token money, coined of less valuable metals, like silver, copper, or nickel, with a limited legal-tender quality, for circulation in the home country only. This should be coined in quantities sufficient to satisfy the demand fully, but not in larger quantities. The Government ought to provide for a ready distribution and redemption of subsidiary coins.

A Simple Elastic Currency System, Providing for Bank Notes Redeemable in Gold.

Gold: Gold, by its inherent qualities, has become, with all civilized nations, the measure of value, the medium of exchange, and the general commodity in which the balances of all commercial nations are settled. Even in silver-using countries the value of goods which are exportable, and of all merchandise which is imported, is measured by gold, though prices are expressed in silver. But these prices go up and down in sympathy with the price of silver in gold. Gold has gained this position in accordance with the natural law of "the survival of the fittest."

Gold Certificates: The object of gold certificates is: To make the payment, handling, and carrying of large amounts more convenient; to save in the expense of shipping and to reduce the shipping risk.

Subsidiary Coin: Subsidiary coin is made of sundry metals other than gold, and is of limited legal-tender quality, intended only for home circulation, and therefore has less intrinsic value than its face calls for. It should not be coined in excess of the home demand for its circulation.

Bank Notes: The loss which gold coins suffer by circulation, the inconvenience which the transfer of large amounts occasions, the ease of increasing the circulation whenever the trade demands it, by the use of paper money, has caused all civilized nations to use substitute or representative money in the shape of bank notes.

The essential qualities of good bank notes are:—

(1) Absolute safety under all circumstances;
(2) Ready redeemability in gold;
(3) Elasticity.

By elasticity I do not mean merely increase in the amount of bank notes in circulation whenever commerce demands such an increase, but also automatic disappearance from circulation when the representative money has served its purpose. The want of a provision for a contraction of the volume of bank notes after the necessity for their use has ceased brings about a congestion of the money market, which encourages an inflation of values, unreasonable speculation, and an unsafe extension of business, often leading to a financial crash.

How Bank Notes are Secured.

Bank notes are secured:

By a first lien on the assets of the bank of issue;

By a district safety fund and a general guarantee fund, created by taxes on the circulation;

Jointly and severally by the combined capital of all of the associated National banks of issue of the United States;

By a qualified guarantee of the United States of America, inasmuch as the Treasurer shall receive at par all such bank notes in payment to the Government, and that he shall not pay them to its creditors except with their consent;

By a reserve of gold, or gold certificates, to be held by each bank of issue equal to thirty per cent. of its outstanding bank notes, four-fifths of which is to be held with its redemption agent, the said reserve being held exclusively for the redemption of bank notes;

By a prohibition against including bank notes as any part of the legal reserve to be kept by a bank;

By an amount equal to the amount of circulation outstanding of easily convertible bonds, or well secured short notes not running in excess of thirty days.

The Redemption of Bank Notes.

Every reserve city is made a redemption city, and a certain adjoining district is attached to it and forms one banking district. If one such district is too extended, it is subdivided and an additional redemption city is created.

An office of Deputy Comptroller is established in every redemption city. The Deputy Comptroller issues bank notes to the different banks entitled to them in his district upon application; keeps the books for his district; and supervises the redemption of bank notes, and bank examinations of his district.

Every bank of issue in the district designates one bank in its redemption city as its redemption agent. Whenever any bank note reaches the counter of any bank in a redemption city, it ceases to be money. It has to be redeemed. It is cancelled and withdrawn from circulation. If the bank note to be withdrawn from circulation originated in the redemption city, it is paid by the bank of issue, cancelled and delivered to the Deputy Comptroller for credit on his books. If the bank note to be withdrawn from circulation did not originate in the redemption city, but in the same district, it is redeemed by the redemption agent in gold or through the clearing-house. It is charged to the bank of issue by the redemption agent and delivered to the Deputy Comptroller against his receipts. The redemption agent advises the bank of issue of the denominations and numbers of the notes redeemed. The Deputy Comptroller cancels the notes, credits the bank of issue, and also advises the latter of the denominations and numbers of the notes redeemed.

If the bank note to be redeemed originated in another district, the said bank note is delivered by the receiving bank to the Deputy Comptroller against his draft on the redemption agent of the bank of issue in the redemption city of the district in which the note originated. A schedule of the denominations and numbers of the notes redeemed is delivered in duplicate with the bank notes to the Deputy Comptroller. A third copy of schedule is attached to the draft, to be finally forwarded by the redemption agent to the bank of issue. An exchange charge is established for the drafts of the Deputy Comptroller, graduated according to the distance between the place of payment and the redemption city. This is allowed to the receiving bank, and is payable by the bank, the bank notes of which have been redeemed. The Deputy Comptroller cancels the bank notes and forwards them, with a copy of the schedule, to the Deputy Comptroller of the district in which the bank notes originated.

The Deputy Comptroller has charge of a sufficient supply of blank bank notes for each bank in his district, and delivers the same upon the application of any bank of issue entitled to them. If the Deputy Comptroller has on hand an application for additional circulation by a bank of issue at the time when clean, serviceable notes come in for redemption, he may reissue such bank notes instead of new ones.

General Guarantee Fund.

Every one of the associated National banks is entitled to issue bank notes equal to one hundred or one hundred and fifty per cent. of its paid up capital. Each bank pays taxes on its outstanding bank notes at the rate of one-half per cent. on the first forty per cent., one per cent. on the next ten per cent., two per cent. on the next ten per cent., and so on, the rate of tax gradually increasing. The taxes received on circulation are set aside by the Government as a "general guarantee fund" until the amount received is equal to five per cent. of the maximum previous circulation. Whenever the income from this source is in excess of five per cent. of any previous maximum circulation, the excess is to go to the Government.

District Safety Fund.

An assessment of one-half per cent. per annum is collected in each district on outstanding circulation to form a district safety fund until the same reaches two per cent. of the maximum previous outstanding circulation of the district. In case of impairment of said fund, or increase of the outstanding circulation, pro rata assessments are made to maintain the fund in the same proportion.

In case of a bank failure, the outstanding bank notes of the bank that failed are at once redeemable out of the general guarantee fund, which is later reimbursed as a first preferred creditor out of the assets of the bank that failed up to the full amount of the outstanding bank notes. In case the assets of the bank that failed are not sufficient to cover its circulation, one-quarter of the loss is made good by the district safety fund, and three-quarters by the general guarantee fund.

The object of the district safety fund is simply to promote watchfulness, which can be exercised more easily near by than at a distance.

The clearing-house of the redemption city appoints a committee, which assists the deputy-comptroller in the supervision of the banks of the district, and has power to examine any member of the associated bank of issue of the district. If an examination shows a bank to be in a failing condition, it can be closed at once with the assistance of the Deputy Comptroller.

The average circulation under the Suffolk redemption system amounted to about forty per cent. of the maximum circulation allowed, and under the proposed system would probably not exceed this rate. The graduated tax would make a high issue unprofitable, and one-half of the amount of circulation allowed would probably seldom be exceeded, except in times of stringency, when money commands sufficiently high rates of interest to enable the bank of issue to pay the higher rates of taxation.

In the foregoing I have outlined a scheme for a permanently sound and elastic currency system, in which prompt redemption prevents by itself any inflation and which is liberal enough to provide for any emergency.

The emergency circulation suggested by our honorable Secretary of the Treasury has some good features, but it is only an addition to a currency system built up on wrong principles. The want of publicity taints the whole class of this money to the whole extent of the permissible issue and deprives bankers of an indication on which to base their judgment.

I do not ask you to endorse this scheme, but I do ask you to support me in the following assertions:

1. Our present currency system is faulty;

2. The present time is opportune for considering its improvement;

3. In considering this matter of a sound and elastic currency system, the aim should be to create a scientific currency system which will be free from the faults of the present system, will stand the test of panics, wars and political changes, will stand comparison with the best system in existence, and will be worthy of one of the foremost commercial nations of the world.

Mr. Whitson (continuing): The following resolution offered by Mr. Lewis E. Pierson, of the New York National Exchange Bank, is offered for the consideration of the convention, with the recommendation from the executive council that it be adopted:

Resolved, That the President appoint a standing law committee of five members, to whose attention shall be brought all decisions and laws on banking matters, which are now or shall hereafter be at variance in different States.

This committee shall be instructed to provide ways and means to bring about uniformity in all matters of this character and be authorized to employ necessary counsel to properly prepare and carry through its plans.

Its expense shall be limited to such appropriations as may be made by the executive committee, to whom all reports of expense and progress shall be rendered.

On motion of Mr. George, the resolution was adopted.

Mr. Whitson (continuing): The following communication from Mr. Pierson is referred to the convention, without recommendation from the council:

The secretary read as follows:

"Resolved, That the president appoint a committee of five to confer with the joint committee of shippers and carriers now considering the adoption of a new uniform bill of lading."

A Member: I move the adoption of that resolution.

The motion was seconded, and the question being taken, it was agreed to.

Mr. Whitson (continuing): The following communication from Mr. E. P. Kuhl, Cashier of the Lincoln National Bank, of Lincoln, Illinois, is referred to the convention, without recommendation from the council that it be adopted.

The secretary read as follows:

Lost Gold Certificates.

"Whereas, Under the act of Congress of March 14, 1900, the Treasurer and Assistant Treasurers of the United States are authorized to issue 'gold certificates of deposits' payable to order of any bank or banker making deposit of gold; and

Whereas, the convenience of this method of storing gold is recognized and taken advantage of by banks and bankers all over this country,

Wheras, the Honorable Secretary of the Treasury under date of June 21, 1905, advised a member of this association 'that there is no authority of law for the issue of duplicates in lieu of lost gold certificates'; be it therefore

Resolved, That the attention of Congress be called to this state of facts, and that it be asked to pass such laws as will enable the Secretary of the Treasury, in the event of a gold certificate of deposit becoming lost or destroyed, to issue a duplicate therefor under the usual restrictions governing the issue of a duplicate for a lost or destroyed U. S. Registered Bond; and be it further

Resolved, That recognizing the importance of such an act to all banking institutions of this country, the secretary of this association is hereby instructed to send copies of the above preamble and resolution to all Congressmen, recommending the passage of a law that will relieve this condition of affairs."

The President: I am sure the members of this association will concur in this resolution.

On motion the resolution was agreed to.

Mr. Whitson (continuing): The following preamble and resolution offered by Mr. Robert J. Lowry is presented to the convention, without recommendation from the council.

The secretary read as follows:

Subsidies to American Ships.

"Whereas, the export trade of the people of the United States is annually on the increase, and in the years to come will necessarily increase in a greater ratio than it has in the past; and

Whereas, the percentage of foreign freight carried in our own American ships has decreased until, compared with the gross amount of our exports, it is ridiculously small; and

Whereas, this is to the great disadvantage of the people of the United States from the viewpoint of proper economy in the conduct of business, besides greatly detracting from our national prestige and pride; and

Whereas, the opening of the Panama Canal will be of the greatest importance to the commerce of this country, and will render even more necessary than at present the building of more ships to carry our freight to the Oriental and other markets of the world; and

Whereas, the passage of a ship subsidy measure on the part of this Government would be a substantial encouragement to ship-building, and be a long stride toward the upbuilding of a strong American merchant marine to carry our freight and mail direct from all our ports to foreign ports; and

Whereas, it is necessary for the maintenance of our national prestige among the civilized nations of the world that we do not allow our flag on merchantmen to become well-nigh extinct upon the seas; and

Whereas, the building of ships, thus encouraged by Government subsidy, would mean employment to skilled labor, as well as common labor, and would give a healthy impetus to internal trade in the purchase of all supplies necessary for the building of these ships; therefore, be it resolved by the American Bankers' Association in convention assembled:

1st.—That the members of this association are deeply interested in any measure which will promote the interests of the whole country industrially and commercially, and especially with reference to our foreign commerce.

2d.—That we favor and most respectfully urge the passage by Congress of some measure to foster and encourage the upbuilding of our merchant marine, and give us back the prestige upon the high seas which we once enjoyed.

3d.—That we favor the ship subsidy measure, which has received consideration at the hands of our Congress, which we think would tend to restore our flag upon the seas, and build up our merchant marine to the extent that the necessities of our trade now and in the future may demand.

4th.—That we recommend that our Senators and Congressmen favor some just and equitable measure, that will bring about the results, and afford the relief above suggested.

5th.—That through our legislative committee we memorialize the Senate and House of Representatives of the United States with a copy of these resolutions.

Mr. Low, of Maine: As a member of the association from Bath, Maine, where these ships will be built, I wish to second the motion.

Address of Robert J. Lowry.

Mr. Robert J. Lowry, of Atlanta, Georgia: Mr. President, I know of no proposition ever coming before the association of greater importance than the one just read. Commodore Maury, way back in older times made a chart, and in his day every ship that plied the ocean sailed by his chart. He was an able officer, and we are proud of him. I have been thinking that if those routes traversed by ships in those days could be filled up by debris, or something of the kind for want of use, that they would have been filled up long ago if the keeping of them open depended upon the ships from the United States. Foreign nations' ships are carrying the commerce that ought to be carried by our own ships.

When I presented this to the executive council and they referred it to your body, I expected it to come up on yesterday, when the Secretary of the Treasury said so many good things and appropriate things upon the same subject. I do not believe it is worth my while to say another word in behalf of this proposition. I would like to see our flag on a thousand merchantmen carrying our products to every part of the globe, and the only way to do it is to let people understand that if they will build the ships we will give them some encouragement. We built railroads across the continent by aid from the Government, and we can take our stuff to the port now, but we have no ships to carry it from the sea ports.

I do believe, gentlemen, that it is our duty to have some act of this kind passed. There are no people anywhere more interested in it than the bankers of America. The commerce of the country is what we make our money out of, and if the country does not prosper we do not prosper, and we should do everything in the world we can on this line, giving prosperity to the whole country, and in that way we reap benefit ourselves.

It is not from a selfish standpoint at all, because I always have held, and I hold now, that the patriotism among bankers is as great as is to be found in any other vocation in the world.

I hardly think it is worth while for me to say anything further, but I do sincerely hope that you will pass this resolution, give it your approval, or give your approval to some other proposition.

Edward J. Parker, of Quincy, Illinois: Mr. President, I am glad that Colonel Lowry has had the courage and practical good sense to introduce this resolution in the convention. I rise to support the resolution and wish to state a few things in that connection. It was Commodore Perry who opened up the ports of the world under the American flag. In this day our ships have almost disappeared from the seas. Within a few years I have seen in Japan on an inland sea fifteen or twenty ships lying at anchor, illustrating what her commerce is, and what war costs in the diversion and waste of commerce.

Some of you are anxious that our navy should be enlarged. Some object to the expense. I wish to make a point here. Some of the best naval officers in the navy have said to me (and this, mind you, after the Spanish War and the use of steamships which were purchased or leased in order to act as scouts), that although we might have subsidy laws passed by Congress, yet the expense of those appropriations would be very considerably held down if we would follow England and Germany and Japan in granting modern subsidies, but at the same time controlling the construction of these fast cruisers. Think for a moment of that great act of Great Britain in transporting to the Cape in a few weeks, under such regulations of construction of her mercantile marine, hundreds of thousands of men. We have purchased Alaska, but she is isolated. We have an extra Hawaiian Island; we have taken possession of the Midway Islands; by war we have acquired the Philippines. Whether or not you think we ought to be a world power, we are a world power and we cannot help it. Now, in case of war in this country we need those vessels as much as Great Britain and Germany to protect our isolated possessions. It is said that commerce follows the flag. We must make it do so, and Congress can begin by extending by moderate and safe subsidy acts relating to trade with South America and Asia. We are handicapped in this way. We cannot manufacture a ship in competition with Great Britain, Germany or Japan for the reason that we have a high protective tariff and we have to pay so much for our labor. We pay forty to fifty per cent. more. Japan or England or Germany can put a steamer on the ocean and save $20,000 or $30,000 in salaries to officers alone, and when it comes to seamen there is still greater difference. So, I say we are handicapped in that respect.

(Cries of "question, question.")

JOHN G. FLETCHER, of Little Rock, Arkansas: Mr. President, I had no idea of saying a word here. I fully endorse everything that Colonel Lowry has said except one thing, and that is the matter of a subsidy. I am opposed to subsidy for anything. Talk to me about handicap! This great American republic of ours has more free men, free labor and better wages than any other place on the face of the earth, and I think we are able to compete with the world in everything. I do not admit that any man has more veneration for the flag of this country than I have. And yet I am opposed to subsidies for anything. I come from the Southwest, west of the Mississippi River, where men with strong arms and brave hearts have hewed down the forests and built up a gigantic country. Why should we pay a few ship-builders to build our ships? We are building a navy to compete with the world; we are building a navy that will whip any country on the face of the earth, if necessary. I occupy a peculiar position, probably, in this convention. Probably there are not half a dozen other men in this convention that served in the Confederate army. I did. I do not deny it. But no man has any greater veneration for the stars and stripes and the honor and standing of this country than I have. I surrendered with General Johnston in North Carolina. I was met by the Federal army. They said, "What are you going to do?" "I am going back home where I live." And I went home and pulled off my coat and rolled up my sleeves and went to work as all of us did to build up our Southern country. There is no man who fought on the Union side who will do more to build up this country than I will. But I say to you, gentlemen, let us not grant any subsidies. Our men are energetic and live enough to compete in any line of business, and when capital gets so surfeited in these big markets that they cannot loot any insurance companies any further, then they will probably go to ship-building or something else that will pay. I say all this with due respect to my friend Lowry, but I hope that you will vote against the resolution.

Mr. Babcock, sitting in the gallery, said a few words in favor of the resolution of Mr. Lowry.

(Cries of, "question, question.")

The question was taken and the resolution was agreed to.

THE PRESIDENT: The next is the report on uniform laws. This report has been printed. The chairman was not here and he forwarded it and it was printed in the proceedings of yesterday.

Mr. FINLEY: I move that there be a committee appointed by the Chair on uniform laws.

Mr. GEORGE: I second the motion.

The question was taken and the motion was agreed to.

Mr. EVANS: I move that discussions on the floor be limited to two minutes.

The motion was seconded, and the question being taken it was agreed to.

THE PRESIDENT: The next is the report of the committee on bureau of education, by Mr. Finley.

REPORT OF THE AMERICAN BANKERS' ASSOCIATION COMMITTEE ON EDUCATION.

To the American Bankers' Association:

The effort of your committee on education during the past year, in connection with the American Institute of Bank Clerks, have been directed toward the elevation of the standard of educational work and the consequent assurance of its permanence rather than to the increase of the number of individual students and chapter members.

The study courses, consisting of standard text-books and collateral exercises and examinations covering the subjects of practical banking, commercial law and political economy, have appealed alike to practical educators and employing bankers as well as to ambitious and industrious students in both city and country.

The association of students in chapters in the larger cities affords opportunity to add lectures and class-room methods to individual study of text-books. In several places where university schools of finance and commerce exist chapters have organized classes under the direction of experienced professors in which superior educational results are accomplished. It is the purpose of the institute to extend such university alliances as far as possible.

To show the character of the preparatory work in connection with the study courses in practical banking, commercial law and political economy, the preliminary exercises and examination questions are submitted herewith:

PRACTICAL BANKING.

The student who takes up the study of banking must have a threefold purpose: (1) To acquire familiarity with banking methods, forms and accounts as now practiced; (2) to get an understanding of the principles involved in various banking transactions; (3) to get some knowledge of the development of banking institutions in this and other countries. There is no single text-book from which all this knowledge can be obtained. On account of the broad scope of banking interests, a student who would understand the business must know much more than the routine of a banking office. Knowledge of routine is the beginning and not the end of banking education.

The course of study here outlined is intended to give the student a clear idea of the work actually done by a bank, of the risks to be avoided and of the relation of banking to industry in general. The text-books are F. A. Cleveland's "Funds and Their Uses," Horace White's "Money and Banking," C. F. Dunbar's "Theory and History of Banking," either A. R. Barrett's "Modern Banking Methods" or A. K. Fiske's "The Modern Bank." Students should also read with care the articles on banking subjects published in The Bulletin.

Answers to all questions in the following preliminary exercise should be worked out by the student, but written answers to only twenty-five of the questions are required to be submitted for purposes of examination. Each candidate should tell briefly what experience he has had in a bank and what books he has read relating to banking and finance. Number answers to correspond with questions.

1. What are the distinctive functions of a bank, a trust company and a savings institution?
2. What are the preliminary steps in the organization of a National bank?
3. What are the relative advantages and disadvantages of national and State charters?
4. Name and describe the principal provisions of the National Bank Act.
5. What are the reserve requirements under the National Bank Act and under the laws of your State?
6. Describe the different classes of loans made by National banks, and tell why they are restricted from loaning upon real estate.
7. In the calculation of a National bank's reserve, how are the net deposit liabilities computed? In this computation, what is done with the following items: Due from other banks, due to other banks, notes of other banks, certified checks, National bank-notes outstanding, redemption fund, exchanges for clearing-house?
8. Make a working plan of any bank with which you are familiar and describe the duties and responsibilities of directors and various officers and employees.

9. What information is essential in accepting the deposit account of an individual, corporation, trustee, executor, administrator or agent?
10. How may an account be analyzed so as to show whether it is profitable or unprofitable to a bank?
11. Name and describe the different books used in any bank with which you are familiar, and suggest improvements.
12. What in your judgment, is proper identification of persons presenting checks for payment?
13. In connection with negotiable instruments, define drawer, drawee, payer, payee, indorser, indorsee, pledger, pledgee, consignor and consignee.
14. What is restrictive indorsement and indorsement without recourse?
15. What is essential in bank examination to show actual condition?
16. Make a typical report of condition and explain the principal items.
17. Describe effective and legitimate methods of building up the business of a bank.
18. What is the effect of certification?
19. Show that a bank deals in credit rather than in money.
20. Exactly what is the meaning of "money" in the saying that money is tight?
21. A bank receives interest on the notes it issues, whereas a private individual pays interest on his promissory note. How is the exaction of interest by the bank justified?
22. Show that the deposits of a bank may increase as the result of two entirely different transactions.
23. What is meant by the phrase "expansion of bank credit"? What fixes the limit to which a bank may expand its credit? Illustrate with concrete case.
24. Describe the utility or advantages of bank-notes, and show in what respect they are superior to Government notes. (Do not limit your answer to National bank-notes.)
25. Explain clearly the following: Exchanges for clearing-house, accommodation paper, acceptance, bill of lading, letter of credit, lawful money, certificate of deposit, check, certified check, draft, promissory note, collateral note, bill of exchange, power of attorney, warehouse receipt, Cashier's check.
26. What is the "surplus" of a bank? How large a surplus must a National bank accumulate? To whom does it belong? Why should a bank be required to have a surplus?
27. Explain how settlements are effected at a clearing-house. How are balances paid at the New York Clearing-House?
28. Discuss the present need for reform of banking laws in the United States.
29. What is a clearing-house loan certificate? What use has been made of it in the past? Show that its use in a panic is equivalent to a pooling of bank reserves.
30. With respect to the issue of bank-notes, distinguish clearly between the "currency principle" and the "banking principle."
31. What is meant by "elasticity of the currency"? What are its alleged advantages? Why do not checks supply sufficient elasticity?
32. Upon whose recommendation was the first bank of the United States established? What privileges was it granted? Show why it was called the regulator of the currency. When did its charter expire, and why was it not renewed?
33. On what grounds did Jackson attack the Second Bank of the United States? How did he cripple it?
34. Describe the Suffolk banking system. Show that the Suffolk was organized solely for the purpose of profit, and yet that it performed an excellent service for business interests in New England. Before the Suffolk bank was organized, why were the Boston banks unable to keep their own notes in circulation within the city?
35. Describe the so-called safety-fund system of banking. In what State was it first introduced?
36. When and by what State was the so-called free banking system first adopted? Why did this system fail in the first year of its trial?
37. During the panics of 1837 and 1857, in what city did banks longest maintain specie payments? Why did specie flow toward that city away from other cities?
38. What is meant by wildcat bank-notes? Show why the notes of many banks were at a discount before the Civil War.
39. Describe the organization and operations of the State Bank of Indiana and discuss White's statement that it illustrates sound rules of banking.
40. Tell the story of George Smith's "money" and show why it was elastic.
41. Show that the National banking system was adopted in order to provide a market for Government bonds. What legislation was necessary with regard to the issue of notes by State banks in order to stimulate the organization of National banks?
42. What part of the capital of National banks must be invested in Government bonds? Under what conditions may a National bank issue bank notes? Why did the notes of National banks increase between 1867 and 1880 and decrease between 1880 and 1890?
43. What are the duties of the Comptroller of the Currency?
44. In a five per cent. market, what profit does a National bank make on its circulation if it succeeds in keeping all its notes outstanding? (Assume that its notes are secured by deposit of Government 2's.)
45. Why should a National bank not desire to take out more notes than it can keep in circulation?

46. What changes, with regard to the issue of notes by National banks, were made by the law of March 14, 1900?
47. With respect to their reserves, into what three classes are National banks divided?
48. Are the notes of National banks elastic? Give reasons for your answer.
49. When and why was the Independent Treasury established in the United States? To what extent may it aid or injure the operations of banks?
50. Describe the Bank of Amsterdam and outline its history.
51. What are the principal features and functions of the Bank of France?
52. Describe the Bank of England and its relationship to the Government.
53. Explain the position of the Bank of England as a reserve agent for other banks. How does it seek to attract gold to England or prevent its exportation? Why is its policy often effective?
54. What are the characteristics of the Imperial Bank of Germany and its points of resemblance to the Bank of England?
55. Discuss the Canadian banking system with respect to (a) steps necessary to get a charter, (b) paid up capital, (c) reserve requirements, (d) the issue and the redemption of notes, (e) safety fund.

Commercial Law.

The student of commercial law is advised to begin with White's "Business Law." At this stage the purpose is simply to get a general view of the nature of law, and to add to this general view some knowledge of the more elementary doctrines as to contracts, sales, bills and notes, common carriers, agency, partnership and corporations.

After the student has gained an elementary knowledge of business law, he should make a special study of the law of commercial paper. For this purpose he is advised to study carefully either Bigelow on "Bills, Notes and Cheques," or Norton on "Bills and Notes." The banking law articles in "The Bulletin" should be carefully followed.

Finally, after the student has studied carefully one of the suggested treatises on commercial paper, he must familiarize himself, by thorough and repeated study, with the statute entitled the Negotiable Instruments Law, which has been adopted in many States and can be found near the end of the latest edition of either of the books named in the preceding paragraph.

The following preliminary exercise gives the student, to some extent, the option of pursuing elementary topics, advanced topics, or both. The first part is composed of general questions on elementary business law, divided into groups of five. The second part is composed of practical problems on elementary business law. The third part is composed of general questions on commercial paper, including the Negotiable Instruments Law, and is divided into groups of five questions each. The fourth part is composed of practical problems on the topics covered by the third part. The student should master all the questions and problems, but in submitting written answers for examination twenty general questions and five practical problems should be chosen, and no more. For this purpose all the four parts are available, with the restrictions that not more than two of the twenty general questions selected should be taken from the same group of five, and not more than ten from the third part. The answers should be clear, accurate and full, giving history, distinctions and reasons as well as mere statements of rules and of definitions. In other words, the answers should resemble explanations prepared for the instruction of intelligent persons not yet acquainted with the topics discussed.

(First Part: General Questions on Elementary Business Law.)

1. What is municipal law?
2. What are statutes?
3. Explain how law has grown through decisions.
4. What is substantive law?
5. What is a crime?
6. What is a tort?
7. What is a court of equity?
8. What is a contract?
9. What are the essential elements of a contract?
10. Do you know when infancy ceases in your State?
11. What is the effect of an infant's contract?
12. What is the effect of a lunatic's contract?
13. What is meant by a contract under seal?
14. Do you know the effect of sealing a contract in your State?
15. What is delivery in escrow?
16. Describe an official bond.
17. What is the statute of frauds?
18. What contracts come within the English statute of frauds?
19. Do you know what contracts come within the statute of frauds of your State?
20. Distinguish between penalty and liquidation damages.
21. How may a right of action for breach of contract be discharged?
22. Do you know what are the times fixed by the statute of limitations in your State?
23. Distinguish between sale and bailment.
24. When does title pass in case of sale?
25. What is a warranty?
26. What is a lien?
27. What is the stoppage in transitu?
28. What is a negotiable instrument?
29. What is a promissory note?
30. What is a bill of exchange?

31. What is an acceptance?
32. What is an indorsement?
33. What is protest?
34. What is acceptance supra protest?
35. What is accommodation paper?
36. How does a check differ from a bill of exchange?
37. What is the responsibility of a common carrier of goods?
38. Who is liable upon a contract made by an agent in behalf of his principal?
39. Who is liable for an agent's torts?
40. Who is liable for an agent's crimes?
41. What is a partnership?
42. To what extent is a partner liable for the firm's debts?
43. To what extent can a partner bind a firm?
44. How is a partnership dissolved?
45. What is a corporation?
46. In your State, what are the steps that must be taken in order to form a corporation for business purposes?
47. To what extent is a stockholder liable for corporate debts.
48. Do you know what is a stockholder's liability in your State?
49. Do you know what is the liability of a stockholder in a National bank?
50. What is the liability of a corporation from ultra vires acts?

(Second Part: Practical Problems on Elementary Business Law.)

1. Parsons writes to Bishop: "I offer you 10,000 bushels of wheat for $7,500, you to pay as much cash down as you choose, and the remainder in thirty days, with interest at six per cent." Bishop writes: "I accept." Are the parties bound?

2. I send you an offer by mail, and you send me an acceptance by telegraph, but the acceptance is lost by the messenger. Are we bound?

3. I send you an offer, saying that it will remain open a week. The next day I tell you that I find the property offered has already been sold by one of my agents. The next day you find that I was mistaken, and you accept the offer. Am I bound?

4. Your father promises to pay you $100 if you will write this exercise successfully and if you receive a promotion in one year. Both events happen. Must your father pay?

5. In your State, is it of consequence that the promise described in the preceding problem was signed and that after the signature was placed a wafer?

6. Bishop owes Parsons $1,000. Bishop, being insolvent, asks Parsons whether he will not accept $600 in full payment. Parsons assents, receives the $600, and afterwards brings action against Bishop for the other $400. Who will succeed?

7. Is it of consequence that the debt in the preceding problem was not yet due when the payment was made?

8. In the same problem, is it of consequence that, although the debt was due, the agreement for part payment was part of an arrangement whereby three separate creditors of Bishop made the same agreement with him and with one another?

9. I sent to a painter an offer of $1,000 if he will paint a certain house. He paints the house, but does not tell me that he will do so, and does not communicate with me until six months after the work is finished. Must I pay?

10. Parsons has a claim against Bishop for $1,000. Parsons calls Bishop's partner, Dane, by telephone and offers to give Bishop sixty days longer time if Dane will promise to pay in case Bishop does not. Dane telephones his assent. Is Dane bound?

(Third Part: General Questions on Commercial Paper.)

1. What is the law merchant?
2. What are some of the peculiarities of the law merchant as distinguished from the common law?
3. What is negotiability?
4. What is the distinction between negotiability and assignability?
5. What are the features necessary in order to render paper negotiable?
6. Who are the parties to a promissory note?
7. Who are the parties to a bill of exchange?
8. Discuss delivery.
9. At what time can suit be brought on negotiable paper?
10. What are the essential features of a bill or note, whether negotiable or not negotiable?
11. Discuss the result of designating a payee by a fictitious name.
12. Discuss the negotiability of instruments payable in instalments.
13. Discuss the negotiability of instruments payable on or before a certain date.
14. Discuss the negotiability of instruments payable with current exchange.
15. What is legal-tender money?
16. Discuss the negotiability of instruments payable in current funds.
17. Discuss the negotiability of instruments payable in foreign money.
18. Discuss the negotiability of instruments containing a power to confess judgment.
19. What is a joint note?
20. What is a joint and several note?
21. What power has the representative of an estate to execute negotiable paper in the name of the estate?
22. As to negotiable paper, what is the liability of an undisclosed principal?

23. What is the result of executing a bill or note without a date?
24. What is grace?
25. What is the effect of inserting or omitting "value received"?
26. Who can accept a bill of exchange?
27. Must an acceptance be unconditional?
28. Can an acceptance be revoked?
29. Must an acceptor receive consideration?
30. May an acceptance be written upon another paper?
31. May an acceptance be oral?
32. What time is allowed a drawee for acceptance?
33. What is an acceptor's liability?
34. Discuss acceptance for honor.
35. Compare acceptance and certification.
36. Compare the drawer of a bill and the maker of a note.
37. What is the liability of a drawer?
38. When is presentment for acceptance necessary?
39. What are the essential features of presentment for acceptance?
40. Must notice of non-acceptance be always given to the drawer.
41. What are the formal requisites of indorsement?
42. What are the liabilities of an indorser who is in the chain of title?
43. What are the liabilities of an indorser who is not in the chain of title?
44. What is the effect of transferring without indorsement paper payable to order?
45. What power has the representative of an estate to indorse commercial paper owned by the estate?
46. What is a special indorsement?
47. What is an indorsement in blank?
48. What is a restrictive indorsement?
49. What is a qualified indorsement?
50. What is a conditional indorsement?
51. Distinguish between presentment and demand.
52. At what place must paper be presented for payment?
53. At what time must paper be presented for payment?
54. In your State. what is the law as to grace?
55. How is presentment affected by the loss or destruction of the paper?
56. In what instance is notice of dishonor necessary?
57. At what time must the notice of dishonor be sent?
58. By whom must the notice of dishonor be sent?
59. To whom should the notice of dishonor be sent?
60. Should notices of dishonor be sent by mail?
61. What kind of paper must be protested?
62. By whom may protest be made?
63. What facts excuse presentment, protest or notice?
64. What is the liability of an indorser without recourse?
65. What is the liability of an accommodation party?
66. State some absolute (or real) defences.
67. State some personal defences (or equities).
68. How are absolute (or real) defences effected by estoppel?
69. What is the effect of alteration?
70. Against whom do personal defences (or equities) prevail?
71. Is a holder for a past consideration a holder for value?
72. To what extent does negligence serve as the equivalent of notice?
73. How is a negotiable instrument discharged?
74. How is a person secondarily liable upon a negotiable instrument discharged?
75. When was the Negotiable Instruments Law adopted in your State?

(Fourth Part: Practical Problems on Commercial Paper.)

1. "500. Albany, N. Y., August 19, 1905. Thirty days after date please pay to Henry Wheaton five hundred dollars out of any money in your hands belonging to me. To Messrs. Peters & Co., New York, N. Y. Joseph Story." Give all arguments tending to show that the above paper is or is not negotiable.

2. "Philadelphia, Pa., Sept. 1, 1905. I. O. U. fifty dollars. Joseph Story." Suppose that on September 1, 1905, the above paper is handed to Henry Peters by Joseph Story, and is indorsed by Henry Peters to William J. Wallace for a consideration of fifty dollars. If the above paper was without consideration, are there any circumstances in which Wallace can sue Story upon the paper? Give all reasons.

3. "Baltimore, Md., Sept. 1, 1905. Three years after date I promise to pay to Williams & Co. one thousand bushels of A No. 1 hard wheat. C. H. Johnson." If Williams & Co. obtained the above note from Johnson by fraudulent representations, and if it reached the hands of an innocent purchaser before due, what reasons can be urged to show that Johnson will or will not have to pay it?

4. Wheaton wrote a note to the order of Peters and locked it in his own desk. Wheaton bribed a clerk to let him have access to the desk, and took out the note, and before it was due indorsed it for value to Howard, who knew nothing of the facts. Would Howard be able to hold Wheaton?

5. Wheaton wrote a note payable to bearer, and gave it to a boy to play with. The boy dropped it in the street. It was picked up by Peters. Could Peters recover on it? If Peters sold it before maturity to Howard, who knew nothing of the facts, could Howard recover from Wheaton? How would the answer be modified if Howard took the paper after maturity?

6. "Chicago, May 1, 1905. One year after date I promise to pay to the order of Henry Peters one thousand dollars, and if suit be brought hereon, I promise to pay a reasonable amount as attorney's fees. Henry Wheaton." If

the above note be stolen while indorsed in blank, will an innocent purchaser for value before maturity get a good claim against Wheaton?

7. "Chicago, May 1, 1905. Ten years after date we promise to pay to bearer one thousand dollars at Bankers' Trust Co., New York City. At the bearer's option, payment will be made in London. The Wheaton Construction Co., by Henry Wheaton, President." If there were no consideration would a purchaser without notice from a holder of the above paper get a good claim against the makers?

THE PRESIDENT: The next is the report of the committee on currency. Mr. James M. Donald, the chairman, is not here, and Mr. Pugsley will submit the report.

Mr. Pugsley submitted the following report:

REPORT OF THE CURRENCY COMMITTEE.

To the American Bankers' Association—The currency committee has questioned the advisability of presenting a report, owing to the absence in Europe of the chairman of the committee, Mr. James M. Donald, of New York. Public sentiment, however, as expressed by individuals and through the banking journals of the country, seems to demand that the question of currency reform should be presented at this great convention, especially as it convenes in the capital city, the seat of all Federal legislation.

THE QUESTION OF REFORM.

It is an exceedingly intricate problem and yet one upon which the bankers of the country should be willing to give an expression of opinion. Experience as a member of the banking and currency committee of the House of Representatives has led to the belief that if the bankers of the country could agree upon some definite, sound, practical plan of currency reform, and unitedly and strenuously urge it upon the members of Congress, favorable and desirable legislation might be secured.

RETIREMENT OF UNITED STATES NOTES, OR LEGAL TENDERS.

If practical, United States notes, or "legal tenders," should be retired. Borrowing on demand, either by the individual or by the Government, unless there are resources immediately available, is fraught with danger to both Government and individual. It cannot be justified in any country, except in such emergencies as led, possibly, to the original issue of the legal tenders, or "greenbacks." It is obvious that they are debts of the Government payable on demand. A strong, prudent Government should avoid the danger arising from pressure and panic by providing that all obligations, as far as practicable, should be, not on demand, but on time. It would seem the part of wisdom to retire the legal tenders when the country is prosperous, rather than in the throes of panic, when the danger of such a currency and the necessity for its retirement are, possibly, more apparent. It may be that heroic treatment will be needed, and that a long time bond, payable at the pleasure of the Government, bearing an exceptionally low rate of interest, to be used specifically for bank circulation and public deposits, shall be issued to provide for their retirement. "The way to resume, is to resume." The way to retire, is to retire.

INTERCHANGEABILITY OF SILVER AND GOLD.

It is not even probable that any future Secretary of the Treasury will depart from the policy of his worthy predecessors, who have so ably maintained the parity of all forms of money coined or issued by the Government, although no express statute existed or now exists for the interchangeability. But if the silver certificates, silver dollars or silver coin are to be kept interchangeable with gold under all conditions that may arise, a sufficient reserve fund should be set aside to provide for the redemption in gold of about $600,000,000 of silver outstanding. If the silver certificates are not issued in larger denominations than five dollars, it would seem that a reserve fund of $100,000,000 in gold should be sufficient to protect the Treasury. Provision should be made so that no one could question at any time the value of any dollar issued or coined by the Government of the United States.

SURPLUS FUNDS IN THE UNITED STATES TREASURY.

The Secretary of the Treasury should have discretionary power to deposit in the National banks such portion of the surplus funds in excess of $50,000,000, whether derived from customs receipts or internal revenue, as he may deem proper, to prevent absorption of money by the Treasury. Such deposits should be guaranteed by United States bonds, or other securities acceptable to the Secretary of the Treasury. No reserve should be required against Government deposits in our banks, as they are secured by the pledge of United States or other bonds. If practical, interest should be allowed the Government upon these deposits.

CONTRACTION AND EXPANSION OF THE CURRENCY.

We complain about the rigidness of our currency system, and yet we have a cast-iron rule or law that will not allow National bank circulation to contract or expand, except within the most prescribed limits. There should be an early amendment or repeal of the present limitation of $3,000,000 per month upon the withdrawal of circulation, and either no limitation should be placed upon the withdrawal or the limit should be increased to $6,000,000 or $10,000,000 per month, so that expansion and contraction might, in a measure, be automatic.

SUPPLEMENTARY CURRENCY.

An additional or supplementary currency, other than that secured by United States bonds, might be issued in times of great financial stress along the lines suggested by Secretary Shaw, so as to appear identical with the present National bank note, but heavily taxed to insure its retirement when the conditions which brought it into existence had passed. As the Honorable Secretary has said, we should not inject into our circulating medium any new form of money that might become an element of alarm, neither should we advertise its existence nor our extremity. Such a currency, in consideration of the heavy tax laid upon it, should be guaranteed by the Government, and the usual five per cent. fund should be maintained, as provided in the present law. If banks holding fifty per cent. of their capital in Government bonds were allowed to issue a limited amount of supplementary currency it might prove a desirable remedy in time of panic. Its redemption could be accomplished by the individual bank depositing in any sub-Treasury an equal amount of lawful money.

It may be questioned whether the time has come in this country for any departure from our present system of National bank circulation, although a supplementary currency might be made perfectly secure and a valuable addition to our system, as suggested by Secretary Shaw.

The enormous output of gold, amounting throughout the world to about $1,000,000 per day, the major part of which the United States undoubtedly receives from its own mines and trade relations, provides for an increase in the circulating medium, which, while it may not eliminate the necessity for a supplementary currency, may in a measure lessen the demand.

In any discussion of currency reform it should be remembered that the banks are the servants of the people, not the masters, and that reform should not be in the interests of the banks alone, but in the interests of all the people. We should desire and expect the American dollar to be the world's standard of value, and our currency system to equal or surpass that of any other nation on the face of the globe, but only by the most conservative legislation can this be accomplished. Public opinion in this country should be so strongly and so thoroughly grounded in the great foundation truths of finance and currency that we should not only be right but stay right. These problems are well worthy the consideration of this convention, representing so largely the banking, financial and commercial interests of the country. A sound, stable and responsive currency is one of the greatest bulwarks of national greatness, glory and power, and one which will prove of inestimable value to its business interests. Cornelius A. Pugsley.

THE PRESIDENT: **The next is the report of the committee on Cipher Code.**
Mr. Blossom submitted the following report:

REPORT OF COMMITTEE ON CIPHER CODE.

To the Convention of the American Bankers' Association—Upon the recommendation of the executive council the convention held in New York in 1904 instructed the President of the American Bankers' Association to appoint a committee with power to act on a resolution filed with the executive council for presentation to said convention, having for its object the establishment of a cipher telegraphic code for the exclusive use of the members of this association. Acting under the authority thus delegated to him, the president, chosen to office in New York, appointed as the members of said committee, Mr. James G. Cannon, of New York; Mr. W. T. Fenton, of Chicago and Mr. Frederick F. Blossom, of Peoria. Immediately upon its appointment the committee began its labors and after a very careful consideration of the subject arrived unanimously at the conclusion that the creation of a cipher code for the purposes and in the manner set forth in the resolution aforesaid, was feasible and desirable and would be beneficial to the American Bankers' Association and to its membership.

The committee then proceeded to construct a code sufficiently broad and comprehensive for the general and probable uses of the association, omitting such material as was deemed unnecessary for a code of the character and scope contemplated. Having finished the task set for it, the committee on February 28, 1905, filed the following statement with the secretary of the American Bankers' Association, to wit:

"We, the undersigned members of the committee, with power to act, appointed by the president of the American Bankers' Association, under the authority of the annual convention of said association, held in the city of New York, September 14 to 18, 1904, do hereby submit the annexed cipher telegraphic code and recommend its distribution to the membership of said association for the purpose of such use thereof solely as an instrument of convenience and economy and without responsibility on the part of the said American Bankers' Association as each member may for itself determine to make under the rules, regulations, and restrictions therein contained and hereby made a part thereof, and we further hereby direct and authorize the secretary of the said association to have ten thousand (10,000) copies of said code printed and bound in suitable form, and also further direct and authorize the said secretary to furnish a copy of said code as thus printed and bound to each member of the American Bankers' Association in the manner specified in a certain resolution relative to the preparation of a cipher telegraphic code presented to the executive council of the American Bankers' Association at its session in the city of New York, Tuesday, September 13, 1904; and we further hereby request and authorize the said secretary to make certain changes of the key words at such intervals as his judgment may direct according to the manner specified in certain of the instructions aforesaid accompanying said code which have already been made a part thereof, as above stated."

As the delegates to the convention are aware, the code has been published and distributed by the secretary in accordance with the directions of the committee. In concluding its report the committee takes the liberty of emphasizing the following propositions relative to the code, namely:

1. The code is furnished to members by the association simply as an instrument of economy and convenience, and without responsibility on the part of the association.

2. The code is designed particularly for use between members having no established code connections together, and is not intended in any way to supplant private codes in use between banks and their correspondents.

3. Inasmuch as the code is standard as between members having no established relations together, it is to be assumed by members receiving cipher messages from other members of this association, with which they have no regular connection, that said messages are to be translated in terms of the association code. Should members, however, occasionally desire to communicate, by means of the code, with other members of the American Bankers' Association with which they additionally have private code connections the fact that the code of the American Bankers' Association is to be employed in translation in such instance may be particularly designated by the sender of the dispatch in such manner as circumstances may at the moment seem to render most desirable.

In order that confusion may be avoided and that no unnecessary delay may ensue in translation, it is hereby suggested, in all cases in which members of this association communicate in any other cipher telegraphic code, except that of the association with other members, with which they have no regularly established code connections, that senders specifically designate the code (Lieber, Western Union, State association and so forth) used, by the employment of some "indicator" (either word or phrase) at the beginning of the message. By means of this "indicator" the receiver of said message can readily determine what code is to be employed for the purpose of translation. Members of the American Bankers' Association in communicating with one another by means of the official code may likewise employ an indicator of their own choosing, if they deem such action desirable.

As already stated, however, the official code of the American Bankers' Association is to be regarded as standard at all times as between members having no regularly established connections together, and on that account, after careful consideration of the matter, it has been decided that it is unnecessary and further that it would be unwise, to create an indicator to be employed in connection with messages written in terms of the official code of the American Bankers' Association.

Respectfully submitted,
F. F. Blossom, James G. Cannon, W. T. Fenton.

The President: It affords me great pleasure to present to you Mr. Robert Blythe, Manager of the Union Bank of Scotland.

The Scotch System of Banking.—Address of Robert Blythe, Manager Union Bank of Scotland.

For the proper understanding of the characteristic features of the Scotch system of banking, a short historical record is almost essential. It will, in this paper, be condensed within the narrowest limits.

In the beginning of the eighteenth century, when Scotchmen had been provided with their first bank, and had no experience to guide them in its management, the country was not only poor; the population was also small. It probably did not exceed 1,000,000. The city of Glasgow had a population of 12,500. Now it is three-quarters of a million. The trade of the country was insignificant. Money was scarce; it is thought that there was not half a million of coin in the whole country. For the first half of the eighteenth century, poverty and lack of enterprise on the part of Scotchmen left some of the chief trade in the hands of foreigners. It was not until after the middle of the century that Scotch industries were developed and the national revenue increased.

Merchants, who traded in many kinds of goods, sometimes traded also in money; they took it on deposit, in limited amounts and for fixed periods at agreed upon rates of interest, and they had customers to whom they lent it at higher rates. This was all that Scotch traders had in the way of bankers up to the close of the seventeenth century. It was in the year 1695 that the Scotch Parliament granted to the Bank of Scotland, which was founded in that year, power to borrow and lend money at interest. Its business was to be restricted solely to dealing in money; it was prohibited from trading in goods. Its right to issue notes was implied, rather than expressed. Its charter gave it a monopoly for twenty-one years. Its paid-up capital was only

£10,000. The Royal Bank of Scotland, the next bank founded, was incorporated in 1727. During the eighteenth century there was only one other bank incorporated by charter, the British Linen Company; this was in the year 1746. These three banks have made various attempts to establish branches in the provinces, but it was after the middle of the century before they succeeded. There are now ten banks in Scotland. About nine-tenths of the business, however, is done by the seven large banks whose head offices are in Edinburgh and Glasgow.

One-Pound Notes Issued by the Scotch Bank.

The chief characteristic feature of the Scotch system of banking is the right of issue of the one-pound note. Before the Bank of Scotland was founded, there was no paper currency. It began to issue notes forthwith for £100, £50, £20, £10 and £5. Nine years afterwards it issued one-pound notes for the first time, but prior to the union of England and Scotland under one Parliament in 1707, the amount of these notes in circulation was not great. The privilege of the right of issue has always been recognized.

One of the outcomes of the great panic of the year 1825 was the abolition in England, in 1826, of the one-pound note. But the old note of Scotland was so dear to the people, and their demand for it was so clamant, the Government abandoned its resolution to extend the abolition to Scotland. Sir Walter Scott fiercely attacked the proposal to steal from us our right to our paper currency. To him, probably more than to any one, we are indebted for our small note.

The committee of both houses of Parliament in 1826 appointed to enquire into the matter of the bank failures, of which there had been a long and dreadful catalogue, and which were attributed to the issue of one-pound notes by the country bankers in England, reported in favor of the abolition in England, and against the abolition in Scotland. "With respect to Scotland," said the report of the Lords, "it is to be remarked that during the period from 1766 to 1797, when no small notes were by law issuable in England, the portion of the currency of Scotland, in which payments under five pounds were made, continued to consist almost entirely of notes of £1 and £1.1.0., and that no inconvenience is known to have resulted from this difference in the currency of the two countries. * * * The banks in Scotland have for more than a quarter of a century exhibited a stability which the committee believes to have been unexampled in the history of banking. * * * They supported themselves from 1797 to 1812 without any protection from the restriction by which the Bank of England, and that of Ireland, were relieved from cash payments; there was little demand for gold during the late embarrassments, and in the whole period of their establishment there are not more than two or three instances of bankruptcy. As during the whole of this period a large portion of their issues consisted almost entirely of notes not exceeding £1 or £1.1.0., there is the strongest reason for concluding that, as far as respects the banks of Scotland, the issue of paper of that description has been compatible with the highest degrees of solidity; and that there is not, therefore, while they are conducted upon their present system, sufficient ground for proposing any alteration, with the view of adding to a solidity which has been so long sufficiently established." The report of the Commons was also adverse to any legislative interference with Scotch banking.

Differences Between the Scotch and English Systems.

Prior to 1826, the difference between the English and Scotch systems arose mainly out of the comparative wealth and poverty of the two countries, and in the adoption in the poorer country of the cash credit substitute for the want of capital. But after 1826 there is a new element of difference. At first sight it is inconceivable that the systems of banking should be as greatly affected as they have been by the abolition of the use of one-pound notes in England. It is, nevertheless, a fact that since 1826 the main currency of England has been metallic; in Scotland it has been a paper currency, with little gold in circulation.

Our present system of banking, so far as the right of issue is concerned, dates back sixty years. The Act of 1845 continued to Scotland the one-pound note, and it provided that the amount of paper note money not represented by coin or bullion should be fixed, and that every note issued above the limit assigned to the existing banks, should be represented by coin or bullion. In England legislation had taken a different course; the note issues of the country banks were rigidly fixed—there was to be no further issue, no matter how much coin or bullion was held. This, then, was the difference. The issue of notes by the Scotch banks was to be without limit, so long as the excess of the authorized limit was represented by bullion, the authorized limit in England was not to be exceeded in any circumstances whatever. The authorized circulation granted by the Act of 1845 to the banks then existing was based on the average circulation for the year ending May 1, 1845. After that no other bank might issue notes. As a check on the true amount in circulation a certified account had to be sent to the Government Commissioners of Stamps and Taxes, weekly, distinguishing notes of five pounds and upwards from notes of one pound. The certified account had to include a note of gold and silver coin held. Every four weeks a note must be sent of the average circulation, and average coin held. The silver coin must not exceed one-fourth of the gold coin. By this act notes for less than twenty shillings are not negotiable.

Our system of note issue has not been altered since 1845. The aggregate circulation depends upon the public demand for this form of paper currency.

There is an elasticity in our circulation which the National banks of America must envy. We have no artificial, objectionable, and, we venture to think, quite unnecessary limits, as to the gross circulation, the proportion of small notes and large, or the withdrawal of circulation. During the last thirty years it has fluctuated between five and eight millions sterling. The note issue is not secured by the purchase of Government bonds, nor in any other way. Nor are we compelled, as the Bank of England is, to keep our issue department separate from our banking department. In the event of the bankruptcy of the bank the holders of notes have no priority over ordinary depositors.

The thirty-four private and joint stock banks in England have authorized fixed issues of £1,755,952. The ten joint stock banks in Scotland have an authorized issue of £2,676,350. But now comes the striking difference between the two countries. The English banks do not appreciate the value of the right of issue—and provincial issues are likely to become extinct—the Scotch banks do. In England the average circulation of notes, exclusive, of course, of Bank of England notes, is only about £590,000; in Scotland it is about £7,500,000. The average circulation in 1904 was £7,643,000, of which about seventy per cent. were one-pound notes, and thirty per cent. were large notes. In England the average circulation is not one-half of the authorized issue; in the case of private banks, not one-third. In Scotland, on the other hand, the average circulation is more than three times the amount of the fixed issues. Now, wherein do Scotch banks find the value of the one-pound note? Many people say that the mere cost of the paper and the printing of the notes is so small an item in the expenses of the management, the banks make a considerable profit from the interest earned on the amount of notes in circulation. But this is a mistake. In the first place the cost of the note issued is greater than is supposed. It is not merely a matter of paper and printing, there is the Government duty, and there is also the Government license required to be paid in respect of every "place" where bank notes are issued, and there are other charges affecting the circulation. It is in another quarter altogether that the Scotch banks find the value of the one pound note. It is the unissued notes, in the tills of the branch offices, forming the till money at more than one thousand branches, wherein the real value lies. Without them the banks would require to keep eight or ten millions of gold coin, not as a reserve, but as till money. It is these one-pound notes which have enabled branch offices to be planted in every part of the country. There is no such network of branch banks in any other country in the world. It is at these offices that we have collected the savings of the country from hundreds of thousands of small depositors. With a metallic currency and Bank of England £5 notes, branches could not have been profitably established in country districts. The cost would have been prohibitive. It is the one-pound note which has enabled the banks to go right down among the masses, and make banking possible to the greatest number. It is the one-pound note which has brought the offices to their doors, and tempted them to go in with their savings and deposit them securely and at interest. The aggregate deposits placed with the ten banks in Scotland now amount to more than £100,000,000 ($500,000,000.) It is not the poor country it was; it has grown rich by saving, and the system of planting branches has fostered the saving.

In Scotland, at an early period, the discovery was made that a great number of small accounts formed the basis of a much more valuable business than a small number of large accounts. Branches of banks were opened in small towns and villages, with a view, primarily, to collecting the savings of the people over a wide area, and secondarily, to assisting small traders, and fostering small struggling industries, in districts which wealthier England would not have thought important enough for a bank's consideration. The Scotch, I venture to think, have in this matter been wiser than the English, and wiser than our neighbors on the continent of Europe. The deposits collected in country places and in the outskirts of cities, have quite warranted the existence of the bank's branches.

The Cash Credit Accounts.

I have perhaps enlarged overmuch on the value of the right of issue, but it is to be kept in mind that down to 1826 the issue of notes was regarded as the essential of banking business in Scotland. The amount of notes issued is now only 7½ per cent. of the amount of deposits.

Another chief characteristic feature of the Scotch system of banking is what is known as cash credit accounts. They date back to early in the eighteenth century; they were peculiarly suitable to a poor country where capital was not available in its ordinary form, such as coin, or tangible and readily convertible securities. The idea at the basis of a cash credit account is this: a trader or a manufacturer has insufficient capital for the profitable conduct of his business; he has friends willing to help him temporarily; they are not required to give this help in the form of coin, or a check, nor or they asked to part with their securities; they give him the use of their names; they become responsible along with him to the bank for an agreed-upon amount; they sign along with him a cash credit bond. As soon as the bond is executed and returned to the bank, the trader or manufacturer, or other person who is to have the benefit of the cash credit, is entitled to cash checks on the account up to, but not exceeding, the amount stated in the bond. He gets the money from the bank just as he needs it; he is not obliged to take the full amount as a loan, and to pay interest on the full amount. It is not a loan, it is an operative account, bearing interest from day to day on the amount drawn from the bank. It is simply an ordinary deposit account reversed; the bank has become the creditor, not the debtor. The customer instead of receiving interest on the daily balance at his credit, pays interest on the daily balance at his debit. And, inasmuch as it is not what is called an overdrawn account, but a secured account, the borrower gets the benefit of a reduced rate of interest. This system of lending money to the manufacturing and trading cummunities was found to work so well, it was adopted by all the banks. Their balance-sheets showed that their loans upon cash credit bonds formed a large part of their business. No one will deny that the industries of the country would develop by these cash credit arrangements. It needed capital to sink its coal pits, to build its factories, and its furnaces, to finance its imports and it exports, to build ships; in a word, to create and develop industries which are now the source of the country's wealth. "Cash credits are applicable to a class of transactions totally different from those which give rise to bills of exchange; one difference being that bills of exchange arise out of the transfer of commodities and are payable in one sum at a fixed date, while cash credits are not issued on the transfer of commodities, or on any previous transactions, and are not repayable in one sum at a fixed date, but are a continuous working account."

There is no doubt that in Scotland the old cash credit account, guaranteed by two or more good names, is not so extensively used now as formerly. It has been, to some extent superseded by other forms of credit. And this characteristic feature of our system of banking has also been adopted, in modified forms, by English bankers. I am not aware that it has been adopted, pure and simple, by any English bank. The result of my enquiry rather tends to show that in England there are stipulations and conditions and annual charges attached to personally guaranteed accounts, which are wholly unknown in Scotland.

The chief characteristic features of Scotch banking, then, are (1) its right of issue, (2) its branch system, made possible by the one-pound note, and (3) its mode of making advances on what is known as the cash credit account.

Owing to there being only ten banks in Scotland, they have another distinctive and very important feature; they have a fixed tariff of charges for interest, discount, and commission. They agree among themselves to charge uniform rates, which vary with the Bank of England official rate. This the English banks (or American National banks), from their very number could never do. There are many minor differences between English and Scotch banking.

There are 1,136 branch banks in Scotland, for a population of four and a half millions; that is, a bank office, established for every 4,000 of the population. In England it is a bank for every 7,300 of the population. A quarter of a century ago the difference was much greater. The Scotch banks and their many branches are all managed from ten head offices. This has made it possible for them to act together, and conduct their general business on similar lines, throughout the whole of Scotland. The knowledge circulated among the banks by mutual co-operation has been of great value in checking undue speculation and the discount of fictitious bills.

In Scotch banking there is no special feature so far as the discounting of bills is concerned, or the granting of advances against security, or giving of unsecured overdrafts.

How Runs on the Banks Are Prevented.

It may be well to explain how we provide against a sudden and unexpected withdrawal of deposits, or extraordinary presentation, in time of panic, of our note issue—in short, a run on the bank. First of all there are the gold sovereigns in the bank's own safes, which may amount to £8,000,000, held against the notes in question, but not legally hypothecated. Secondly, the Scotch banks all keep large balances at the Bank of England, and with other London bankers. Thirdly, they lend large amounts to London bill brokers, at call, or at three or four days' notice, and in security of these loans they hold batches of bank bills duly endorsed, or a mixture of bank and trade bills, the latter being approved, or in other words the best paper of its kind. Fourthly, the banks lend large sums also to London stock brokers from account to account, that is for periods of fourteen days, and in security there are held stocks and shares duly transferred to the banks, and greater in value than the amount of the loans.

In addition to these four lines of defence, all the banks have large holdings of British Government and other gilt-edged and immediately realizible securities, realizable on the London market on a day's notice. It may probably be taken as approximately correct to say that the Scotch banks have about fifty per cent. of their whole liabilities covered by the five lines of defence just mentioned. The other half of their deposits, capital and reserve funds, is lent out on bills discounted, cash credits, overdrafts with or without security, and loans to customers on stock exchange or other securities.

We have seen that the Scotch banks have done much for the development of the industries of the country. They have also done well for their shareholders. Their paid-up capital in 1904 was £9,302,000; their surplus reserve funds £8,021,000, that is eighty-six per cent. of their capital. After deduction of four per cent. interest on capital and reserves, the banks earned a further profit of fully ten per cent. on their capital, or about eighteen shillings, seven pence per cent. on their deposits. In the matter of market values, too, the shares stand relatively high; those of the Scotch banks last year stood, overhead, at 234 per cent., as against English joint stock banks 222 per cent. and Irish banks 196 per cent.

During the last half century there were two bank failures, the Western

Bank of Scotland in 1857 and the City of Glasgow Bank in 1878, both owing to reckless departure from the recognized rules of banking. The shareholders suffered very seriously, but the depositors and holders of notes were paid in full.

OLIVER S. BOND, of Toledo, Ohio: Mr. President, I move that the thanks of this association be extended to Mr. Blythe for his most excellent address.

The motion was numerously seconded, and the question being taken it was unanimously agreed to.

THE PRESIDENT: We will now have the pleasure of listening to an address on Practical Benefits of Membership in the American Bankers' Association, by Mr. Walker Hill, President Mechanics' American National Bank, St. Louis, Missouri.

THE BENEFITS OF MEMBERSHIP IN THE AMERICAN BANKERS' ASSOCIATION.—ADDRESS OF WALKER HILL, PRESIDENT MECHANICS-AMERICAN NATIONAL BANK, ST. LOUIS.

Mr. President and Fellow Members of the American Bankers' Association—In considering the benefits of membership in the American Bankers' Association it is proper to inquire into the origin and purposes of the association—its daily work and the character of its membership; and there is no more appropriate place to consider the origin and purposes of the American Bankers' Association than the city of Washington, the Federal capital of the country, for one of the principal purposes had in view in organizing the association in 1875, was to aid the Federal Government in resuming specie payments; and it is not claiming too much to say that the association gave most valuable aid to the Government in putting its currency on a gold basis. Thus at the very beginning of its career this association set before itself a wise and patriotic purpose, and from that day to this, it as a body, and its members as individuals, have given freely to the Government valuable assistance in carrying out every financial measure which the Government has undertaken. Indeed, the aid which the members of this association has given to the authorities officially charged with the financial interests of the country, has been not only frequent and valuable, but in many instances that assistance has been practically indispensable, for had not the Government's proposals met with the approval of the American Bankers' Association and most of its members, those proposals would have been so discredited, both in this country and abroad, that they would have been incapable of execution. This association, therefore, has not only an honorable origin, but it has ever since taken a creditable part in the financial problems of this country. Indeed, there are few, if any, other similar associations that have rendered more continuous and valuable services to the Government. Think for a moment how much simpler and more successfully met would have been the problems of that greatest of Treasury Secretaries, Salmon P. Chase, if he could have called to his assistance an organization such as is the American Bankers' Association of to-day. The daily work of this association is of practical benefit to its members, though it may be impossible to measure that value in dollars and cents. But that the services of the association in detecting and capturing criminals who prey on banks, and thus deters crimes against banks, is of substantial pecuniary benefit to the members of this association, must be admitted. Those members who are the victims of some crime, and find the cost of running down and prosecuting the criminal borne by this association, have a keen appreciation, which can be measured in dollars and cents, of the value of the membership in this association.

But that those members who are not thus made to realize the value of their membership are nevertheless directly benefited through their membership, there can be no question. The report of the protective committee leaves no doubt of the fact that membership in the American Bankers' Association protects to some extent against the criminal classes.

There may be some members who find in the work of the protective committee the principal value of their membership; but not all are of this opinion. That the work of this committee may be, and often is, of very great pecuniary value to individual members, is a feature of membership in the association that all appreciate; but I believe that most of the members feel that if this committee were abolished and the work that it does altogether abandoned by the association there would still remain important work for it to do, and a material advantage in its membership.

Our friends, the lawyers, do not maintain bar associations to protect themselves against wrongdoers, but to elevate the standards of their profession and compel its members to observe their obligations to clients and their duties to the courts. And so the members of the American Bankers' Association must not consider the sole advantage of membership in it to lie in such protection as it may afford against the criminal classes. The standing committees on uniform laws, currency legislation, bankers' money orders, and education, as well as the protective committee, do work of pecuniary value to the members of the association.

If the American Bankers' Association had not originated in a patriotic purpose, and had no proud past, and its day-to-day work were of no value, membership in it would yet be a distinct and positive advantage, for it must be worth a great deal to any man engaged in important work requiring intelligence and broad views, to be associated with his successful fellow-workers, for in work of the kind referred to—and banking is of that kind—there is much of importance that can only be learned by association with those of character and ability who are engaged in the same work; and I venture to say that there is no association in this country of the same general character as the American Bankers' Association whose members stand higher in point of character and ability, and have a better knowledge of their business and the conditions which affect it favorably or unfavorably, or who are actuated by a more patriotic spirit when their work affects the public, than the members of the American Bankers' Association. I am equally positive in declaring that mere membership in any body composed of such men must be a distinct, if not a measurable, benefit to each member and each member of such an association should realize that he is benefited and should cultivate a feeling of pride in his membership.

The work of the American banker is extending farther and farther every day, and becoming more and more of public importance, as the railroads bring all parts of the country closer and closer together, and our flag rises here and there in far-away countries; and each day the need of the American banker for a better knowledge of distant peoples and more accurate information as to their ways and commercial needs, and the routes of commerce and its laws, increases; and membership in the American Bankers' Association will afford a means by which many of these needs can be easily acquired, for its members include many who know most about these things and are doing successfully the banking business of this country; and to whom else could one turn with more likelihood of receiving valuable aid in these matters?

But although you may not feel the need of that protection which the American Bankers' Association undoubtedly affords its members, nor attain through it a broader and a better view of the commerce of the country, it should give you a proper pride of caste, for when you consider the origin of the association, the honorable part in the history of our country which bankers have played, and the number and character of the members who now compose this association, you may properly feel that banking as conducted in the United States is a creditable calling and worthily represented by the American Bankers' Association; and feeling this, who can deny you the pride which such reflections justly bring?

For these reasons and because the honorable and important business of banking in the United States should continue to be fittingly represented among the commercial bodies of the world, let us maintain the character and importance of the American bankers' Association as evidenced by its origin, its history and the character and number of its members.

CALL OF SECTIONS, NORTH, SOUTH, EAST AND WEST.

JOHN G. FLETCHER, of Little Rock, Arkansas: Mr. President, I had no idea of saying a word here to-day, but when the South is called I want it distinctly understood that your humble servant is present and always has a good word to say for that section. I hate a man who does not love his own native soil, I hate a man that does not admire his own people. I hail from the South. I had not a moment's notice that I was going to be called on, and if any one else from the South had responded before me I would have had nothing to say.

We live in the land of cotton. We live in a land where God Almighty has given us sunshine and rain, and I can say also reasonable prosperity. We live in peace down there. As you all know, we have had a terrible time there in the last fifty years, but we are now coming to the front. We are progressing now. When people imagine that the negroes of the South are idle and the whites are in turmoil, they are mistaken. We live down there in peace with our former slaves, former masters and slaves now work side by side for the upbuilding of that country and the advance and prosperity of this great republic of ours.

Last year we raised over 14,000,000 bales of cotton. In the days of slavery we never raised over 4,000,000 bales. See what free labor is doing for that country! That 14,000,000 bales of cotton was worth over $700,000,000 in gold. The seed from that cotton was worth more than $70,000,000. So you see the seed that comes out of the cotton is worth more than the gold that is dug from any State in this Union. As a matter of fact, cotton does more for the human family in the way of giving employment than any other commodity on the face of the earth. From the time that the plow starts in the spring employment is given through the summer, during its cultivation and during picking time, until it is finally ginned and shipped to all the world. It not only gives employment to the workers in the field, but it gives employment to workers on the steamboats and the railroads, and then, later, when the cotton arrives in England, or wherever it is manufactured, it gives employment to the mill workers there. But we are manufacturing cotton goods in the South now. Just think, over 2,000,000 bales of that cotton is now spun in the Scuth, as against 2,000,000 bales of it spun in the North. So in our entire country we spin over 4,000,000 bales of cotton. Sixty-one per cent. of that cotton is shipped abroad. That means $300,000,000 of money. That attends to our balance of trade and the exchanges between Great Britain and the United States.

THE PRESIDENT: The gentleman's time has expired.

MR. FLETCHER (continuing): Gentlemen, my time is up; I have been called down. I did not tell you all I wanted to about the South, but the cotton question is a great question in this country.

THE PRESIDENT: The gentleman's time has expired.

MR. FLETCHER (continuing): I simply want to add that the South is in the Union and she is there to stay. When this country is invaded, remember what I say to-day, you will see the men of the South rallying around the flag, as they did in Mexico and at New Orleans.

THE PRESIDENT: The gentleman's time has expired.

MR. FLETCHER: I beg your pardon for trespassing, but coming from the South I felt it incumbent to say one word. Let me tell you—

MR. BENNETT, of Boston: Mr. President—

THE PRESIDENT: Mr. Bennett is recognized.

MR. BENNETT: I have some diffidence in speaking because I am simply a delegate coming here as a director in a small-sized bank in the city in which I live. Some of the gentlemen here are not accustomed to think, even, in less than millions of dollars; but I felt I must get up and assure you that Boston is still on the map.

MR. FLETCHER: Just one minute. I have a boy at Harvard College to-day. I am not boasting, but it shows you the feeling we have in the South. We love this country because it is our country. I am glad to see my friend from Boston get up. Let me tell you—

THE PRESIDENT: The gentleman is out of order—

MR. FLETCHER: Let me tell you—anything I can say or add to the comfort and pleasure of this convention I will do it. I do not believe in belonging to a crowd that says "aye" to everything. I did not agree with the gentleman from Georgia in his resolution—

THE PRESIDENT: The gentleman's time has expired.

MR. FLETCHER: I am done. I thank you for your kind attention.

THE PRESIDENT: The gentleman from Boston is recognized.

MR. BENNETT: I am very glad to listen to the gentleman from Arkansas; and, like most of the speakers here, at some time during the course of his remarks he gets around to Plymouth Rock or the Pilgrims, of Boston. I am a director in an institution in Boston and I had not taken very much interest in it, but since hearing the address of the Comptroller of the Currency yesterday I have concluded to take an interest in it. In fact, my case is very much like that of one of two drummers who met upon the street, and one said to the other, "Tom, how is business?" Tom said, "Pretty good; I have an interest in the business now." "I congratulate you," said the other. "When did it happen?" "Yesterday the boss called me into the office and he said, 'Tom, if you don't take more interest in the business I will discharge you.'"

Now, when I took some stock in the bank to please a friend I supposed I was purely ornamental, but I find the rugged and wholesome utterances of the Comptroller of the Currency and the bank examiners have put a different interpretation upon it, and I propose to take an interest in it.

Boston does not always get the credit that it deserves. When I first began to know about business matters, about twenty-five or thirty years ago, there were fifty-two National banks in Boston. Now there are but thirty National banks. But you notice when Mr. Vanderlip was talking yesterday and wished to place the highest enconium upon the Middle States, he said that some time or other the Middle States would be as important an investment center as Boston.

In Government reports and printed books the population of Boston is 500,000 or 600,000. As a matter of fact it is a million and a half. I went to Chicago with some gentlemen once and somebody assured us that our welcome was 120 miles long and ten miles wide. Boston has not taken in suburbs to that extent. There have been differences of opinion as to the ringing of the curfew bell and as to the issuing of liquor licenses and so on, and so the individuality of the little municipalities around about has been maintained; but in ten miles around Boston there are a million and a half of people, and there is more wealth per capita than in any other city in the United States.

I am aware that the bank deposits accumulate in New York city, and one of the most amazing things that was told us yesterday by the Secretary of the Treasury was that the commerce passing by Detroit is greater than the commerce of New York, London and Liverpool combined. Another thing which I notice particularly about that is that the commerce passes by, it does not stop there. And so with the deposits in New York city, as compared with the wealth of Boston.

So, Mr. President, I wish to tell you that Boston is still on the map, and the things which we are particularly proud of are not that it is near Plymouth Rock and Bunker Hill alone, not that it has Harvard College, to which my friend refers with pride as the place where his son is; not that it is the greatest investment center in the United States, but that it is in the same country which contains New York, Chicago, Detroit, Little Rock, Arkansas, the same country which is becoming the greatest nation on the face of the earth.

THE PRESIDENT: I hope the members will understand that we are glad to hear from all of them, we are glad to hear from any member present as to the business conditions in their respective sections of the United States.

MR. CAMPBELL, of Illinois: Mr. President, I come from a State which I feel proud of; a State which gave the nation Lincoln and I live a little south of where Grant lived. John A. Logan also came from our State and many other distinguished men whom you all know of. We are proud of them. They are now dead and gone, but we have about 5,000,000 left. Perhaps the great majority of them are good and sturdy farmers. While we do not raise cotton, we do raise corn and hay and stock, and we are being heard commercially in that way. I am glad to say that our crops this year are very flourishing and our State generally is in a most flourishing condition. I simply want to give you this report from Illinois.

O. H. HAVILL, President Merchants' National Bank, St. Cloud, Minnesota: Mr. President, from the rolling prairies of her southern boundaries to the evergreen forests of her northern line, the hum of the wheels of her manufacturing plant, and the lowing of kine ascend to Heaven a powerful anthem, indicative of the happiness, prosperity and gratitude of the people living in Minnesota, the bread and butter State.

We are a State of diversified industries, a State of no total failures. We will ship products from our State this year ranging from catnip leaves to 21,000,000 tons of iron ore. Cattle bred within our State in competition with the world capture the first prizes. The Father of Waters rises within our State and it and other streams turn the wheels of manufacture, furnishing cheap power and creating innumerable industries which, in turn, dispense immense sums to their employees. Our farmers raise and market almost all the products of an American farm. We are a State that is an empire within ourselves, not dependent on any State or country for our maintenance; we can furnish the necessities and most of the luxuries of life, and also confer culture and intellectual development if necessary for a complete existence, from the cradle to the grave. A child born in the State of Minnesota may be nourished upon the purest milk in the world, coming from the product of 2,000,000 dairy cows. As he grows older that child's life will be sustained on edibles produced in the State of Minnesota, from breakfast foods to moose meat; he will be clothed in clothing manufactured from the fleece of Minnesota sheep; he will be educated from our sixteen million dollar public school fund; he may be enrolled in our College of Agriculture and associated there with people who come from all over the United States, from Maine to California, and from foreign countries. He may become one of the princes of humanity, and care-free, a Minnesota farmer. At our university he may imbibe of any profession which he may choose, or he can enter many successful manufacturing industries now established in the State, which build anything from a fish-hook to a whaleback vessel. We can furnish him a help-meet from among the fairest women of the Union; he can spend his days in a land fanned by the health-giving breezes which filter through our pine forests, and when he has passed away we will erect upon his grave a monument of time-enduring granite.

THE PRESIDENT: The gentleman's time has expired.

MR. HAVILL (continuing): In conclusion I want to say that the demand for mechanics and laborers was never so great or wages so high as now in Minnesota; that a large percentage of the working men own their own homes. These being facts, it necessarily follows that the banking business is pleasant and profitable. The North Star State sends her sister States a greeting. She hopes you are all enjoying the same prosperity.

MR. MOSES, of Kansas: Mr. President, the West is naturally modest, being composed of the children of the East and South and North sent west to open up that once uninhabited territory, to carve out an empire greater than any in the world. What she has done is a matter of history. Over twenty-four States and Territories now exist in that section, and in agriculture and minerals and cattle the West is now equalling or exceeding the East.

In my own State, a small part of the "Great American Desert" we have to-day 489 State banks, eighteen private banks, and 171 National banks, with a capital of over $20,000,000. We have deposits over $118,000,000, with loans over $89,000,000, an increase in loans of over $8,000,000 last year, and with over $47,000,000 in cash—over thirty-nine per cent. of the deposits.

Kansas is now in a normal condition; her pulse beats regularly and her people are happy. For the past seven years she has made more progress than in any fourteen years previously. Kansas has always been loyal, it has always been a foremost State in the progress of civilization and the rights of all mankind. She stands to-day as the beacon light and the tower from which springs all of the good, and I might say all of the evil, which in the end is sifted out and is for the betterment of mankind. She contributes liberally to everything for the advancement of the East, not only in insurance, but is willing at all times to give to all of these institutions enough for them to live upon well, but she is opposed to any one hundred thousand dollar banquet or million dollar summer residence of any presidents of insurance companies.

MR. BURGWYN, of North Carolina: Mr. President, twenty years ago it was my fortune to attend a meeting of the American Bankers' Association. It was then in order for the call of sections to be made as now, and I sat there representing a bank in North Carolina, and listened, among other speeches, to a speech from a gentleman from Massachusetts and heard him say what that State was, that it really comprised more wealth than was embraced in eight or ten of the Southern States; and I felt, sir, that it was proper for me on that occasion to remain silent. Twenty years from that time, to-day, I feel differently about it. I can say to the delegates present here to-day that our Southern land in the last four years has increased its taxable property $225,000,000 a year. It is not only locality and our material progress that we are proud of, but we are proud of the character of our population, of our people down there. We have down there, sir, men who work hard, live quietly and unostentatiously, and die poor. But, sir, although they do not leave legacies large in the way of money, they leave valuable legacies in the way of character, and that is better than the accumulation of money.

As our friend from Arkansas has said, we of the South are devoted to the Union, no longer is there any North and South, East and West; in spirit, we are one people. But I differ from our friend from Arkansas in one thing he said. I am a democrat, and always have been, but if the question were to come before me I would vote for a subsidy from beginning to end. We have to protect our foreign possessions, and how can we do it without ships and sailors? In case of a foreign war how could you get the men on the Philippine Islands or on Hawaii or our other foreign possessions unless we had the ships? I am in favor of subsidizing them and making us a great country—

A Union of hearts, a Union of hands,
A Union of States no one may sever,
A Union of thoughts, a Union of men,
The American Union forever.

MR. LIVINGSTONE, of Michigan: Mr. President and Gentlemen of the Convention—I am not going to occupy your time at this late hour with a lengthy speech about the wonders of Michigan. You will probably remember what has been said about Michigan—"If you want to see a beautiful peninsula, look around you." I will not occupy your time in telling you about our wonderful copper mines, which exceed all others in richness and value. What I want to do is to extend an invitation to the American Bankers' Association here assembled to meet in the city of Detroit in 1907.

I had hoped to come here and extend an invitation to you to meet with us next year, but unfortunately, on account of some complications which have arisen in our hotel facilities, a number being under construction, and it not being certain exactly when they will be completed, we have thought it advisable, in order to be absolutely sure to be able to take care of you all, to invite you to meet with us in 1907 rather than next year. I want to extend this invitation as a caveat, to forestall any others that may come in for that particular year.

I assure you that the bankers of the State of Michigan and the city of Detroit, those of us who live there, and who think it is the most beautiful city in the United States, will do their best to entertain you and make your stay there pleasant if you honor us with the convention. We certainly have a hospitable people, and my friend Russel, sitting back there on the platform, at one time said that we have the most beautiful women in the United States. Each and all of us extend to you a hearty invitation and assure you that all the hospitality for which Michigan is noted will be extended to you in 1907 if you will kindly consider our request to hold your convention in Detroit at that time.

I thank you very much for your attention.

A DELEGATE: Mr. President, may I make a response of one minute in behalf of a gentleman from Spokane, Washington?

THE PRESIDENT: We will be glad to hear you.

THE DELEGATE (reading): Response by D. W. Twohy, President of the Old National Bank of Spokane.

Washington is the richest State in the Union. We have the most productive soil—which will grow sixty bushels of wheat to the acre—finer fruit than New York—and all agricultural products in abundance. Our fisheries supply a large portion of the country. We have more timber than Michigan, Wisconsin or Minnesota ever had, and are only just beginning to manufacture it. We have more coal than Pennsylvania, more iron than Minnesota; forty per cent. of the lead produced in the country comes from the Coeur d'Alene District of Idaho, 100 miles from Spokane. In the production of precious metals we will soon outstrip Colorado. We are doubling our population every five years, and hope to do better.

MR. THATCHER, of Denver, Colorado: Mr. President, Colorado is far away from these old States. We have been hearing about their advantages, and I would be glad to make a few remarks in behalf of Colorado. We have had some trouble in our State in the last year or two. We have been cursed with labor troubles and damned by politics, but we are all right now. Our Supreme Court has taken jurisdiction of things; in fact, has taken jurisdiction of everything from a dog fight to an election, and has settled affairs, so that we now have peace and prosperity.

I want to say a word about our products and resources, something that all bankers want to hear about. You may talk about your cotton and your corn and everything else, but you have to find a market for all of these things, and you over-produce them at times. But you do not over-produce gold, and that is our main product. This year, 1905, will be a banner year with us. We are producing now in three-quarters of the year passed at the rate of over $30,000,000 of gold per year, to say nothing of other minerals such as copper and zinc and lead. You observe that I have not mentioned silver, because I do not want to cause a panic in the convention, although we produce a little silver too.

Outside of that, gentlemen, I wish to call your attention particularly to the fact that we are not exclusively a mining country; we are now engaged largely in the production of sugar beets. Less than five years ago there was not a sugar beet planted in the State of Colorado, to-day there are 50,000 acres of beets planted, and our products from sugar beets range from $12,000,000 to $14,000,000 this year. From that you can see that we are not entirely a mineral State.

I wish to state to you bankers who occasionally take a vacation, when you cannot find anything better to do, that we will be glad to see you in Colorado; we will be glad to have you follow the example of our worthy and honored President and come out and hunt for bears or any other kind of game, and you will find that it is less dangerous than going to Wall street.

MR. COOK, of Hawaii: Mr. President, I want to speak for the western West, one of the United States' insular possessions, although we did not come into the Union through blood, but by annexation.

We have a country that is only a little larger than the State of Connecticut, about 6,000 square miles. We are 2,000 miles from the western coast. We have four banks there that are all members of the American Bankers' Association, that many in Honolulu and also three banks on other islands. I cannot boast of minerals for Hawaii, I cannot boast of great capital there, but I can boast about one thing, and that is our sugar. Our production of sugar amounts to almost 400,000 tons; it has doubled since annexation took place. Before annexation was a reality our people were loyal. I was not born in Boston or Massachusetts or Connecticut, but my mother came from Massachusetts and my father came from Connecticut. I was born in the Islands. My father and mother went out there as missionaries.

The hospitality which Washington has given to us is more, probably than I can offer in the Hawaiian Islands, although we would like to have you come out there.

I have been glad that so much has been said about American shipping. I would like to invite the American Bankers' Association to meet in Hawaii, but we will have to postpone that meeting there until you build more ships, because the laws of the United States will not allow you to travel on half a dozen foreign ships and you could not leave the Islands without taking passage on an American ship. We have had some dozen ships carry our sugar and corn, because the Panama Canal is not yet completed. We were obliged to make a contract for American ships to carry our sugar to the ports in Mexico and then cross by railroads, and then on to New York in vessels. The company has agreed to deliver it in thirty-five days from the Islands. We have been obliged in the past to ship overland in that way, and it is expensive to send our sugar over the land at the rate of $11.50 a ton.

I hope very much that the American Bankers' Association will at some time in the future, however, meet in Honolulu. We can offer you a climate, if we cannot offer you anything else. We can also offer you beautiful scenery. We may not be able to offer you such hotels and modern improvements as you have here. But we hope to see you there sometime.

MR. BAILEY: Mr. President, I wish to extend my sympathy to my friend here who has not been born in Massachusetts or New York or Connecticut, and therefore needs to be born again. I come from that region which Lincoln used to call the State of Allegheny. We make the iron mines of our friends from Michigan. That is we make the machinery to develop them, and we develop the gold mines of Colorado. We make electrical equipments used all over the United States, and we build bridges across the rivers of the world; we build the electric roads that run in London. So if you want to find the hub, that is the real center of all these industries that have been mentioned here, come to Pittsburg. If you come after night you will likely feel very much like the Irishman did who had just come over from the old country. Two Irishmen came to this country, and in the morning one got up a little ahead of the other. There was a fire and the fire engines were going past, and the Irishman says to his friend, "Mike, Mike, get up, they are moving hell, and two loads have already gone by." So that is the way Pittsburg looks after night. If you want to get to the middle of things, as it were, come down to Allegheny.

THE PRESIDENT: The convention will stand adjourned until to-morrow morning at 10 o'clock.

Accordingly, at 1:30 o'clock p. m., the convention adjourned until Friday, October 13, 1905, at 10 o'clock a. m.

THIRD DAYS' PROCEEDINGS.

COLUMBIA THEATER,
WASHINGTON, D. C., October 13, 1905.

The convention was called to order at 10 o'clock a. m. by the President, Mr. E. F. Swinney.

PRAYER BY THE REVEREND DR. D. J. STAFFORD.

Almighty and Everlasting God, we lift our hearts in gratitude to Thee. We thank Thee for that great national prosperity and for all the graces and favors which Thou hast showered down upon us. Protect us in the hour of our triumph as Thou didst in the hour of our danger. Save us from the dangers of riches. Give us the grace to use our great resources and our great wealth for works of humanity, charity and philanthropy, that in all things we may glorify Thee, through Jesus Christ our Lord, Amen.

THE PRESIDENT: We will now be glad to hear from any delegates present on practical banking questions.

INSURANCE OF BANK DEPOSITS.—ADDRESS OF C. F. ALLIS.

Mr. President and Gentlemen of the Convention—I appreciate most thoroughly the honor of addressing the national convention of the American Bankers' Association, an association that has done so much, directly and indirectly, to establish the present high credit of our National Government.

The subject upon which I wish to say a word is the insurance or guaranty of National bank deposits.

The suggestion of insurance when applied to bank deposits has a taint, a suggestion, a presumption, that is not pleasant to any of us. Our banks are solvent, our deposits are as safe as those in the Sub-Treasury; but, on the other hand, we must all recognize the widespread, almost universal, distrust that, whether expressed or not, lies deep down in the hearts of the average depositor. A stranger coming to your town with $1,000 in his pocket will carry it several days, if not weeks, all the time enquiring which is the safest bank, the strongest and best managed. This distrust should not exist. National banks, as their name implies, should be as strong as the nation; their solvency should not be questioned.

Our Government has protected the bill holder absolutely, why should it not protect the depositor?

The present generation know nothing of an unsecured currency, it is to them ancient history—but we older bankers recall the time when every five hundred dollars of miscellaneous currency had one or more counterfeit or raised notes in it, or others below par or worthless because the bank had failed.

The National Currency Act changed this over forty years ago and not a dollar has been lost since.

Now, I would have the Government go a step farther and make the deposits in all National banks absolutely secure from loss, and it can be done without any new machinery and at a very small cost. This is no dream, no sentimental theory that would be fine if it were feasible. It is as simple as the insurance of your house or your life. As officers and directors we are all under a great responsibility and I think that we should "reason together" and ask ourselves what legislation can be enacted that will confer the greatest good upon the greatest number.

This is not a new subject to me. In 1897, eight years ago, I addressed our group convention upon this question, and believe that this convention can do no greater service to the country at large than to secure the insurance of National bank deposits.

From a selfish point of view, it would pay. The National banks would attract deposits that would much more than repay the small tax upon them. The National system would stand out as the only system of banking in the world (as far as I know) where the bill holder and the depositor were protected from loss.

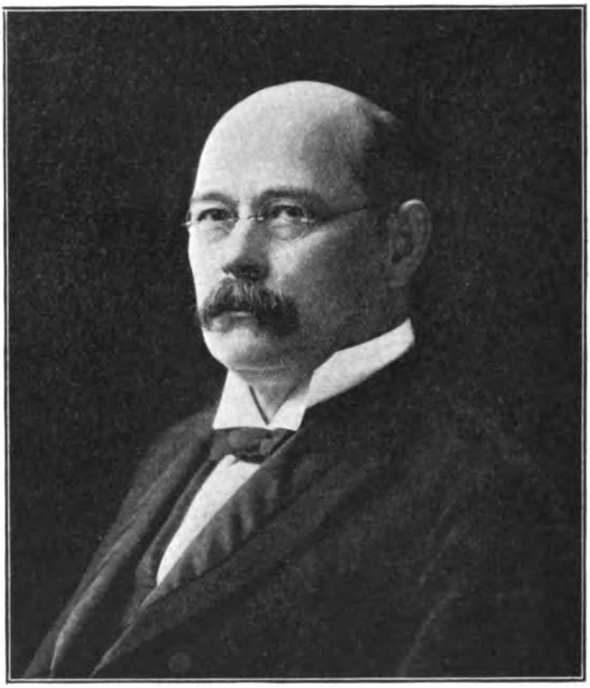
Many bankers object to insurance of deposits; they don't believe in the principle; they say that the strong banks would be called upon to protect the weaker ones. My answer is that some of our strongest banks have been the victims of senseless runs which have taxed their resources for days, even when assisted by directors and friendly competitors. There would be no runs if deposits were guaranteed by a fund in the hands of the United States Treasurer.

WOULD NOT ENCOURAGE RECKLESS BANKING.

Others say it would encourage reckless banking. This could not be, for the Receiver must collect the assets, and assess the stockholders one hundred per cent. if necessary; the banker loses his bank and his reputation besides, but the deficit comes out of this guarantee fund.

Without further preliminaries let us get down to business. How much money will be required, and what will it cost the banks?

In the last report of the Comptroller we learn that the aggregate of



JNO. JOY EDSON,

Chairman Executive Committee on Arrangements for Convention.

claims proven during the last forty years has been in round numbers, $105,-000,000; upon these claims the Receivers themselves have paid 78-11 per cent. The loss therefore to depositors was an average of 21.89 per cent., or about $575,000 annually. This we all think has been a great loss, an awful loss, and so it is; but let us analyze these forty years.

Forty years ago we had just emerged from a civil war that for four years had taxed the resources of the North until our national debt exceeded 2,000 millions. Business in every line was demoralized by fictitious profits, inflated currency and fabulous prices.

The National banking system was established that our Government might find a market for her bonds. To-day we pay 103½ for a two per cent. bond and get par in currency. Then we paid par or less for a six per cent. bond and received ninety per cent. in currency, but the six per cent. interest was payable in gold, and the gold we sold for a premium of from two to three per cent. to nearly three for one, or twelve to fifteen per cent. on the cost of the bond.

I speak of this only to show how attractive the system was, and many an inexperienced group of men organized a National bank. Under such conditions the losses would of necessity be large and the risks unwarranted.

Then during these forty years we have had four years of heavy losses on account of special depression, 1867, 1873, 1892, 1893. If we deduct the losses of these four years and make an average for thirty-six years, and we have an average loss of $440,000 instead of $575,000.

Now, let us take the last five years. During the years 1900-1-2-3-4, the Receivers have in some cases paid the depositors in full and the stockholders a small percentage on their stock, but they have paid the other depositors 97.69 per cent. In other words, the depositors have lost an average of 2.31 per cent. of their money.

Upon this basis (the losses of the last five years) the average loss of forty years would have been only about $52,000 per annum.

Let us look at the last five years from another point of view. In 1900, while there were only three banks placed in the hands of a Receiver, the claims proven were over $4,800,000, but the deposits were all paid by the Receiver, one hundred per cent. and a small dividend to stockholders.

In 1901 four banks failed, but the loss was only 11.41 or $63,404. In 1902 three banks failed, but the loss was only 13-100 of one per cent.—$518.98. In

1903 and 1904 one each year, the Receiver paid depositors in full 100 cents. A total loss to depositors in five years of only $63,922.98.

I have given you an idea in a general way as to the amount of money required. Now what will it cost?

Mr. James C. Hallock, of Brooklyn, in a recent article suggests that the tax now paid upon circulating notes shall be used by the United States Treasurer (after paying the expenses of the Comptroller's Department) to create a fund which shall be held by the Treasurer as a guaranty of deposits.

This had never occurred to me, because I thought it impracticable to ask that the Government do more than act as custodian of the fund, subject to the drafts of the Comptroller after the Receiver of a failed bank had exhausted the assets and the stockholders' liability.

Let us see for a moment what $100 contributed by each bank annually during the last five years would have done in the way of protecting depositors.

In 1900 there were 3,606 banks in active operation; $100 contributed by each would have amounted to $360,600, but there was no loss to depositors, the receivers paid them in full. In 1901 there were 3,981; $100 each would have brought in $398,100. The losses this year were $63,404. In 1902 there were 4,337 banks, and $100 from each would have brought $443,700, but the losses were only 13-100 of one per cent.—$518.98. In 1903 there were 4,756 banks; $100 from each would have brought $475,600, but there were no losses. In 1904 there were 5,184 banks; $100 from each would have brought $518,400, and there were no losses.

At $100 from each bank an aggregate of $2,186,400 would have been contributed, against which we have a loss of $63,922.98 in the five years, a net gain of $2,122,477.

An annual assessment of $250 upon each bank during the last forty years would have more than paid the average annual loss to depositors.

I believe I have proven to your satisfaction that it is not a difficult matter, this insurance of National bank deposits, nor would it be an expensive luxury.

I have given this subject quite a little study, and my suggestion is that the National banks ask of Congress for the enactment of a law instructing the Comptroller to assess and collect from every National bank in January, 1906, the sum of $100, and every six months thereafter the sum of $50, the money so collected to be placed in the hands of the United States Treasurer and subject to the drafts of the Comptroller of the Currency.

In case of failure a Receiver will be appointed and will realize for the depositors all that is possible out of the assets and from the stockholders, the same as now; but the deficit, if there should be any, would be paid from this fund by the Comptroller.

There would be some delay in payment, but a Receiver's certificate would not be much below par, and could be sold.

If these assessments should not be sufficient to pay the losses, I would have further authority given the Comptroller to assess and collect a tax of 1-100 of one per cent. on the deposits (the average for the preceding six months), not more than two assessments to be made during any calendar year. The aggregate of all deposits in National banks—individual, due to banks, United States Government, etc., exceeds $5,000,000,000, and this small tax, 1-100 of one per cent. would yield over $500,000 each assessment. A bank having a deposit of $1,000,000 would pay $100.

The assessment of $150 upon each bank in 1906 would bring $863,550, and $100 in 1907, and thereafter would bring not less than $575,000.

It would seem, therefore, that the first assessment suggested, or $100 per annum for each bank after 1906, would be more than enough. At least the experience of the past five years would lead us to think that in a few years there would be from three to five millions in this fund, and I would have the Comptroller invest practically all of it in Government bonds, with power to sell as needed.

It will be noticed at once that all banks, large and small, pay the same amount—$100 each, after 1906. Some may object to this, but the insurance is richly worth $100 to the smallest bank and the smaller the bank the more valuable this protection is to them.

Statistics show that the smaller banks when placed in the hands of a Receiver pay a less percentage of their deposits than the larger banks.

There is one restriction that to my mind must become a part of the proposed amendment, and that is, there should be a limit to the rate of interest which National banks should be allowed to pay on deposits.

Some will consider this an unnecessary interference, a reflection upon our ability to manage our respective institutions, but from my point of view it is a very important provision.

Inexperienced bankers would be inclined to bid higher for deposits than their more conservative neighbors would think profitable or even safe, and we all know what follows the continued payment of too high a rate of interest on deposits.

I would advise that the limit, the maximum rate, should be three per cent.

In conclusion I would emphasize the following advantages of the amendment:

1st.—It would pay a profit above the tax under present conditions, and when fully understood by the people, millions of hoarded money would be released and be available for business. Don't forget this.

2d.—The National banking system would lead the world in protecting absolutely from loss both the bill holder and the depositor.

3d.—If the past five years are any guide, the cost distributed among 5,700 banks would not be worth mentioning.

I thank you all for your courteous attention.

Mr. SUPPLEE, of Baltimore, Maryland: Mr. President, I ask to be permitted to add a word to what the gentleman has so well said, showing to the convention the necessity of action in this matter.

There is now great difficulty in the National banks and trust companies obtaining what is called depository bonds. This was shown after the failure of the First National Bank, of Milwaukee. Immediately, with due prudence and foresight, the Northwestern Mutual Life Insurance Company desired depository bonds on about $8,000,000 of its deposits. It was necessary to place a bond of $1,200,000 on the First National Bank, of Milwaukee. That bond was placed with the company I have the honor to represent after some re-insurance, but it was not an easy task, and it has not been an easy task in several other cases that I might mention. There are insurance orders that have $3,000,000 of depository bonds, and I might go over the list until your patience would be exhausted. It is found in the surety business that with $25,000,000 sureties the company is now unequal to the task of taking care of the public bonds, and the gentleman's point is exceedingly well taken. He fails to state to you that in the excellent report of Comptroller Ridgley, which he has quoted, the State banks, trust companies and so forth, failures are not figured; but I figured them the other day, and I found they only pay fifty per cent. in liquidation.

If you ask what is the remedy, I will say that the remedy has been suggested by the gentleman, except I differ with him as to an arbitrary and fixed sum for a bank. If one one-hundredth of one per cent. or one-tenth of a mill was taxed on the deposits, great and small banks alike, the fund to be handled by the Comptroller of the Treasury, it would make our National bank note and every National bank deposit equally good. It was Macbeth who said, "I will make assurance doubly sure, and take a bond of fate." Our advice is, do not take a bond of fate, but take a surety company bond if you can get it.

C. N. EVANS, Southern National Bank, Wilmington, North Carolina: Mr. President, I say let us keep the American Bankers' Association out of the insurance business. The gentleman from Erie made some excellent suggestions. At the same time it seems to me this is an individual question. If the bank wishes to absolutely assure to the community that its deposits are safe and sound and available, let that bank pay for its own insurance. Let them go to this company and say, "Gentlemen, we have a line of deposits at five million dollars. We desire a policy protecting our deposits to the sum of $5,000,000, and we will pay the premium on that." And so let us keep the bankers' association out of that business.

It seems to me that the point we want to reach is this: We do not want to go into this business of insuring and not trouble the Government in regard to guaranteeing our deposits further than to supervise us, as they are doing now very carefully; but let us go to the men who cause these failures. We have in our section of the country, in the South, some excellent industrial corporations. But despite our vigilance, occasionally we hear of a big crash. We see an assignment has been made way up in the millions of dollars by a concern that stands well, or has stood well, officered by men of high character and reputation. We have their statements, and they look good, but we wake up in the morning and find that there was nothing in that statement but a lot of falsehood. That bank has gone. A few big slumps will materially affect small banks, of course. Let us do this. Let us create a bureau of audit and have this bureau of audit employ the finest expert accountants that can be gotten. Have it understood that any member of this association can request from this bureau of audit a financial report upon any corporation, firm or individual in which his bank is interested. If such a request is filed and placed with the bureau it then becomes the duty of the bureau to notify this firm, corporation or individual, that some one of its members (of course that would be private) desires a special report or special examination of its affairs. Now, it is up to you gentlemen to give this report or not. If you give it, well and good. If you do not give it, the members of the American Bankers' Association will be advised. Now, you say that is a big expense. It costs hundreds of dollars, perhaps a thousand dollars in some cases, to have a corporation examined, maybe more, and who is going to pay it? Let the banks themselves pay it. Let the bank which applies for this report pay its part of it. If they call for another report on this same concern; I mean if some other bank or creditor desires a report, let them pay their proportion of it. It may be that a large corporation borrowing $500,000 or $600,000—large to us in our section of the country—may be the subject for an examination; maybe there are ten or a dozen banks interested in that large concern. Then those banks can pay for their proportion of that report. That, it seems to me, is a more practical plan for us to pursue, and have it go out to these industrial corporations, "Gentlemen, we do not question you at all, not in the slightest; we think you are honest, but we want the reports you make to us certified as the National bank reports are certified by the bank statements."

MYRON CAMPBELL, of South Bend, Indiana: Mr. President, I presume that there are as many schemes for bank protection as there are States in the Union. I do not care to offer any scheme, but I wish to offer two reasons why I think the gentleman has not suggested a practicable scheme.

In the first place, I think that Congress has no power to levy a tax for individual protection. It has the power to levy a tax for Government protection and for Government purposes, but I do not think it could levy a tax on bank capital or bank deposits, and enforce the collection of it without an amendment to the Banking Act to which the bank would subscribe. I think to undertake to make an amendment which would apply to banks already in existence would result in not being able to enforce it.

The next objection would be to an unlimited security. I don't think it practical to say that we will undertake to protect deposits in full. That will enable a $25,000 or $50,000 bank to go to a $100,000 or $200,000 depositor and say: "Our bank is as safe for you to deposit in as the $500,000 or the $1,000,000 bank."

My impression is if there could be an agreement on a plan by which an assessment would be made, and insure to each depositor, say $2,000 or $3,000, in case the bank's reserve had been exhausted, that that would go a long way towards eliminating the danger of panics and runs on banks. If we could say to depositors, we will guarantee your deposits up to $3,000, that would take ninety-five per cent. of the depositors in the rural sections of the country—ninety-five per cent. numerically, at least.

I think these are two objections which ought to be considered in connection with what has been suggested here.

W. C. ROBINSON, President First National Bank, Winfield, Kansas: Mr. President, it seems to me there is no practicable way of insuring deposits of our banks, and it occurs to me that we are fooling away our time in discussing a question that so little appeals to us. It occurs to me now that the deposits of the National banks of the United States are to-day practically safe. There has been but a small loss since the organization of the National banks, and I believe that if we follow the recommendation of our present Comptroller of the Currency and the recommendations that have heretofore been made to increase the number of bank examiners, and let every National bank—I speak of National banks because I am more familiar with them—as far as possible adhere to the National Banking Law, and avoid excess loans, that we will do as much as we can expect to do along this line. I understand that excess loans cause the bulk of our failures. Let us avoid as far as possible excess loans. Let us do our business from this time on as prudently, if not more so, than we have in the past. Let every bank stand upon its own foundation and upon its own reputation. It seems to me that that is all the security that our depositors need and all that they demand.

Mr. HILL, of Bath, Maine: Mr. President, our last speaker has said that you can not insure your depositors. I wish to say that our bank insures their deposits by putting away a reserve of $4,000 a year. We can to-day, with cash on hand and bonds at fifty cents on the dollar, pay every depositor and have our loans intact.

THE PRESIDENT: Mr. H. L. Goulder, President of the Merchant Marine League, will address us now, his subject being "Our Commerce."

OUR COMMERCE.—ADDRESS OF H. L. GOULDER.

Transportation, its availability on equal terms to every one, its extension by every legitimate means, is one of the great questions. It would be idle to raise wheat or corn or cotton or to mine ore and copper, raise cattle or bring

8

forth any of the products of the forest, the farm or the factory, without that exchange which depends primarily, almost absolutely, on transportation. Broadly speaking, commerce is transportation. Within our own country, we are solving, and there are signs that as a people we are going on to solve honestly, courageously and for abiding good those problems of transportation which grow more difficult, require more earnest attention, demand greater courage as we advance from crude, elemental conditions. We in the Great Lakes region boast cheapest carriage in ships which bear comparison with any in the world, with credit of being the finest working fleet afloat; and this beyond fair argument has come through direct government support of the coasting laws and money to so improve our channels that a modern freighter carries in a trip what her prototype carried in an eight months' season of navigation. But this is not all. Our ship is aided by terminal facilities to load her ten or twelve thousand tons in a couple of hours and unload it within five hours, or, speaking of ordinary practice, to load in a few hours and discharge within a day. So has come an output of nearly thirty-five million tons of iron ore, eighty to eighty-five per cent. in the production of the pig iron of the country this year, which will exceed that of England, France and Germany combined; but with this has gone the opening of the great harvest fields which in thirty-five years have, with advantage of freight rates, increased their lake shipment from 12½ to over 300 million bushels, with corresponding movement of coal and other products. But transportation, commerce, intercommunication, collocation of business, have made it so that there can be no partial, local thrift while we do these things on the Lakes, the South produces and manufactures from cotton; timber grows throughout the country; wheat in the Northwest is matched by corn in the Southwest; manufactures extend through the land; our interests so intermingle that even the question of tariff may hardly in any sense now be local in effect; everything bearing on the commercial life of this people is so coming to be of general consequence, that a man may no longer expect to be heard with patience on the merits, wants or demands of any section without full regard to its general effect. He is narrow indeed who cannot look out over our common heritage and realize that there could be no such prosperity, none of the good things doing in any part, except the people of a common country, following out their particular opportunities, are doing well.

Great results are seen on other internal waterways to which attention of the people will be directed until equal or even greater benefits may be shown. Our railroads, hauling freight at less than half the cost of any other country, are improving their service by reducing grades, and, so far as possible, taking out the crookedness of the tracks, and the American people are going forward in determined spirit with President Roosevelt and the Congress to remove, so far as possible, any other crookedness.

We have a home market in which figures go almost beyond understanding, but it is no longer possible to stop at the confines of our own country. While in the beginning we imported manufactured goods and sent out rudimental products, more and more we are using raw materials in manufacture; 35 per cent. of our population is urban, and it is an open prediction that in a few years the United States will not produce food stuffs beyond the needs of our own people; while steadily our more distinctly world competitive manufactures are increasing in the export list.

We have pacified Cuba; Secretary Taft believes that the Philippines must be a charge for a generation; we are starting to build a world canal at the Isthmus; our President, with general acclaim, has been drawn into the settlement of one of the great wars of history and therein reflected honor and glory upon the nation. We have a great and growing navy, for which the nation can afford to furnish money almost without stint, but embarrassed in finding officers and men, because while ships can be built to order as money is available, sailors require time in their training. We have come to be a truly great nation, ready, able and withal willing to take first place in the world markets, but deserving and requiring from a purely economic standpoint an efficient system of delivering our goods abroad; and yet we remain dependent on rivals in trade to carry our world competitive goods abroad for introduction and sale, while the overwhelming testimony of business men all over the United States is that this is poor trade policy; that our trade is seriously handicapped and many producers have abandoned the foreign field because of unreliable and unsatisfactory service and discouragement of American goods.

Government Aid Necessary.

That satisfactory service will or can come without some form of government aid cannot longer be claimed with any show of fairness. According to official figures, the carrying capacity of ships in the world between 1890 and 1904 increased from under forty-four millions to seventy-six and a half million tons. In this interim, England increased from twenty-four to thirty-eight and a half millions; Germany from three and a third to nearly seven and two-third millions; France from two and a quarter to three millions; Norway from two to three and a third millions; Japan from 150,000 to 390,000 tons. Statistics before me give tonnage in custom-house measurement for the United States, which may be a little more than doubled to get actual carrying capacity. These show that we had (custom-house measurement) in 1861 two and a half millions in foreign trade, which had run down in 1890 to a million tons, and in 1904 to 888,000 tons. Despite any argument to the contrary, the other countries, aside from the facts of cheaper construction and operation through cheaper labor, have given definite aid in their foreign shipping, and it is incorrect to say that this has been confined to mere mail carriage.

On the other hand, our coasting enrolled tonnage, which has had the support of the coasting laws, has increased from three and a third millions in 1890 to five and a third millions in 1904. To this may be added that on the Great Lakes, where increase of size and draft has been made possible by Government improvement of channels, the tonnage (custom-house measurement) increased from 1,000,000 tons in 1890 to 2,000,000 tons in 1904, and there are now building and under contract for this trade more and better ships than ever before in the United States for any trade. And there is not, and for months has not been, a single ship of any considerable size or description building in the United States for foreign trade, where the American people pay nearly two hundred million dollars annual freights against a quarter of that sum on the Great Lakes, and the only contract let in four years is for the four ships of the Ward Line to replace the four taken over by the Government for Pana service.

Our Dependence Upon Foreign Shipping.

We are so abjectly dependent on foreign rivals in trade, that our flag has almost disappeared from the ocean. Only through apathy of our people, unmatched and not rivaled in world history, nourished and lulled into soft acquiescence by specious argument of our opponents in the shipping interest, can it be that, when the United States shall have spent a possible five hundred millions for a commercial canal at the Isthmus, our flag shall go through that canal only on an occasional man-of-war or millionaire's yacht.

In wars between maritime powers an important duty of the navy has been to convoy merchant ships. If we let things go on as they are, we certainly will not have enough merchant ships to go around for this purpose.

Our league opposes this condition, and any argument, thoughtless or intentional, tending to such consummation.

There are those who, in apparent sincerity, say that the carrying of a nation's goods and the building up of its merchant marine are matters of price simply, and that it is better to get the work done at the cheapest rate, taking our chances in time of need upon our ability to pay any price exacted; and these advocates point also to the fact that already American capital has been invested and the avenue of investment is open in foreign ships to be operated under a foreign flag with foreign officers and men. This may redound to the advantage of some who have the money to invest, but it is destructive of the entire theory that our government exists for the whole people. While opponents of an American merchant marine are saying this, we see each year that we pay over to foreigners about $180,000,000 in freights, of which a good share should be circulated in this country, as are the freights paid in the internal land and marine commerce of the United States. Passing through the builder, the operator, the repairer, the furnisher of ships, and all the allied branches of industry and their employees, it should go into the commercial strength of the nation, and the ultimate argument of our opponents is that this cannot or should not be done because that involves conditions and wages of American citizens, which are better than those abroad. Even in this they ignore the fact and reasonable hope that with American wages and conditions of living, shown in internal transportation on land and water, we have the cheapest transportation in the world, and may, with fair encouragement and a proper start, do this again on the seas, and so lay forever the ghost of "subsidy."

Humiliating as it is to our national pride; opposing all commercial history; costly as the experience has proven of dependence on the foreign rival for introduction of our products abroad, there might still remain some shred of argument based on cheapness at expense of progress in trade, if the question could with semblance of propriety be permitted to revolve around and turn upon this single element in a complex problem.

This country has not only to admit that following consistently a system of protection in trade, it has neglected the shipping industry, which should have prospered with the rest and has been prevented by discrimination, however induced; but that this has been done against the example of free trade nations who uniformly have selected the shipping interests for reasons of far-reaching national importance, as the one single interest to be maintained and encouraged at any proper cost by that country which can have a merchant marine and would keep its place on the seas.

Adam Smith, in his "Wealth of Nations," said:

"There seems to be, however, two cases in which it will generally be advantageous to lay some burden upon foreign, for the encouragement of domestic, industry. The first is, when some particular industry is necessary for the defense of the country. The defense of Great Britain, for example, depends very much upon the number of its sailors and shipping. The act of navigation, therefore, very properly endeavors to give the sailors and shipping of Great Britain the monopoly of the trade of their own country, in some cases by absolute prohibitions, and in others by heavy burdens upon the shipping of foreign countries."

John Stuart Mill, another world-renowned writer on free-trade and economics, says:

"The navigation laws were grounded, in theory and profession, on the necessity of keeping up a 'nursery of seamen' for the navy. On this last subject, I at once admit that the object is worth the sacrifice; and that a country exposed to invasion by sea, if it cannot otherwise have sufficient ships and sailors of its own, to secure the means of manning on an emergency an adequate fleet, is quite right in obtaining those means, even at an economical sacrifice in point of cheapness of transport. When the English navigation laws were enacted, the Dutch, from their maritime skill and their low rate of profit at home, were able to carry for other nations, England included, at cheaper rates than those nations could carry for themselves; which placed all other countries at a great comparative disadvantage in obtaining experienced seamen for their ships of war. The navigation laws, by which this deficiency was remedied, and at the same time a blow struck against the maritime power of a nation with which England was then frequently engaged in hostilities, were probably, though economically disadvantageous, politically expedient."

Great Britain's Bounties to Her Ships.

In 1890 there was what the "North American Review" described as a duel between Mr. Gladstone and Mr. Blaine, one for free trade, the other for protection. On page forty-nine of the January number of that magazine, Mr. Blaine uses this language, and I may be pardoned for quoting at some length:

"Mr. Gladstone, however, commits himself to the principle that 'all protection is morally bad.' If this has been his belief ever since he became an advocate of free trade, his conscience must have received many and severe wounds, as session after session, while Chancellor of the Exchequer, he carried through Parliament a bounty—may I not say a direct protection?—of one hundred and eighty thousand pounds sterling to a line of steamers running between England and the United States—a protection that began six years before free trade was proclaimed in England's manufactures and continued nearly twenty years after. In the whole period of twenty-five years an aggregate of many millions of dollars was paid out to protect the English line against all competition.

It may be argued that this sum was paid for carrying the Anglo-Saxon mails, but that argument will not avail freetraders, because steamers of other nationalities stood ready to carry the mails at a far cheaper rate. Nay, a few years ago, possibly when Mr. Gladstone was Premier of England, public bids were asked to carry the Anglo-Indian mails. A French line offered a lower amount than any English line, but the English Government disregarded the French bid and gave the contract to the Peninsular & Oriental Line, owned by a well-known English company. Still later, the German Lloyd Company contracted to carry the Anglo-American mails cheaper than any English line offered, and the German company actually began to perform the duty, but Englishmen did not want that kind of free trade, and they broke the contract with the German line and again gave protection to the English ships. Does not this justify the opinion that the English policy of free trade is urged where England can hold the field against rivals, and that when competition leaves her behind she repudiates free trade and substitutes the most pronounced form of protection?"

I have it from the management of the "North American Review" that Mr. Gladstone never in any manner answered the challenge, but the English nation has responded in the contract provision for the new Cunard steamers. When metal shipbuilding came in vogue, and the United Kingdom could produce more cheaply than anywhere, the free ship policy was adopted in that country. Germany has been going forward in shipbuilding and operation in a wonderful degree, and it has come to be a question with the balance somewhat favoring Germany, whether it is cheaper to build the so-called ocean grey-hound in Germany or in England. When the British Government, therefore, two years ago entered into a contract with the Cunard Line to furnish thirteen millions of dollars to build two ships and give a subsidy of over a million dollars a year for their operation, the British Government, for the first time in fifty years, stipulated that these ships should be built in the United Kingdom.

An English writer, member of Parliament, Mr. J. Henniker Heaton, speaking of the British practice, said:

"For many years the American mails (as well as American goods) were carried to Europe almost exclusively in British vessels. Early in the century, the British Government adopted the sagacious policy of subsidizing the shipping companies which ran vessels to the colonies and the foreign countries. Infant settlements like those at Port Jackson and Sydney or the Cape, could not, of course, supply trade enough to make the voyages remunerative, and now that such settlements have shot up into rich and powerful colonies, the subsidies are continued on a more lavish scale on two conditions: First, that the subsidized vessels were constructed so as to be easily converted into cruisers in case of war; second, that they shall carry the mails. This policy of State aid was so brilliantly successful in developing trade and maintaining the supremacy of the British mercantile marine, that it was adopted in turn by all the great powers, with the single exception, until quite recently, of the United States. As American ships were not subsidized, their vessels could not compete with the Cunard and other companies, the art of shipbuilding languished and the American carrying trade was transferred to foreign bottoms. In 1891, only thirteen per cent. of the exports from the United States were carried in American ships, which at one time had engrossed ninety per cent. As a consequence of refusing five million a year in subsidies during thirty years to native ship owners, or $150,000,000, the United States had to pay in the same period no less than $3,000,000,0000 for freights, while their mercantile marine dwindled into insignificance. The fact that the country bore this heavy drain upon its earnings so long without feeling it—as if it had been a flea-bite—affords the highest possible proof of its amazing vitality and vigor. At the same time, one is puzzled to understand why the proverbial shrewdness of the American unfailingly exhibited in his private affairs, was missing for more than a generation in this important section of national business."

Captain Wilmot, of the Rbyal Navy, writing in 1892, said:

"When we passed from the old irregular method of manning the fleet, and adopted the continuous service system (under which seamen enter for ten years, with the option of continuing at its expiration for a further similar period, followed by a pension), coupled with the entry and training of boys, a complete revolution was effected in this portion of the naval service. The delays of manning in peace time disappeared, and all uncertainty in the matter, when hostilities are apprehended, is removed. For a reserve in time of war we rely on 20,000 merchant seamen (now 30,000), who, though they have never served on board a man-of-war, are annually drilled to guns and small arms at various depots round the coast. How far the comparatively small number of highly trained seamen we maintain, together with this somewhat uncertain reserve, would supply the requirements of a protracted maritime war, it is difficult to say. The waste, from many causes, would be very great, if the struggle were severe, but seeing the number of men this country possesses who are, or have been, connected in some way with the sea, and who would be of great assistance when acting with trained seamen, I do not think that in this respect our resources will prove inadequate."

Without stopping to give the expression of other American Presidents and publicists, may I not reproduce the language of an official report of Thomas Jefferson over one hundred years ago, which has lost none of its force:

"Our navigation involves still higher considerations. As a branch of industry, it is valuable, but as a resource of defence, essential.

Its value, as a branch of industry, is enhanced by the attendance of so many other branches on it. In times of general peace, it multiplies competitors for employment in transportation and so keeps that at its proper level; and in times of war—that is to say, when those nations, who may be our principal carriers shall be at war with each other, if we have not within ourselves the means of transportation, our produce must be exported in belligerent vessels, at the increased expense of war freight and insurance, and the articles which will not bear that must perish on our hands.

But it is as a resource of defense that our navigation will admit neither neglect nor forbearance. The position and circumstances of the United States leave them nothing to fear on their land board, and nothing to desire beyond their present rights. But on their seaboard they are open to injury, and they have there, too, a commerce which must be protected. This can only be done by possession of a respectable body of citizen seamen, and of artisans and establishment in readiness for shipbuilding."

A recent consular report gives account of changes in British and German tonnage in the past twenty years, and this succinctly is the record of British companies; one increased from 174,000 to 446,000 gross registered tonnage; another from 58,000 to 388,000; another from 175,000 to 326,000; another increased seven-fold to 321,000 tons; another from 96,000 to 298,000; another from 53,000 to 261,000; another from 51,000 to 254,000; another from 68,000 to 203,000. For the Germans one line increased from 60,000 to 719,000, and another from 103,000 to 573,000.

From the general experience it may be taken that a foreign merchant marine is an essential element in rounding out the affairs of a nation which has seacoast and possibilities of foreign trade. We have a greater navigable seacoast than any other country in the world, and the greatest foreign trade of any country, and a growing necessity for introducing our world competitive products. We have the humiliating spectacle that while in foreign bottoms we import more products from South America than they sell elsewhere, we have no adequate means of shipping to them the things which we have and should sell in exchange. To the best customer in South America we have to send by way of Europe, and when any of us visit South America, convenience requires that we go to Europe and from there to our near neighbor. Let us leave those gentlemen who either are content with this condition of things or think they will remedy themselves in some undefined way.

Discussion of Proposed Remedies.

Now, as to the remedy: It must be understood that in our league there is absolutely no interest in favor of any particular remedy; that our purpose is the finding of a remedy and the best one. So, therefore, we are ready and willing and desire to approach this question of remedy without predilection in favor of particular means without fear of words or definitions. Many people in this great country shiver and would have the nation hesitate and stutter over the word subsidy. We have gone through a lot of definitions since the constitution was adopted, and it must, out of the reason of things, come to be a mere weakness for any man to say or write that he is opposed to subsidy per se. Among the remedies that have been suggested and perhaps including all, are free materials for shipbuilding, free ships, discriminating duties and direct aid.

There are afloat in the country to-day those who say that our problem would be solved if the materials for building ships for foreign trade were admitted free and point to ship plate being sold for delivery abroad cheaper than at home and who invoke the aid of tariff reform without appreciating that for some fifteen years all material for building, furnishing and repairing any ship for the trade has been entirely free of any duty. This plan has so been thoroughly tried and is exploded. Free ships, the right of going abroad and purchasing a ship wherever it might be built cheapest does not seem to promise anything. Until foreign countries shall raise their wages and conditions of living, or we shall, by some general process, reduce ours, it must be that wages and cost of operation of American ships, regardless of the percentage of Americans to be employed, shall be greater. If we can purchase ships abroad cheaper than in this country, it is only so far as the labor in their construction costs less abroad. Here let it be said that by reason of the stifling of coast shipbuilding in this country, shipyards are not able to standardize and so put into vogue those practices which in other lines of work have enabled us in this country to pay higher wages with better conditions and yet produce more cheaply, as our railroads under our conditions carry freight more cheapily than abroad. There seems no warrant in experience, analogy or acceptable argument for asserting that free ships would solve the problem. But by reason of the assertion, the Congressional Commission made special inquiry upon this subject, and the universal testimony of men interested directly in shipping and the operation of ships was against and overwhelmingly against the proposition that this could afford relief. Discriminating duties in the beginning of this country doubtless aided very much at a time when we were an importing nation, exporting only food stuffs and raw materials which other countries required. Now we have gotten into a position and condition where practically half of all that comes into this country is on the free list. There is no export duty. And when we come to consider South and Central America, our nearest neighbors, barely ten per cent. of what comes to us now in foreign ships pays any duty. To you, who, in dealing with general questions of business, appreciate the absolute necessity of correct detail, I put the question: How would the plan of discriminating duties work out? In the first place, consider that anything shipped out of this country does not have any duty about it and the plan could not be applied there. In the next place, consider that two ships might load at a foreign port, one largely with dutiable goods, the other largely with goods free of duty; how would it be worked out in such a case? Not to detain you too far with detail, take the further case that in respect of goods which are dutiable one ship hauls 15,000 miles and another ship 1,500 miles; how is this to be worked out? I lay aside the political question of disturbing thirty-two working commercial treaties, and ask you gentlemen when you go home to take up the question of discriminating duties as a purely business problem, and see if with no duties on exports, with ninety per cent. of our goods coming in free from South and Central America, half our goods from all over the world coming in free, with the duties laid precisely the same regardless of the distance traveled by the ship, how a system of discriminating duties could be devised which would be workable.

Our league has been in existence nearly a year. It was not formed to support the action of the Congressional Commission. In its first statement, made in advance of any report, we expressly reserved the right to criticize anything which might be put forward by that commission. But we find ourselves really in the condition of mind of the majority of the commission, with perhaps a little more freedom of expression. That commission went all about the United States, invited expression from every one willing to come before them, sifted it all and reached the conclusion unanimously that we need a merchant marine possibly less for the purpose of introducing trade abroad, important as that is, than for general safety of the country in having a fleet of our own to carry our goods independent of foreign complications, reliable for the continuance of our trade under suitable naval protection in case we might be involved in war and furnishing those adjuncts of the navy which every nation in the history of the world has found to justify all the other expense of a navy, that is to say, auxiliary ships and a sufficient resource for seamen when the test should come.

Time does not permit my going into the details of the bill proposed by the commission. Your Congressmen can furnish you with a copy or you can obtain it otherwise readily. Suffice it to say that the commission apparently regardful of the hobgoblin of subsidy, have provided for only a few lines and these only to South America, and to the Orient. But they have heeded the cry which went over this country when other projects were before Congress, that what we most need is the delivery wagon style of ship and provided a general subsidy, and I use the word "subsidy" because it is the familiar term and we should not fear definition, but hold to substance.

The question of expense is of greatest importance, but most important as related to probable results. This country is now paying for rural free delivery \$13,000,000 a year; for 1906 the appropriation is nearly double this sum, and for city free delivery, \$21,000,000 a year. This is for convenience of the people. A fraction of that sum would solve the problem of our foreign marine and supply a conceded necessity. Putting it another way, the price of a single battleship for the navy would more than meet the expense of a thorough experiment in rehabilitating our foreign merchant marine. Compared with the expenses which we are approving in connection with the Philippines, for our navy and army establishments and in the building of the world canal, the cost of a thorough test might be described as a "drop in the bucket."

I wish I might detain you with a discussion of the bill and of every feature of the bill. I would be glad if some one could present a better bill, but the sole point has been to lay this matter before this national body in the hope that you will go home thinking of the subject, believing that it is one of the most important subjects before the American people, and that you, through your large influence upon affairs in your homes, will be willing to aid in bringing the subject forward to help speed that day when our American trade shall go abroad under our flag, peaceful emblem of excellence, of honesty, of fair dealing in trade and of manful, considerate power when needed, and all in the spirit of the toast.

> The union of lakes, rivers and lands.
> The union of States none can sever;
> The union of hearts, the union of hands,
> And the flag of our Union forever.

THE PRESIDENT: The next is a continuation of the discussion on practical banking questions.

The next is unfinished business, and the Chair recognizes Mr. J. D. Powers, of Louisville, Kentucky.

MR. POWERS: Mr. President and Gentlemen of the Convention—I desire to offer a resolution, simple in character but important in giving expression to our personal feelings, as I hope.

Free from all commercialism and without taint or selfishness, the members of the Bankers' Association of the District of Columbia have without stint provided for the comfort and pleasure of the American Bankers' Association, its officers and members and visitors, the most delicate, agreeable, and delightful reception and entertainment, filling full the measure of expectation and realization during our stay in Washington, our country's great capital city, for which the association tenders profound and grateful thanks.

I move the adoption of the suggestion as embraced therein.

The motion was seconded and the question being taken, the resolution was unanimously adopted.

THE PRESIDENT: The Chair recognizes Mr. Logan C. Murray.

LOGAN C. MURRAY: Mr. President and Gentlemen—There have been constantly in the last twenty years publications made throughout the country in different newspapers who are not familiar, possibly, with this association, to the effect that the American Bankers' Association pays noted forgers, in some cases, salaries not to commit forgeries. I have here a newspaper extract to the effect that Karl Becker, "the forger most feared by the bankers of America," is said to receive a salary from a number of leading banks on condition that he will commit no more forgeries. For many years we have had trouble with this sort of thing. I desire now to introduce a resolution, that the American bankers of the country will not under any circumstances compound such a thing, and that the newspapers hereafter will not print such stuff as that. It is a libel upon this association to suggest that any member would make any such compact with a forger. I therefore hope that this association will vote unanimously now, and strongly say that it will be hereafter understood by every newspaper in the country that this association under no circumstances, and no honorable member of it, will for one moment have any such compact with any such man. I move that this association distinctly say this now, so that it may be heard by every newspaper.

The motion was seconded, and the question being taken, was unanimously agreed to.

THE PRESIDENT: The incoming council will meet immediately after adjournment on the tenth floor of the New Willard Hotel.

The next in order is the report of the auditing committee.

REPORT OF THE AUDITING COMMITTEE, BY J. R. MITCHELL, CHAIRMAN.

Mr. President—The committee appointed to audit the accounts of the association beg leave to report that they have verified the expense vouchers with the statements submitted.

The rapid growth of the American Bankers' Association in the past few years has made it practically impossible, within the time alloted, for the auditing committee to make as intelligent and thorough an audit of the affairs of the association as the volume of business warrants, and we therefore suggest that future audits of the accounts of the association should be made by a firm of chartered accountants, or an audit company, and their reports submitted to the executive council.

Respectfully submitted,
J. R. Mitchell, Chairman; Luther Drake, C. B. Mills.

Upon motion, the report was received and filed.

The nominating committee submitted their report as follows:

[A complete list of the new officers of the association will be found on a subsequent page.]

During the reading of the foregoing report, the following occurred:

Mr. EVANS, of North Carolina: I move that the secretary be directed to cast the vote of the association for Mr. John L. Hamilton as president.

The motion was seconded by several delegates.

THE PRESIDENT: It is moved that the secretary be directed to cast the vote of the association for Mr. John L. Hamilton for president. Is there objection?

There was no objection, and the secretary accordingly was directed to cast the ballot of the convention for Mr. Hamilton for president.

THE SECRETARY: I take pleasure in casting the ballot of the convention for Mr. Hamilton for president.

Mr. MULVANE, of Kansas: Mr. President, I move that the secretary be directed to cast the vote of the association for Mr. Whitson for first vice-president.

The motion was numerously seconded.

THE PRESIDENT: Is there objection? (After a pause.) The Chair hears none, and the secretary is directed to cast the vote of the association for Mr. Whitson for first vice-president.

THE SECRETARY: The secretary takes pleasure in casting the vote of the association for first vice-president.

CHARLES E. SPRAGUE, of New York (at the conclusion of the reading of the nominations for members of the executive council for a term of three years): Mr. President, I believe that while not very usual, nominations other than those of the nominating committee are in order under our rules. Am I right?

THE PRESIDENT: Yes, sir.

Mr. SPRAGUE: Those nominations are before you, doubtless of worthy and estimable candidates; but I feel it my duty, not merely as a delegate, but as representative of 734 of the members of this association, to place in nomination for election as a member of the executive council a distinguished representative of our section, Mr. Edward E. Duff, of Pittsburg, Vice-President of the People's Savings Bank, a gentleman eminently qualified by ability, by character and by attainments to fill the position, and a gentlemen whose qualifications have been attested by our electing him day before yesterday as chairman of the Savings bank section. And I will state the reasons, Mr. Chairman, which have compelled me, reluctantly, to violate the usual ease and harmony with which our elections have been conducted by introducing a nomination out of the regular order of things.

The Savings bank section, as you know, is an important section. I venture to say that its work has been as aggressive as that of any other portion of the bankers' association. During the last year it has added 118 members to this association through its direct work. By that you will see that except for the work of the Savings bank section in the way of securing new members, we would almost have had a shrinkage in our membership. We feel, therefore, that the committee, unintentionally probably, has committed a grievous oversight in neglecting to give us a direct representative on this council. The Savings banks, we feel, are preëminently entitled to a representative on the council. We pay our dues exactly like any other members. But, gentlemen, so far as we are Savings bank men we are not bankers, we are, on the other hand among your largest customers; we are not your rivals. But here we find ourselves subjected to, at least, neglect; some of our members go so far as to call it slight. However, that may be, the fact remains that we have not been given one representative, although we were led to believe that we would be allowed one. For some reason or other we have not been favored. We have not in the past and we do not in the future intend to obtain representation on this council by means of lobbying, by soliciting votes or by canvassing. We shall not use any such means as that. We shall with manly dignity present our claim, and that is the reason I am presenting the name of this gentleman to-day—because I feel that the membership of this association at large will support us, and that the executive council—the two classes now remaining in power—will also support us; that all right-minded men, whether they are bankers, Savings bank men or trust company men, will support us, that they will see that our cause is just; and, to say the least, we have not been treated with that respect with which an organized section of this association should be treated.

These are the reasons, gentlemen, why I feel it incumbent upon me as a duty, a disagreeable duty, to make a counter nomination, instead of acquiescing in the usual perfunctory ballot. Gentlemen, it is unpleasant, for more reasons than one, but it is necessary, for us to select one of the names on the ticket presented to be displaced by our representative; the task is an unwelcome one. Far be it from us to desire that any one there should be displaced, but that is the only effective way—to withdraw one of those names. We can do it, we have the votes in this house, so that if I name the person who is to be excluded, in favor of our man, we can carry the election. I do not wish to do anything of the sort. I merely wish to bring before you our rights and our wrongs, lest it be said that we submitted tamely to neglect and oversight and sat still and allowed people to walk upon us without making a move.

Gentlemen, having accomplished the purpose of this nomination, I now withdraw it.

THE PRESIDENT: I believe Mr. Sprague's speech is for the good of the association. While it may be out of place for me to say so, it seems to me that we are getting to have too much politics in the affairs of the convention.

What shall be done with the nominations for members of the executive council?

Mr. MULVANE, of Kansas: I move that the secretary be directed to cast the ballot of the convention in favor of the gentlemen whose names we have heard read.

Mr. SPRAGUE: I second the motion.

There was no objection, and the secretary was accordingly directed to cast the ballot of the association for the gentlemen whose names were read, as members of the executive council.

THE SECRETARY: I take pleasure in casting the ballot of the association for Mr. George M. Reynolds, Mr. Milton E. Ailes, Mr. J. L. Edwards, Mr. H. B. Wilcox and Mr. J. J. Sullivan for members of the executive council for three years.

(The reading of the report of the nominating committee was then concluded.)

On motion of Mr. Mulvane, the secretary was directed to cast the ballot of the association for the gentlemen named by the nominating committee as vice-presidents.

The secretary cast the ballot for the gentlemen named in accordance with his instructions.

THE SECRETARY: Here is an additional report from the nominating committee:

Washington, D. C., October 12, 1905.

To the Chairman and Members, American Bankers' Association:

The nominating committee, composed of delegates from the several State associations, desires to present the names of the following gentlemen for membership in the executive council of the American Bankers' Association:

Lewis E. Pierson, President New York National Exchange Bank, New York, N. Y.

A. G. Lupton, Cashier Blackford Company Bank, Hartford City, Ind.

Joseph Chapman, Jr., Cashier Northwestern National Bank, Minneapolis, Minn.

J. G. Brown, President Citizens' National Bank, Raleigh, N. C.

H. P. Hilliard, Vice-President Mechanics' American National Bank, St. Louis, Mo.

George F. Orde, Secretary.

Mr. EVANS: I move that the secretary be instructed to cast the ballot of the association for the gentlemen named.

There was no objection, and the secretary, accordingly, cast the vote of the convention for the gentlemen named as members of the executive council of the American Bankers' Association.

THE PRESIDENT: The chair recognizes in the rear of this room a bashful young man, and we would like to have him come forward. I call for Mr. John L. Hamilton, of Hoopeston, Illinois.

(Mr. Hamilton came forward.)

THE PRESIDENT: Mr. Hamilton, the American Bankers' Association has been very fortunate in selecting you as their president. It has been to a certain extent an idea among the members of this association that no one could be elected to this place unless he lived in a large city and represented a large bank. You do not come from a large city and do not represent a large bank, comparatively speaking; but you do represent a large majority of the members of this association, and now they cannot say that this office must go to a large city. I congratulate you and wish you great success in your administration of the office of president.

Mr. HAMILTON (taking the chair): Ladies and Gentlemen of the Convention—I think I voice the sentiment of this convention when I say that it is unfortunate that our worthy president cannot be continued another year under the constitution. I realize that this is the greatest honor that can be given to any man at your hands. I realize that the American Bankers' Association is the strongest financial institution in the world. It has a grand mission to perform, and I think it is the duty of this association to labor for the promotion of the welfare of this great country regardless of any individual interests. This association has several important standing committees that are doing excellent work. They have one or two committees that are dead. I am opposed to any man accepting a position on any committee in connection with this association who is not willing to work for the interest of this association.

We have long since passed the stage in our work where we need ornaments. I think that there are many important features that can be pushed forward by your aid, and when the individual member receives what appears to be a circular letter, remember that it is really an individual communication from the committee sending it, hoping to get an expression from you, so that they may be able to formulate a report in accordance with the wish of the members of this association.

It shall be my endeavor in fulfilling the duties of this position to put forth my best efforts in your behalf. Gentlemen, I thank you for this great honor.

THE PRESIDENT (Mr. Hamilton): Is Mr. Whitson present? If so, I will ask him to please come forward.

(Mr. Whitson came forward.)

THE PRESIDENT: Mr. Whitson, you have been selected for the distinguished office of vice-president of the American Bankers' Association. It is an honorable position that is extended to you on account of your work and merit and in appreciation of the work you have done for the association. I now present you with your badge. Gentlemen, your vice-president, Mr. Whitson.

Mr. WHITSON: Mr. President and Members of the American Bankers' Association—We are told that brevity is the soul of wit. I am certain that you are weary of speech-making. Consequently I believe that I will carry out your views in making my remarks brief. I appreciate the honor which you have conferred upon me and ask your assistance and co-operation in carrying out the duties pertaiinng to the office to which you have elected me.

THE SECRETARY: There is a telegram which has been received from the Sturdivant Bank, which I will read:

The secretary read as follows:

Cape Girardeau, Mo., October 11, 1905.

E. F. Swinney, President American Bankers' Association, Washington, D. C.:

Col. Robt. Sturdivant, the pioneer banker of southern Missouri, died at Tallapoosa, Ga., yesterday morning, aged eighty-eight years.

THE PRESIDENT: I understand that Mr. Hill, of St. Louis, has something to present to the convention.

Mr. HILL (coming forward and placing a large silver bowl on the president's table): Mr. President, and Gentlemen of the Convention—I have been selected to present to Mr. Swinney, the retiring president, a little pig in the bag. Why I have been selected for this pleasant duty I do not know, unless it is that Mr. Swinney and your humble servant were both born in that State which feeds on peanuts and past recollections—recollections that can only be appreciated by men who have left the grand old Commonwealth of Virginia. We have both gone to that State which has the reputation that before any one can get into their hearts there, and into their pockets, he has to "show them." Mr. Swinney went to that State and by perseverance and pluck won his way, and he, as president of the American Bankers' Association, has shown you the greatest year in the history of the association. If you come West you will find on the western border of Missouri a bank which has been built up by him and him alone, as far as we know, that has no superior for strength and conservatism in this country. He will show to any one who comes there who does not know him—and to those who know him it is not necessary—that he is a man and gentleman, and when you say a gentleman that is all you can say of any one.

I wish to say in the name of the association, "Well done, good and faithful servant." Instead of taking the cake, take the bowl.

Mr. Swinney: I wish I had words capable of expressing my appreciation of this token of regard. I will take this bowl with me to my Western home, and ever keep it and point to it with the greatest pride as a token of having been honored by the greatest financial association in the world.

In closing my official career with you I want to again thank you, this convention, for the many acts of kindness shown me, and will close by saying that:

> In future years
> Should thou perchance
> To other scenes cast a glance;
> Think kindly of me,
> As I ever shall of thee.

The President: Is there any further business to be brought before the convention?

Mr. Reynolds: In pursuance of the resolutions heretofore adopted, I move that a committee of five be appointed by the Chair, of which the president shall be one, to act as a committee on bank legislation.

The question was taken and the motion was agreed to.

Mr. Russel, of Detroit: Mr. Chairman, Ladies and Gentlemen—A self-constituted committee has placed upon me the very pleasing duty of making another well-deserved presentation. This self-constituted committee really consists of the Old Guard, and I might sum it down to almost one member of the Guard, in the message that was conveyed to me. Walker Hill has just told you that he was elected to make the other presentation speech. Now, gentlemen, I want to give you a little inside information. Mr. Hill came to me last night and said: "Russel, if you will select me to make a presentation to the president I will select you to make a presentation to the secretary."

Gentlemen, this token of our regard for our most efficient secretary is made upon the anniversary of his ten years' service. It happens to be an anniversary to me also. Ten years ago I first joined your association at Atlanta, and I had there one of the pleasantest times of my life. At that first meeting I had the distinguished honor of being elected to the council, and have served continuously ever since. In the eleven conventions that have been held, beginning with that one, and ending with this most delightful convention, I have been present nine times; I was prevented from being present the one time I was absent on account of my health.

A reviewal from me of the growth of the association in these ten years seems to be in place. We then had a membership of barely fifteen hundred, and Colonel Branch was chosen secretary. Another curious fact in connection with that convention which I now recall, is the fact that at a little table in a room off of the reception room at Atlanta, our old friend, Bob Lowry, gathered promiscuously from an attendance of several hundred, six gentlemen to dine with him. Of course he had the most beautiful ladies of the State of Georgia there also. You would expect that, naturally. As it so happens, five of those six gentlemen that set at that table successively became president of your association—Mr. Pullen, of sainted memory, I might say, because he was a grand old man; Bob Lowry, whom we will always have with us; Hendrix, than whose record none is brighter; the less said about Russel the better; and Hill, the ubiquitous and always talking. Now, this looks like a put-up job; but, gentlemen, politics then had not crept into the association, I assure you. We could have planned for five years ahead, while under a better constitution we can only set up the job for three years. But I am getting off the subject, I am dwelling on my own recollections and not doing my duty here.

It is my pleasant duty to present to Mr. Branch, from the association, a little token of regard and esteem and appreciation of his services during the past year. Presidents have come and gone, but Jim runs on forever. Our membership of fifteen hundred, which is what it was ten years ago, has been increased to seventy-seven hundred, over five times the number we had ten years ago. And we must allow that this increase in membership is largely due to our secretary. He has worked indefatigably, and in the last two years there has been more accomplished than ever. So that in his services, experience and education, we have a secretary who is more than ever fit to perform these duties for another decade. Jim is a good fellow, but not entirely without—I will not say without enemies—but people who think they could fill his place better. There are always such men in the world. But we do not want to make any more experiments in that line. A little story occurs to me which has been told to me since I reached this stage, of a gentleman presiding over a very large church, a minister. There was a little growing disaffection among some of the congregation, and one of them hinted it to the sexton. "Yes, I know that is what some of you think; but then," he says, "remember the past experience of this church. Reverend so and so had been with us now for ten years, and the church work depends largely upon its revenue. Are not the pews full? Has not our membership increased satisfactorily, and are not things running smoothly?" I think that speaks for itself.

We give to our secretary a bowl. What uses it may be put to I cannot tell. We have not made it large enough for him to get into, but it is of capacious size, and I am sure that in his big generous heart he will ask you in other meetings of this convention to take from it, not forgetting himself. Gentlemen, I am sure that I speak for the whole convention in conveying to Colonel Branch this token of your esteem and appreciation.

Secretary Branch: Mr. Russel, and Members of the Association—This is one of the proudest moments of my life. I have served for ten years as your secretary, and through the assistance and hearty support that I have always received from every one upon whom I have called, the association has grown to its present size. No one man on earth could have accomplished any such growth. It has been the result of active committee work. It has been the support of numerous officers who have come and gone. The secretary has been able to call the attention of bankers all over the country to the good work being done by the association, and they have come in by tens and hundreds, and to-day we have an organization representing more wealth than any other organization on earth.

I have given you my best efforts. I fear in the opinion of a good many that my best has not been as good as it might have been. I can only say to you, gentlemen, that I have done my best, and any errors made have been from the head and not from the heart. I thank you sincerely for your continued confidence, as shown by re-election nine times, and I trust if in the future I serve as your secretary I can, when I step out of office, feel as I do now, that I have never intentionally neglected any duties imposed on me.

Upon motion, the thanks of the convention were extended to the newspapers of Washington.

The President: Mr. Whitson has requested me to announce that the executive council will meet immediately after the adjournment, on the tenth floor of the New Willard Hotel.

I now declare the thirty-first annual convention of the American Bankers' Association adjourned.

OFFICERS OF THE ASSOCIATION.

President.

JOHN L. HAMILTON, Jr., Vice-President Hamilton & Cunningham, Hoopeston, Ill.

First Vice-President.

G. S. WHITSON, Vice-President National City Bank, New York, N. Y.

Treasurer.

RALPH VAN VECHTEN, Second Vice-President Commercial National Bank, Chicago.

Secretary.

JAMES R. BRANCH.

Assistant Secretary.

WM. GORDON FITZWILSON.

Office of the Association, Hanover Bank Building, New York, N. Y.

Executive Council.

Chairman, J. D. Powers, President United States Trust Co., Louisville, Ky.

* MEMBERS EX-OFFICIO.

John L. Hamilton, Jr., Vice-President Hamilton & Cunningham, Hoopeston, Ill.
G. S. Whitson, Vice-President National City Bank, New York.
Lyman J. Gage, President United States Trust Co., New York.
Logan C. Murray, President American National Bank, Louisville, Ky.
R. M. Nelson.
M. M. White, President Fourth National Bank, Cincinnati, Ohio.
Jno. J. P. Odell, Jno. J. P. Odell & Co., Chicago.
Robert J. Lowry, President Lowry National Bank, Atlanta, Ga.
George H. Russel, President State Savings Bank, Detroit, Mich.
Walker Hill, President Mechanics' American National Bank, St. Louis, Mo.
Alvah Trowbridge, Vice-President Commonwealth Trust Co., New York City.
Myron T. Herrick, President board of trustees Society for Savings, Cleveland, O.
Caldwell Hardy, President Norfolk National Bank, Norfolk, Va.
E. F. Swinney, President First National Bank, Kansas City, Mo.

MEMBERS FOR ONE YEAR.

James K. Wilson, President San Francisco National Bank, San Francisco, Cal.
J. D. Powers, President United States Trust and Vault Company, Louisville, Ky.
J. R. Mitchell, Vice-President Winona Deposit Bank, Winona, Minn.
James B. Finley, President Fifth National Bank, Pittsburg, Pa.
Stephen M. Griswold, Union Bank, Brooklyn, N. Y.
†W. K. Coffin, Cashier Eau Claire National Bank, Eau Claire, Wis.
†H. R. Dennis, President Sioux Falls Savings Bank, Sioux Falls, So. Dak.
†C. M. Sawyer, President First National Bank, Norton, Kan.
†Mills B. Lane, President Citizens' Savings Bank, Savannah, Ga.
†William Livingstone, President Dime Savings Bank, Detroit, Mich.

MEMBERS FOR TWO YEARS.

Clark Williams, Columbia Trust Co., New York.
E. A. Potter, President American Trust and Savings Bank, Chicago.
John Perrin, President American National Bank, Indianapolis, Ind.
Grier Hersh, President York National Bank, York, Pa.
John T. Dismukes, President First National Bank, St. Augustine, Fla.
†E. R. Fancher, Cashier Union National Bank, Cleveland, Ohio.
†T. J. Fletcher, Cashier First National Bank, Marshalltown, Iowa.
†L. B. Farley, Cashier Merchants and Planters' Farley Nat. Bank, Montgomery, Ala.
†William George, President Old Second National Bank, Aurora, Ill.
†Alfred H. Curtis, President National Bank of North America, New York.

MEMBERS FOR THREE YEARS.

George M. Reynolds, Vice-President Continental National Bank, Chicago.
Milton E. Ailes, Vice-President Riggs National Bank, Washington, D. C.
J. L. Edwards, President Merchants National Bank, Burlington, Iowa.
H. B. Wilcox, Cashier First National Bank, Baltimore, Md.
J. J. Sullivan, President Central National Bank, Cleveland, Ohio.
†Lewis E. Pierson, President New York National Exchange Bank, New York.
†A. G. Lupton, Cashier Blackford County Bank, Hartford City, Ind.
†Jos. Chapman, Jr., Cashier Northwestern National Bank, Minneapolis, Minn.
†Jos. G. Brown, President Citizens' National Bank, Raleigh, N. C.
†H. G. Hilliard, Vice-President Mechanics' American National Bank, St. Louis.

* The convention at New Orleans amended the constitution by providing that in addition to the president and vice-president, the ex-presidents should also be ex-officio members of the executive council. The ex-presidents now living are: Lyman J. Gage, Logan C. Murray, R. M. Nelson, M. M. White, Jno. J. P. Odell, Robert J. Lowry, Geo. H. Russel, Walker Hill, Alvah Trowbridge, Myron T. Herrick, Caldwell Hardy and E. F. Swinney.
† Nominated by their respective State bankers' associations.

Vice-Presidents (by States).

Alabama	E. J. Buck, President City Bank and Trust Co., Mobile.
Alaska	S. A. Bonnifield, President First National Bank, Fairbanks.
Arizona	P. P. Greer, Cashier First National Bank, Clifton.
Arkansas	S. S. Faulkner, Cashier First National Bank, Helena.
California	P. E. Bowles, President American National Bank, San Francisco.
Colorado	Irving Howbert, Vice-President First National Bank, Colorado Springs.
Connecticut	Hon. A. Chamberlain, President Home National Bank, Meriden.
Delaware	John Richardson, Jr., President National Bank of Delaware, Wilmington.
Dist. Columbia	John Joy Edson, President Washington Loan and Trust Co., Washington.
Florida	E. W. Lane, President Atlantic National Bank, Jacksonville.
Georgia	W. F. McCauley, Vice-President Savings Bank and Trust Co., Savannah.
Idaho	M. J. Flohr, Cashier First National Bank, Wallace.
Illinois	L. A. Goddard, President Fort Dearborn National Bank, Chicago.
Indiana	W. E. Springer, Cashier Farmers and Merchants' Bank, Elizabethtown.
Indian Ter.	G. W. Barnes, President Commercial National Bank, Muskogee.
Iowa	D. L. Heinsheimer, President Mills County National Bank, Glenwood.
Kansas	E. B. Stevens, Cashier First National Bank, Parsons.

KENTUCKY ....Owen Tyler, President Third National Bank, Louisville.
LOUISIANA ....H. H. Youree, Vice-President Commercial National Bank, Shreveport.
MAINE ....S. C. Parcher, Cashier York National Bank, Saco.
MARYLAND ....Nathan H. Baile, Cashier First National Bank, New Windsor.
MASSACHUSETTS....H. M. Batchelder, President Merchants' National Bank, Salem.
MICHIGAN ....Daniel McCoy, President State Bank of Michigan, Grand Rapids.
MINNESOTA.........O. H. Havill, President Merchants' National Bank, St. Cloud.
MISSISSIPPI.........B. W. Griffith, President First National Bank, Vicksburg.
MISSOURI ....F. W. Hixson, Asst. Cashier Hannibal National Bank, Hannibal.
MONTANA............A. N. Clements, Cashier Aetna Banking and Trust Co., Butte.
NEBRASKA..........George B. Bell, President Grand Island Banking Co., Grand Island.
NEVADA ....G. S. Nixon, President First National Bank, Winnemucca.
NEW HAMPSHIRE...Arthur M. Heard, President Amoskeag National Bank, Manchester.
NEW JERSEY.........William Scheerer, President Union National Bank, Newark.
NEW MEXICO........Joshua S. Raynolds, President First National Bank, Albuquerque.
NEW YORK..........Ledyard Cogswell, Vice-President New York State Nat. Bank, Albany.
NORTH CAROLINA..A. G. Brenizer, Cashier Commercial National Bank, Charlotte.
NORTH DAKOTA....Mrs. L. A. Batcheller, Vice-President First National Bank, Fingal.
OHIO ....E. R. Sharp, President State Savings Bank and Trust Co., Columbus.
OKLAHOMA.........M. L. Turner, President Western National Bank, Oklahoma City.
OREGON.............Benjamin I. Cohen, President Portland Trust Co., Portland.
PENNSYLVANIA.....F. G. Hobson, Treasurer Norristown Trust Co., Norristown.
RHODE ISLAND.....Edward P. Metcalf, President Old National Bank, Providence.
SOUTH CAROLINA..W. B. Montgomery, President Farmers and Merchants' Bank, Marion.
SOUTH DAKOTA....F. M. Brooder, Cashier Black Hills Trust and Savings Bank, Deadwood.
TENNESSEE..........Jos. H. Smith, Cashier People's Savings Bank, Nashville.
TEXAS...............J. W. Spencer, President Farmers and Mechanics' Nat. Bank, Ft. Worth.
UTAH ....W. S. McCornick, President McCornick & Co., Salt Lake City.
VERMONT ....Edward Wells, President Burlington Trust Co., Burlington.
VIRGINIA...........W. M. Habliston, President National Bank of Virginia, Richmond.
WASHINGTON........Levi Ankeny, President First National Bank, Walla Walla.
WEST VIRGINIA....Walton Miller, Cashier Bank of Fairmont, Fairmont.
WISCONSIN..........George W. Strohmeyer, President Milwaukee National Bank, Milwaukee.
WYOMING... ....J. Clay, Jr., President Stock Growers' National Bank, Cheyenne.
CUBA................E. G. Vaughan, President National Bank of Cuba, Havana.
HAWAII... ....Charles M. Cooke, President Bank of Hawaii, Ltd., Honolulu.

NINTH ANNUAL MEETING, TRUST COMPANY SECTION.

NEW WILLARD HOTEL,
WASHINGTON, D. C., October 10, 1905.

The meeting was called to order by the president, Mr. E. A. Potter, President of the American Trust and Savings Bank, Chicago, at 10.30 o'clock a. m.

Prayer by Reverend Robert M. Moore.

THE PRESIDENT: I take great pleasure in introducing Mr. Stellwagen, of Washington.

ADDRESS OF WELCOME BY E. J. STELLWAGEN, PRESIDENT UNION TRUST COMPANY, WASHINGTON, D. C.

Mr. Chairman and Gentlemen: Hospitality, it seems to me, should impress itself by deeds rather than by words, and a true and heartfelt welcome needs no formal phrasing. Assuredly "it goes without saying" that an association of men brought together to consider questions affecting the advancement, direction and security of the great financial institutions of the country, is welcome, thrice welcome, to the nation's capital.

It is your right to be here; and it is, it seems to me, our right to have you. Because the capital is here, and because here at the capital is, and must always remain the inspiration, direction and control of our great national system of finance, Washington should in my opinion, be the permanent place for the annual meetings of the American Bankers' Association; but, however, this may be, the fact that you are with us for this ninth annual meeting of the Trust Company Section, is a source of exceeding pleasure and gratification, not only to those of us who are connected with local financial institutions, but to all of our people in whose name it is my privilege to bid you welcome.

May I detain you long enough to express the hope that among the useful subjects to be considered by our Trust Company Section, the question of protective laws and measures may receive positive and particular consideration—and by protective laws and measures, I mean those which are at once protective to the companies and their clients and depositors.

GROWTH OF THE TRUST COMPANIES.

The growth and successful development of trust companies in this country is almost marvelous. In a comparatively few years they have entrenched themselves firmly in the confidence of the public and its favor. They have rapidly broadened the scope of their operations, each year entering upon new fields of enterprise and endeavor, and adding new departments for the simpler and safer administration of the affairs of men.

With this rapid growth and development in number, in scope, in favor, in influence and in wealth, has come a corresponding increase in responsibilities, in temptations, and in dangers, which are so unfortunately emphasized in recent disclosures of corrupt and corrupting practices connected with some corporate institutions and their management.

Notwithstanding the rapid advancement in heretofore untried fields of corporate development, the ease with which charters may in some localities be obtained, the small capital required, and the sometime absence of protective provisions, the record of trust companies for stability, conservatism and integrity in management, is good and clean, and their immunity from disaster and scandal is rightfully a matter for pride and congratulation. But, gentlemen, we must not rest content with that record, excellent though it be. Our increasing success and development creates new conditions which bring with them new dangers, and these require better methods, stronger safeguards and stricter scrutiny and care. Let us then by raising our standards, safeguarding our investments, favoring charter requirements and restrictions (perhaps along the lines of the provisions of the National Banking Act) endeavor earnestly to make it impossible for disaster, born of carelessness, fraud or corruption, to overtake trust companies.

I had intended calling attention to some of the provisions of the Trust Company Act under which the corporations of the District of Columbia operate, which seem to us of peculiar force and value; but I have already, I fear, trespassed too long upon your time and patience, and will leave the further discussion of the important subjects to be considered by our section to my more experienced associates.

Again, gentlemen, I bid you welcome to our beautiful city of Washington, our city, which is your city, for none of you shall be as strangers within our gates.

Reply by E. A. Potter, President of the Trust Company Section.

For many years the American Bankers' Association has held its conventions in one of the great industrial cities of the country where commercial strife, enterprise and business activity have been the predominating influences and spirit of the locality. And while appreciating the place which Washington holds in the business world, it is a special pleasure to us to assemble on this occasion in this, the beautiful capital of the nation, a center of art, literature and politics. Every citizen of the United States feels a certain sense of proprietorship and pride in Washington, which is admitted to be the most beautiful city in America, and will be still further beautified when the plans which the District Commissioners have in hand are fully developed and carried out.

Washington is rich in historical interest; her galleries and public buildings contain the portraits, and her parks the statues of illustrious statesmen, soldiers and sailors, who have been such important factors in shaping our past history, and while justly proud of those great men and of their achievements, we have reason to congratulate the country, and in view of more recent events, the whole world, upon the personnel of our present administration, whose executive head is a man endowed not alone with remarkable physical force and courage, but that higher attribute, great moral courage. A man of a mentality so virile, distinctive and illuminating, that its influence is felt not only in this country, but throughout the world. A man of strong convictions, with the courage of his convictions, quick to see the right, and prompt to act without fear or favor, making new precedents whenever occasion demands, enjoying to an eminent degree the confidence of the whole people irrespective of party, with the result that as a nation we are harmonious and prosperous at home, and respected abroad.

Rigid Supervision of Trust Companies.

The material development of this country is the wonder of the age. Her fields, her factories and her natural resources are putting forth their products in such quantities as to excite the admiration of the world. Along with this development must, and has naturally come, a more extensive development of our financial necessities and institutions, and in no direction has this been more marked than in the trust companies whose rapid growth has brought them prominently into public notice. Much has been said and written of late about placing the trust companies under Federal supervision. The Honorable Secretary of the Treasury, in his last report to Congress, recommended legislation that would enable trust companies to incorporate under Federal laws. While I do not care at this time to express an opinion on this subject, I do want to go on record as advocating frequent and rigid official examinations, whether State or Federal.

There should be no theory about administering affairs of trust companies, other than that which applies to every business; namely, the administering them upon broad, deep principles of conservatism, honor and integrity.

The citizens of Washington have demonstrated their faith and confidence in trust companies to a greater degree than have those of any other city in the entire country; for, according to the report of the Comptroller of the Currency, the deposits of the trust companies of Washington exceed those of her National banks by about seventy per cent. Surely the members of the Trust Company Section of the American Bankers' Association have fallen among friends, and on their behalf I thank you for your most cordial, hospitable and gracious welcome.

THE PRESIDENT: The next order of business will be the roll call; and as that is rather a tedious proceeding, unless there is some objection, we will omit it.

There was no objection, and the roll call was omitted.

SECRETARY'S REPORT—TRUST COMPANY SECTION.

New York, September 1, 1905.

To the Members of the Trust Company Section:

Receipts.

1904.		
Sept. 1.	By balance	$812.05
" 16.	By appropriation of executive council	1,000.00
1905.		
May 3.	By appropriation of executive council	1,500.00
	By sale of four Trust Company Forms at $12	48.00
	By sale of Trust Company Section Proceedings, 1896-1903	663.75
	By debit balance	216.54
		$4,240.34

Disbursements.

1904.		
	Proceedings, 1904	$574.75
	Proceedings, 1896-1903	1,273.51
	Expenses executive committee meeting, New York, May 2, 1905	884.30
	Salary	837.50
	Stationery, printing and postage	580.28
	Expenses of Convention in New York	90.00
		$4,240.34
1905.		
Sept. 1.	To debit balance	$216.54

At the close of the fiscal year, August 31, 1904, 566 members had paid their dues, but, owing to withdrawals and liquidations, sixty-eight were dropped from membership, leaving 498. One hundred and forty having been added to the rolls since September 1, 1904, the present membership is 638, the largest in the history of the section.

Respectfully submitted,

Jas. R. Branch, Secretary.

Upon motion, the report of the secretary was received and filed.

REPORT OF THE EXECUTIVE COMMITTEE, BY THE CHAIRMAN, FESTUS J. WADE, PRESIDENT MERCANTILE TRUST COMPANY, ST. LOUIS.

The executive committee of the Trust Company Section of the American Bankers' Association respectfully submits the following report.

The membership in the section during the past year as reported by the secretary shows a gratifying increase. The continued organization of new trust companies in the different States justifies the belief that our membership may still be largely added to and the influence of the section strengthened, particularly through the work of our vice-presidents by bringing to the attention of these newly-organized companies the advantage of membership in the section.

To this end each vice-president will be given a list of the trust companies in his State not members of the association and during the coming year it is hoped that by direct effort on the part of these officers the membership in the section may be largely increased.

The regular meeting of your executive committee was held in New York on May 2, at which there were thirteen members in attendance. At this meeting the committee on protective laws made its report, a synopsis of which it was requested to present at this meeting of the section.

The committee on "the classification of legal decisions relating to safe deposit companies; duty and liability to box-holders; and a compilation of the rules and forms of typical companies" also made its report and by vote of the committee was requested to submit the same together with the report of last year in printed form at this meeting of the section.

Pursuant to the action taken at the last meeting of the section, the address delivered at that meeting by Mr. Jordan J. Rollins on "the protection of trust companies acting as transfer agents and registrars" was printed in pamphlet form and sent to every trust company in the country.

In accordance with the further action of the section, the executive committee referred to a sub-committee the general subject of the protection of trust companies acting in these capacities, with the suggestion that proper forms for the use of trust companies in the registration and transfer of securities and as trustee under corporate mortgages be submitted to the section at its coming meeting. This sub-committee was also charged with the duty of ascertaining the average fees for the performance of these services. The report of this sub-committee is given in full.

The undersigned, as a sub-committee appointed by the executive committee of the Trust Company Section of the American Bankers' Association, to consider the recommendations contained in a paper upon transfer agent and registrar, read at the last meeting of the Trust Company Section, and to make report thereon to the executive committee, do hereby respectfully report:

I. That while the trust companies do not admit that in acting as transfer agent or registrar they assume any such measure of responsibility as that suggested by articles read before the convention at various times, it would be desirable to eliminate absolutely the opportunity for any claim that the trust company serving in either capacity is liable save as an ordinary agent. Obviously, there are but two ways in which liability can be defined in advance: either by agreement between the principal and agent or by legislation. The latter was recommended in the article under consideration, since a statute would as clearly affect the investing public as the company issuing the stocks transferred or registered. The form proposed for New York was as follows:

"Section 156.—Powers of Corporation.—Upon the filing of any such certificate of authorization of a trust company, the persons named therein and their successors shall thereupon and thereby become a corporation which in addition to the powers conferred by the general and Stock Corporation Laws shall have power:

1. To transfer, register and countersign certificates of stocks, bonds and other evidences of indebtedness of corporations, with liability to such corporations and to the owners or holders of such certificates of stock, bonds or other evidences of indebtedness solely for the negligence or willful misconduct of its officers in reference to such certificates of stock, bonds or other evidences of indebtedness, or in the appointment, or employment of its agents, clerks or employees dealing therewith.

2. To act as the fiscal or transfer agent of any State, municipality or body politic."

It was suggested, also, that there should be some statutory provision making the limitation of liability apply to trust companies existing at the time of the adoption of the statute, whether incorporated under general laws or special acts. Thereby trust companies would be precluded from undertaking on any terms a form of contingent liability, which is more properly an insurance risk.

II. If in any State it shall not be possible or convenient to obtain legislation of the character indicated, then such protection as may be afforded by the adoption of appropriate endorsements is recommended.

As regards the transfer agent, the form may be:

"Countersigned:
....Trust Company, as Transfer Agent.
By..................................Secretary."

As regards the Registrar, the form may be:

"Registered this .... day of ....
Trust Company, as Registry Agent."

Or,

"Registered this .... day of ....
Trust Company, as Registration Agent."

In the form now commonly employed, the signature of the trust company is followed simply by the word "Registrar," but this form does not as clearly show that the registrar is an agent as do the other forms suggested.

III. As regards bonds, the committee recommends the adoption of the following endorsements:

"It is hereby certified that this bond is one of the series of bonds mentioned and described in the mortgage or deed of trust within referred to.
.... Trust Company, as Trustee,
By .... Secretary."

There also may be inserted in the mortgage some such protective provision as the following:

"As a condition precedent to the acceptance of the said trust by the trustee, it is further stipulated and agreed by and between the parties hereto and all present, or future holders of bonds secured by these presents, that the trustee shall not be answerable for any act, default, neglect or misconduct of any of its agents, representatives or employees, by it appointed or employed in connection with the execution of any of the said trusts, nor in any other manner answerable or accountable under any circumstance whatsoever, except for gross negligence or bad faith; that the recitals contained herein, or in the bonds as to priority of lien, due authorization or any other matter whatsoever, are made by and on the part of the company, and the trustee assumes no responsibility for the correctness of the same; also, that it shall be no part of the duty of the trustee to file or record this indenture, mortgage, deed of trust, assignment or other instrument whatsoever that may be delivered to it under the terms of this instrument as a mortgage, deed of trust, or conveyance of real estate, or as a chattel mortgage or conveyance of personal property, or to renew such deed of trust or mortgage, real or personal, or to procure any further, other or additional instrument of further assurance, or to do any other act which may be suitable and proper to be done for the continuance of the lien or charge hereof, or for giving notice of the existence of such lien or charge, or for extending or supplementing the same; nor shall it be any part of its duty to effect insurance against fire or other damage on any portion of the premises or property hereby mortgaged, or to renew any policies of insurance, or to keep itself informed as to the payment of any taxes or assessments, or to require such payment to be made; but the trustee may do any or all of these things.

The trustee shall not be compelled to take any action as trustee under this mortgage unless first properly indemnified to its full satisfaction, nor shall it be chargeable with notice of any default on the part of the company except upon delivery to it of a distinct specification in writing of such default by some person or persons interested in the trust, whose interest, if the trustee shall require, must be proved to the reasonable satisfaction of the trustee.

In case at any time it shall be necessary and proper for the trustee to make any investigation respecting any fact or facts preparatory to taking or refraining from taking any action, or doing or not doing anything, as such trustee, the certificate of the company under its corporate seal, attested by the signature of its president or secretary or the affidavit of one or more directors, shall be conclusive evidence of such facts to protect the trustee in any action or position that it may take or assume by reason of the supposed existence of such facts.

It is further covenanted and agreed that the trustee under this deed of trust is, and shall be, entitled to reasonable compensation for all services rendered hereunder, or in connection with the trust, which compensation, together with any and all necessary and reasonable expenses, charges, counsel fees and other disbursements incurred by the trustee in the discharge of his duties as such, shall be paid by the company or out of the trust estate upon which they are hereby made a lien and charge superior and prior to those of the bonds secured hereby.

The trustee shall be protected in acting upon any resolution, notice, request, consent, certificate, affidavit, voucher, bond or other paper or document believed by it to be genuine and to have passed or signed by the proper party.

Every trustee hereunder may at any time resign from the trust by mailing at least sixty days before such resignation shall take effect a duly addressed notice in writing to that effect to the company and to all bondholders who may be known to the trustees to be such and whose addresses shall likewise be known to it."

The committee, however, does not intend to suggest that the inclusion of such a protective provision as that quoted above would do away with the necessity for the employment of counsel by a trust company in accepting a corporate mortgage trusteeship.

As to fees, the chairman of your executive committee, in carrying out the wishes of the last convention, addressed a letter to many trust companies in various parts of the country, and the replies thereto point to a practical unanimity on this subject. Charges for acting as trustee under corporate mortgages are based on so much per bond, usually $1.00 each for small issues, the term "small" being relative, conditions, localities, and legal and other services to be taken into consideration and charged accordingly. The larger companies, in paying coupons, make no charges when the money is deposited with them at least ten to thirty days in advance of payment; otherwise, a charge of one-quarter or one-eighth per cent. is proper. Except as to the general principle, that a transfer agent should be paid twice as much as a registry agent, it is difficult to formulate any definite rate for these services, charges depending upon the capitalization and activity of the stock to be transferred and registered, as well as various other considerations which will occur to every one. Your committee can only point out that the charge made for such services should not by any means cover the entire profits to the trust company in rendering these various services. Establishing friendly relations with a corporation as its trustee, transfer agent or registrar, should lead to closer relations in the various lines of trust company activities, and the profits resulting therefrom must be kept in mind in considering the initial charge.

The committee desires to express its appreciation of the valuable assistance of Mr. Jordan J. Rollins in connection with the legal questions involved in its work.

Respectfully submitted,

Phillip S. Babcock, Festus J. Wade, Clark Williams, Committee.

As the dangers to the legitimate financial and fiduciary institutions are involved by the improper use of other descriptive terms in corporate titles beside the word "trust" such as "bank," "saving," "security," etc., the executive committee by resolution has instructed the representatives of the Trust Company Section to lay the matter of the enactment of general protective laws before the executive council of the American Bankers' Association, with the suggestion that the proper legal committee co-operate with the section in the future.

The committee calls attention to the fact that the proceedings of the Trust Company Section from its inception including 1903 have been published in one volume, and it is believed that the addresses, papers and discussions contained therein will be of great value to the trust companies throughout the country. This book is on sale in the registration room at a price to cover the cost of its publication by the section and may be had on application to the secretary of the association.

The members are also reminded that a number of typical trust companies in different parts of the country have furnished blank forms of all characters used in their different departments, which are lodged with the secretary at No. 11 Pine street, New York city, for the use of members of the section.

Your committee is of the opinion that the largest benefit of these meetings is derived from the discussion of practical subjects and the interchange of views upon matters of vital importance to trust companies of the country. The members are therefore particularly invited to participate in such discussions.

Respectfully submitted,
EXECUTIVE COMMITTEE,
Festus J. Wade, Chairman.

On motion, the report of the executive committee was received and filed.

THE PRESIDENT: The next order of business is the report of the committee on protective laws.

REPORT OF THE COMMITTEE ON PROTECTIVE LAWS, BY THE CHAIRMAN, CLARK WILLIAMS.

To the Members of the Trust Company Section of the American Bankers' Association—Your committee on protective laws respectfully reports as follows:

As the result of the action taken at the last meeting of the section a standing committee of three was appointed, to be known as "the committee on protective laws," and was charged with the duty of accomplishing two specific objects:

1st. To determine the present condition of the different States as to the supervision of trust companies by the proper State officials and to endeavor to secure, where necessary, the enactment of laws providing for such State supervision.

2nd. To endeavor to secure in the different States the enactment of laws prohibiting the use of the word "trust" in the corporate title of any corporation not a moneyed corporation and chartered to do a trust company business.

As the work possible of accomplishment in one year was necessarily limited, it seemed wise to your committee to direct its attention to the States having the largest number of trust companies. On the basis of the last accurate list of the trust companies of the country as of July 1, 1904, there were twenty-five States having more than ten trust companies. Of these States the following have laws providing for supervision, which with but few exceptions are thorough and satisfactory:

Alabama, California, Connecticut, Georgia, Illinois, Indiana, Massachusetts, Missouri, New Jersey, New York, North Carolina, Pennsylvania, Iowa, Kentucky, Louisiana, Maine, Maryland, Rhode Island, Vermont, West Virginia, Texas.

In the following States there is no supervision of trust companies, although in several cases periodical reports must be made to the State:

Arkansas, Ohio, Tennessee, Virginia.

On the basis of the last accurate list of trust companies above referred to, in the twenty-one States having laws providing for State supervision, there were 751 trust companies, and of these 452 are members of the section. In the four States having no supervision there are 112 trust companies, and sixty-seven members of the section. Seventy-six per cent. of the trust companies of the country were under State supervision.

As to the restriction of the use of the word "trust," the following States now have laws providing for such restriction:

Indiana, Massachusetts, New Jersey, New York, California, Maine, Rhode Island, Texas, West Virginia.

In the case of the five States last mentioned this law was passed at the recent meetings of their respective Legislatures.

There were 316 trust companies in these nine States of which 207 are members of the section.

The laws enacted, in almost every instance, have been along the lines suggested and in several cases the exact wording of the bill recommended by your committee has been used.

The co-operation of the vice-presidents of the section in the different States has been of the greatest advantage in accomplishing definite results. In many States in which there were no meetings of the legislative body during the past year, the interest of the vice-presidents may be relied upon in securing the enactment of the desired laws during the coming meetings of the several Legislatures.

The committee is of the opinion that only by continued effort from year to year can the ends desired by the section be accomplished, and its members bespeak for their successors in the work the hearty co-operation of all concerned.

Respectfully submitted,
E. A. Potter, Festus J. Wade, Clark Williams, Committee.

On motion the report was received and placed on file.

THE PRESIDENT: The next is the report of the committee on classification of legal decisions relating to safe deposit companies; audit, and liability to box-holders; and a compilation of the rules and forms of typical companies. We have not received this report.

The next is an address, "Benefit of a Real Estate Department to a Trust Company," by L. E. Anderson, Vice-President of the Mercantile Trust Company, of St. Louis.

THE BENEFIT OF A REAL ESTATE DEPARTMENT TO A TRUST COMPANY.—ADDRESS BY LORENZO E. ANDERSON, VICE-PRESIDENT MERCANTILE TRUST COMPANY, ST. LOUIS.

The trust company, in many States of the Union, on account of its liberal charter, is authorized not only to do a general banking business, but also to do everything or anything else where bonds, stocks, mortgages, or real estate enter into or are part of the transaction, and from my observation, very few transactions of any magnitude are negotiated without real estate being one of its important factors. Take one of the most important departments of a trust company, namely, the trust department. I say "most important" because it is the department where trust in its truest sense should be exemplified, as it has the management of estates for widows and orphans, and it frequently happens that the largest portion of such estates consist of real estate. Then it is that the real estate department is of inestimable value to the trust company, as every well equipped real estate department should have experienced appraisers, salesmen and rent collectors, of whose integrity and ability there is no question and the company thus avoids the necessity of seeking outside assistance in the management of the real property belonging to such an estate.

And it is through the real estate department, in a majority of cases, that it is possible for the trust department to secure the management of such estates, because when a person makes his will, and is possessed of considerable means, his first consideration is to name as executor of his estate, some individual or corporation in whom he has the greatest confidence, and the fact that the trust company has managed his real estate affairs satisfactorily and successfully during his lifetime, and is thoroughly familiar with all the details of his property, influences him to a great extent in selecting such company to handle his estate after his death.

The financial department of the trust company is benefited in many ways by the real estate department. For instance when money is easy and the financial department has a surplus of idle cash on hand, the real estate department can be called on to procure for it investments in the form of real estate loans, and as these loans are made only on a conservative basis, after the property has been inspected by men experienced in that line and approved by the officer in charge of the real estate department, they can again be disposed of through that department without any difficulty in case it becomes necessary or desirable to do so.

The real estate department is also the medium through which the financial department secures a number of depositors. Take the case of an individual whose property is sold through the real estate department. He comes into the office to close up the transaction and the consideration is paid to him in cash, or part cash, and the remainder by deed of trust and notes. It is frequently only necessary to make the suggestion to him that he open an account with the company with the proceeds of the transaction and it is very seldom that one will leave the office without doing so. It is not an uncommon occurrence in the real estate department for a buyer to make the cash payment on a real estate deal by a check drawn on the company and for the seller to open an account with the company by depositing the same check, the company thereby making a commission on the sale of the real estate and securing a new depositor on the same transaction.

If, however, the person desires to convert the proceeds of a real estate sale into an investment other than real estate he is referred to the bond department, where he will undoubtedly invest the money in securities which that department offers. Thus the bond department is provided with a new client, who, if it were not for his dealings with the real estate department, might never have transacted business of any character with the company. The deposits of a successful real estate department are in themselves a considerable item, if it has a large rent roll.

In ninety per cent. of all real estate transactions only a part of the consideration is actually paid in cash, the balance being secured by deed of trust and notes on the property sold. The seller, therefore, after the sale has been consummated, has on hand a number of valuable papers, which he will desire to place in a safe repository, and as the safe deposit department of the company is so convenient, he is certain to rent a safe deposit box from that department. As the notes become due they are placed with the collection department and the proceeds deposited to his account. In this manner the customer is enabled to transact all the details of a real estate deal with one company, making it convenient for him and profitable for the company.

Then again a large number of people have occasion to visit the real estate department. Some of them come in to rent a house, others to pay rent or purchase property and some to enquire about real estate. Many of them may not transact any business at the time, but there is a possibility of each person becoming a customer at a later date, by reason of their remembering the former visit. Again, if one takes into consideration its value from an advertising standpoint, he can readily see how beneficial it is to an institution to have a great many people constantly entering and leaving its building.

It also benefits the trust company from an advertising standpoint, by continually keeping the name of the company before the public, through the medium of the newspapers, sign boards and rent bills which are scattered throughout the city. In the case of the Mercantile Trust Co. (I mention this company because of my knowledge of its affairs), one cannot visit any portion of the city of St. Louis without seeing its name on some sign announcing property for sale or lease, and every day in the year its name will be found in the newspaper for a like purpose. It is needless for me to comment on the advantages of such extensive publicity, as it brings the company in touch with every man, woman and child in the community who may some time have occasion to transact business with a trust company.

It may not be out of place here to say that the real estate department, besides being advantageous to the company of which it is a part, contributes in a manner to the prosperity of the city in which it is located, by promoting syndicates for the conducting of large real estate enterprises. The real estate department of the company with which I am connected has organized corporations and promoted deals aggregating millions of dollars. For all of these corporations it simply acted as agent, not being interested in any of them as a stockholder. In other words, in the promotion of the syndicates the real estate department, or the trust company, had no direct interest whatever in the corporations, apart from acting as agent for the sale of property owned by them for collecting rents on same, or performing the duties of manager of construction of office buildings or commercial structures being erected by the syndicate, for which services it receives commissions and fees. In addition to this it has the placing of insurance, letting of repairs and payment of taxes on all such buildings, making it necessary to handle large sums of money and transact business with a great many people, and as a result of these dealings a large portion of these individuals subsequently become regular patrons of the institution.

In the affairs of a community, the real estate agent ranks next in business importance to the banker. Real estate from time immemorial has been the foundation of all values and has furnished more business for different lines of trade than any other commodity. The iron foundries, brick manufacturers, lumber merchants, certain professions and all mechanics are prosperous when the real estate business is good. The real estate agent is the herald of progress, the maker of villages, towns and cities, and his efforts mark the advancement and progress of municipalities, and any trust company is indeed fortunate to have among its departments, a well equipped and properly conducted real estate department.

In order to be valuable, a real estate department must be progressive, must be competent to cope with and carry to successful issue enterprises and deals of any magnitude. To do this it must necessarily attract capitalists and capital seeking this avenue of investment, and it is a well known fact that many of the most prosperous citizens of large cities invest only in real estate. Real estate is the investment which is sought by many who have made their money in other channels and who, desiring to convert their funds into an investment which they know to be safe and which will net them a good return, naturally turn their thoughts to real estate. The trust company, by reason of its prominence and reliability, having attracted their attention, it is through it that they make investments of this character, if the company has a real estate department, and it thus secures a class of investors it would not otherwise have obtained.

In summing up the advantages accruing to the trust company from a real estate department, I would say that it not only benefits all other departments, but is in itself profitable. As an individual department, the real estate department of the Mercantile Trust Co. is operated as a separate and distinct branch—that is, it pays for all its own advertising, pays the salaries of the officers of the trust company, who have charge of the department, as well as of all the employees connected with the department, and defrays all the other expenses incurred in the conduct of the department. It also makes a monthly statement to the company, at the same time turning over to it the net results of the month's business, which, in the case of the institution with which I am associated, has always been of such a satisfactory nature that I am inclined to believe that the real estate department is one of its most valuable assets, as it is not only unnecessary for the company to invest any of its capital in any transactions of that department, but that it is self-sustaining and profitable. In my opinion no trust company is complete without a real estate department, because the object of a trust company should be to take care of everything that comes its way. In other words, it should let nothing escape that may result in a commission or a fee, and it is my firm belief that a company is not in a position to do this unless it has a real estate department as one of its departments. Therefore, I unhesitatingly say that every trust company should have a real estate department if for no other reason than that it will pay, if properly conducted.

THE PRESIDENT: The next is a statement of the "Growth and Present Status of Trust Companies in the United States," by Mr. Edward T. Perine, General Manager of the Audit Company of New York.

STATEMENT OF THE GROWTH AND PRESENT STATUS OF TRUST COMPANIES IN THE UNITED STATES.—ADDRESS BY EDWARD T. PERINE, GENERAL MANAGER, THE AUDIT COMPANY OF NEW YORK.

Mr. Chairman, Ladies and Gentlemen of the Trust Company Section of the American Bankers' Association—Comprehensive statistics, regarding trust companies throughout any number of States, do not appear to have been assembled earlier than December, 1875, when, in the annual report of the Comptroller of the Currency of the United States, a tabulation was presented with reference to thirty-five companies. These were located in four entire States, and reports from Philadelphia companies were also included.

These trust companies of thirty years ago comprised:

New York, twelve companies with total resources of sixty-nine millions of dollars.

Massachusetts, five companies with total resources of nine millions of dollars.

Rhode Island, one company with total resources of six millions of dollars.

Connecticut, ten companies with total resources of five millions of dollars.

Philadelphia, seven companies with total resources of thirty-one millions of dollars.

A total for the thirty-five companies of 122 millions of dollars.

The principal items of resources were, sixty-five millions of dollars of loans and discounts, thirty-nine millions of securities, three millions of real estate, and nine millions of cash. Among the liabilities, capital stock aggregated twenty-one millions, surplus funds and undivided profits seven millions, and deposits eighty-five millions.

The New York State companies having, as has been shown, sixty-nine millions out of 122 millions of dollars of total resources, led, then as now, the other States in respect of trust company wealth. Philadelphia's seven companies, however, with their thirty-one millions of resources, are worthy of notice, particularly when it is seen that the two groups taken together, even at this early date comprised over 100 millions of aggregate resources.

An interesting note accompanied this tabulation of the Comptroller, containing the unofficial fact that the "Chicago Tribune" had reported as of June 30, 1875, five trust companies in the city of Chicago having capital $2,500,000, surplus $725,000 and deposits of between five and six millions.

It is not to be understood that the Comptroller's tabulations in this or in later years could have been made to cover trust companies everywhere, but a steady growth is apparent year by year from about 1879. In that year, reports were tabulated from thirty-two companies with 111 millions of resources, and during the next few years, while there was no great increase in the number of companies, their resources were largely added to.

In 1884 the tabulation showed thirty-five companies with 239 millions of resources. Of these thirteen New York State companies had 155 millions.

By 1889 the number of companies reporting had increased to 120, and their total resources were 441 millions. At this time, and it should be remembered that it was but sixteen years ago, the total resources were less than one-eighth of the present volume of trust company resources, and the number of companies only about one-tenth of the total number of our present companies.

Before considering current figures, however, it will be of interest to look at some details of the Comptroller's tabulation for 1889.

In Maine there were six companies with about two millions of resources.

In New Hampshire there were four companies with about three millions of resources.

In Massachusetts, there were thirteen companies with about sixty-three millions of resources.

In Rhode Island there were two companies with about twelve millions of resources.

In Connecticut there were eight companies with about five millions of resources.

In New York there were twenty-five companies with about 236 millions of resources.

In Illinois there were six companies with about seventeen millions of resources.

In Pennsylvania there were seventeen companies with about sixty-nine millions of resources.

In Iowa there were seven companies with about nine millions of resources.

In Minnesota there were five companies with about four millions of resources.

In Missouri there were six companies with about ten millions of resources.

In Kansas there were eleven companies with about four millions of resources.

In Nebraska there were six companies with about five millions of resources.

In Dakota there were four companies with about one million of resources.

The figures from the smaller States were given as being unofficial, but would appear to have been gathered with considerable care, and the noticeable facts at this point—sixteen years ago, as stated—are the continued growth of New York companies' resources to the sum of 236 millions, the substantial amount reported for Pennsylvania companies, over sixty-nine millions, and the closely equivalent showing of Massachusetts with its sixty-three millions. After these, no one State, not even Illinois, Rhode Island or Missouri, has as much as twenty millions of total resources, while the other States reporting in no one case had as much as ten millions of resources.

In the early nineties, began the real growth in numbers of trust companies, the Comptroller's report for 1894 showing 224 companies with 705 millions of total resources, while according to another summary, made by the author of this present paper, upon the basis of total resources one year later, or in 1895—gathering the figures from certain State reports, and in other cases from details contained in the "American Bank Reporter" of November, 1895—it appears that the trust companies of ten years ago this fall numbered 569, or about one-half the present number. For some of these, no figures were available, but as to 533 companies located in forty-two different States and Territories, and in the District of Columbia, the total resources were approximately 962 millions of dollars. At this time there were sixteen companies in California, twelve in Connecticut, eighteen in Georgia, twenty-six in Illinois, twenty-nine in Iowa, sixteen in Kansas, sixteen in Kentucky, twenty in Maine, thirty-five in Massachusetts, fifteen in Missouri, fifteen in Nebraska, twenty-three in New Jersey, thirty-eight in New York, fourteen in Ohio, eighty-three in Pennsylvania, nineteen in Tennessee, eighteen in Vermont, sixteen in Virginia, and fifteen in the State of Washington, while in each of the other States, and in the District of Columbia, there were less than ten companies.

Closely succeeding years saw a phenomenal growth among trust companies, both in numbers and in wealth. The fact of this growth during the closing years of the nineteenth century is well recognized, but becomes more apparent when it is stated that, during the five years from 1899 to 1903 inclusive, the popularity of trust companies was marked by the organization of practically five hundred new companies, or as many as had been formed during the entire preceding three-quarters of a century.

As of June 30, 1903, recognizing the need of more adequate statistics than had been previously available, the company with which the speaker then had the honor of being identified, namely the United States Mortgage and Trust Company of New York city, prepared a list of trust companies everywhere in the United States and sent out requests for their statements of condition, which when received were arranged alphabetically by States to the number of 912 companies. These statements, comprising a more comprehensive collection of trust company facts than had been previously gathered in a single volume, were issued in 1903, and were collected again last year and this. These collections have been valuable as books of constant reference for those interested in trust company matters and have also afforded a basis for certain tabulations of trust company resources and liabilities throughout the entire country, the nature of which, as relating to current conditions, and in particular to the growth of the past three years, are now briefly presented.

The 912 companies whose statements were published under date of June 30, 1903, had total resources and liabilities of two billions 910 millions of dollars; their loans aggregated one billion 463 millions; their stocks and bonds 627 millions; their cash on hand and in bank 435 millions; their mortgages 173 millions; the aggregate value of their real estate and banking houses 74 millions. Offsetting these, their capital stock amounted to 317 millions; their surplus funds and undivided profits 362 millions; their deposits, including amounts due banks and bankers, two billions 183 millions.

By June 30, 1904, eighty-two other companies had been added to the previous total, and the resources and liabilities of the 994 companies reporting, reached an aggregate of three billions 140 millions. A tabulation of the principal liabilities of these companies of one year ago, shows that their capital stock amounted to 330 millions; their surplus and undivided profits to 379 millions; their deposits, general and in trust, to the sum of two billions 315 millions; their outstanding certifications ten millions; their balances due banks and bankers fifty-five millions. An interesting fact, because of the smallness of the item, is that re-discounts as reported by the entire 994 companies, amounted to less than two millions of dollars.

The trust companies having thus passed the three billion dollar mark in 1904, a remarkable result was next secured by tabulating the number of companies reporting, and their liabilities, as of June 30, 1905. The totals are, 1,115 companies having capital stock of 349 millions; surplus funds and undivided profits 425 millions; deposits two billions 847 millions; certified checks fifteen millions; due to banks and bankers 107 millions; re-discounts two and one-half millions; the present total of liabilities, and corresponding resources, amounting to the remarkable sum of three billions 802 millions of dollars.

Even in this total, are not included the figures of some 334 companies not reporting on June 30, last, which with eighty-eight new incorporations since that date bring the entire number of American trust companies up to 1547.

With reference, however, to the 1115 statements which have been tabulated, it appears that in each of eight States there are upwards of 100 millions of resources, these eight being—

Rhode Island, nine companies, 113 millions.
Missouri, twenty-seven companies, 141 millions.
New Jersey, sixty companies, 162 millions.
Ohio, forty-seven companies, 173 millions.
Massachusetts, forty-two companies, 220 millions.
Illinois, forty-nine companies, 353 millions.
Pennsylvania, 237 companies, 621 millions.
New York, seventy-eight companies, one billion 510 millions.

This last aggregate, may be best interpreted by the fact, that the growth in New York State for the first six monhts of this year has been over 100 millions of dollars, and that in ten years it has been approximately one billion of dollars.

Much might be said regarding the strength of companies in other States as well as New York, particularly with reference to the amounts and proportions of aggregate capital stock as compared with aggregate surplus and undivided profits.

In New York State, sixty-two millions of capital stock accounts show 160 millions of paid in and earned surplus and undivided profits.

In Pennsylvania, ninety-two millions of capital stock accounts show 110 millions of surplus and profits.

In New Jersey, twelve millions of capital, show twenty millions of surplus and profits.

In Missouri, twenty-one millions of capital, show twenty-five millions of surplus and profits.

In Rhode Island, six millions of capital, show nine millions of surplus and profits, it being a fact, that in each of these States, and in several others, the book value of trust company shares, is in excess of 200 per cent. of par, while the average for the entire country is an approximate book value of 221 per cent.

Referring again, to New York State's one billion 510 millions of total resources, it may be of interest to present the fact, that as late as October in the year 1870, the total resources of 1,615 National banks, throughout the entire United States, did not exceed this sum. As compared with the present trust company aggregate for the entire United States, three billions 802 millions, it appears that not until the year 1897 did the country's 3,607 National banks hold the equivalent in total resources, of the amount of total resources now held by our 1,115 trust companies.

It should be remembered, that to-day there are 5,757 National banks, with no less than seven billions 472 millions of dollars of total resources; but it is also interesting to calculate that this sum is only about twice the amount of the 1,115 trust companies present three billions 802 millions of resources; also that the averages obtained, by dividing the number of National banks and the number of trust companies into these respective aggregates, show that the average resources of each National bank are a shade under one million 300 thousand dollars, while the average per trust company is slightly in excess of three millions 400 thousand dollars.

What the true meaning is, of such a sum as these three billions 802 millions of trust company resources, may be best appreciated by a contrast or two, based upon some large aggregates found in other recent statistics.

The total assets of active life insurance companies in the United States, at the beginning of the present year, were less than two and one-half billions of dollars, or one billion 300 millions less than the resources of American trust companies. The total currency in the United States, on July 1, last, was two billions 885 millions, practically one billion dollars less than the amount of total recources of the trust companies. The estimate of the Comptroller of the Currency for last year, regarding Savings banks, was that 1,157 of these institutions had three billions 175 millions of total resources, or practically 600 millions less than those of the trust companies. According to Census Bulletin Number 21, which has just been issued, the commercial value of steam railways in the United States is given as eleven and one-quarter billions of dollars, a sum only about three times the total resources of our trust companies; it being a fact, that in point of steam railway wealth, the four leading States, Pennsylvania, New York, Illinois and Ohio, appear as having three billions 814 millions of commercial value, an amount almost exactly equivalent to the aggregate assets of our 1,115 trust companies.

A single illustration more. The Comptroller of the Currency estimated last year, that the banking power of the world—that is, bank liabilities—excepting balances due other banks—consisted of:

Banking power of the United States and island possessions, thirteen billions 826 millions; banking power of foreign countries, nineteen billions 781 millions; a total estimate throughout the world of thirty-three billions 607 millions.

Will you in conclusion and with thanks for your kind attention to all of these remarks upon the growth and status of American trust companies, permit, as a final thought regarding these thirty-three billions of banking power, that our trust companies, with their present liabilities of over three and three-quarters of billions of dollars—comparatively little of which is of the nature of moneys due other banks—offer as their contribution, to the vast total of banking power, a volume of credits, which may be fairly said to constitute one-tenth, and even upwards of one-tenth, of the aggregate banking power of this and other countries, the world over?

THE PRESIDENT: I think the excellent paper which we have just heard ought to impress upon us the importance of the business we have in hand and that the Trust Company Section should become a homogeneous body and work to a uniform system. I won't say the same as the National bank system but certainly a uniform system, with protective laws in every State.

The next is a statement of the "Purposes and Scope of the Banking Publicity Association of the United States," by Frederick Phillips, Secretary of the Lincoln Trust Company, of New York.

BANKING PUBLICITY.—ADDRESS OF FREDERICK PHILLIPS, SECRETARY LINCOLN TRUST COMPANY, NEW YORK.

The economic, political and social development of our country has been necessarily accompanied by many changes in the forms of business and in the methods of conducting business. So rapid, however, has been the development during the past twelve or fifteen years and so radical have been the changes in that time that a comparison of old with new methods would seem to show a revolution. Question the merchant, the manufacturer, the lawyer, the doctor along these lines if you require testimony, although none realize these changed and still changing conditions in every field of business, in every walk of professional life, more thoroughly than the moneyed institutions. We are, then, at the present time working under conditions in business not only not known to the fathers of the younger generation, but unfamiliar to any of us a few years back. I venture to suggest that the chief factor in these changes has been modern scientific competition. However that may be, it is beyond question that these new economic conditions have created an imperative demand for new facilities in banking, for the fiduciary services of trust companies, for the privileges afforded by the Savings banks, for the insurance issued by surety and casualty companies, for the investments offered by banking firms.

Now these facilities and services are as truly merchandise commodities as are corn, coal or dry goods. The banks sell credits; the trust companies sell services. We are on the same plane with the merchant in his warehouse.

Conceding, then, if you will, that the business of the moneyed institutions is commerce in every sense, although along highly developed lines, conceding that we all have our stock in trade as any business has, you must also concede that we can successfully avail ourselves of honorable and appropriate commercial methods of procuring business. In other words, a bank or a trust company needs depositors, customers, clients, patrons, whatever you please to term them, in the same degree as any other business, and of all means of procuring business the most effective is publicity. I use the word in its most modern sense, that of making public the merits of an article with a view to creating for it a market.

The purpose of this proposed association, then, is to promote banking and trust company publicity to the end that we may promote our business; and while we are all doing something in the way of publicity—for publicity is accomplished in divers ways, as by a handsome edifice, a reputation for courtesy, a favorable report in the community—but few of us have fully availed ourselves of the supreme methods of publicity—printers' ink, both in the form of the newspaper advertisement and advertising literature.

The most successful publicity of this kind, and this kind of publicity is the most successful, is based upon education. The public is being daily educated to buy this and that brand of breakfast food, shoes, soaps, tooth powder; it is being educated to travel and care for its health by recreative sports; it is being instructed commercially, morally, politically by advertising publicity. Why shall it not, therefore, be liberally educated to the discriminating purchase of our commodities—to the use of the facilities of our banks, and the services of our trust companies?

But let us go farther, mark you, for while making public our own excellence, let us seek to teach the public to eschew all practices opposed to conservative banking; to avoid all financial traps, pitfalls and schemes; and to divest itself of all the risks and responsibilities attaching to personal and individual administration of fiduciary offices, the care of estates and the investment of funds. Our public is already a highly educated one, in that it knows a little something of everything, but if there are any things of which it posseses less real, serviceable and valuable knowledge than of anything else, it is of the business of banking, and the services of the trust company and the benefits and advantages of the various classes of moneyed institutions.

It was many years before the public learned to use the Savings banks, and even to-day the Savings banks are not understood as they should be for the welfare of the vast wage-earning class. On the other hand, our Savings banks, I refer particularly to the mutual Savings banks, carry many millions of money, much against their will, if I understand the matter rightly, money which they would prefer elsewhere than in their own institutions. So with the trust companies. How little are these admirably organized and thoroughly equipped institutions understood, although it is gratifying to note that day by day the public is more fully employing their powers. In short it is a fact that what the National, State and Savings banks and trust companies can do to-day for the public, and how they do it, is far beyond the public's knowledge.

As stated, then, the primary object of this association is the systematic education of the public to the discriminating use of these institutions, and to inform it of the particular advantages of each.

It is hoped to accomplish these ends in part by the interchange of ideas, information and methods of publicity. It is proposed further to have local or district headquarters in each of the large cities, with a manager whose duty it shall be to keep in touch by correspondence with members throughout his district; to procure from them such literature, business forms, advertising matter, samples of soliciting and advertising letters, as may be obtainable, together with such statement, comment, remark or information as may prove useful for the guidance of members of the association; each manager to be required to send to the secretary one or more copies of all such literature, letters, etc., received by him; requests for information or specimens of such literature, etc., from member institutions to be addressed to the secretary and to be answered and, if possible, granted by that officer.

There has been some misapprehension of the exact purport of this paragraph. It is not asked that members shall give up any trade secrets or private matters pertaining to the conduct of their business, but merely that they shall look at the plan in a broad way, and part with such of their printed matter, etc., as they believe will be useful for the purpose. Those favoring this association must of course be of the mind that this interchange will not be the giving of something for nothing, but a quid pro quo, and that what in this instance is to the benefit of all must be to the benefit of the individual.

Finally it must be that the coming together from time to time of the members of this association must be productive of good. At all events, such an association as this, once organized and prepared for activity, will prove a useful instrument in proper hands and a power for good to the community in general and the banking world in particular in ways and along lines that may not yet have occurred even to us.

At a meeting held in Washington on October 10 in conjunction with the American Bankers' Association, the Banking Publicity Association of the United States was formally organized, by-laws adopted and the following officers duly elected:

President, Harold A. Davidson, Secretary Home Trust Company of New York, Brooklyn; First Vice-President, D. C. Wills, Cashier Diamond National Bank, Pittsburgh. Vice-Presidents: Pierre Jay, Vice-President Old Colony Trust Company, Boston; James E. Brock, Secretary Mississippi Valley Trust Company, St. Louis; E. G. Tillotson, Treasurer Cleveland Trust Company, Cleveland; Herbert P. Wenig, Auditor Windsor Trust Company, New York; C. E. Woodside, Manager Bond Department, Los Angeles Trust Company, Los Angeles, Cal.; Charles Moore, Secretary Union Trust Company, Detroit; C. J. Craft, Secretary Central Trust and Savings Company, Philadelphia; C. G. Ellsworth, First National Bank, Chicago; Stephen Appleby, Assistant Cashier Pacific National Bank, Tacoma; Robert J. Lowry, President Lowry National Bank, Atlanta; George W. White, Cashier Commercial National Bank, Washington, D. C.; Treasurer, Edward F. Feickert, Assistant Treasurer Plainfield Trust Company, Plainfield, N. J.; Secretary, Frederick Phillips, Secretary Lincoln Trust Company, New York.

THE PRESIDENT: It is certain that the relations between banks and trust companies ought to be of the most friendly character, and perhaps there is nothing more to be said on the subject. In New York city they are certainly very close. If there is nothing to be said on the subject, we will pass to the second topic, "Value of a Bond Department to the Trust Company."

Mr. CAULDWELL, of Chicago: Mr. President, I do not think this subject ought to go by without the section hearing from some representatives present who are conducting bond departments in connection with trust companies. I know I came into the section this morning hoping to hear something on the subject. As I came in I asked the President if I might have a seat with the other delegates and he said, "yes." I said, "I am interested in the value of a bond department in connection with the trust company." He said, "I can answer that the value is in the profit you are able to turn in." That answer is not inconsistent with the man or with the spirit of the trust company business. As I take it, that is not the whole value of a bond department to any well-organized trust company, however. It is now common in the West and Central West for nearly all the trust companies, at least in the larger States, to have an organized bond department. I presume most of them have been organized to supply a demand that has grown up with the growth of those companies by reason of the fact that people come to the officers of those companies with annoying questions in regard to investments that they desire in the form of bonds. I believe that the trust companies generally, by reason of the character of their business, have been largely forced into the establishment of bond departments to supply not only their clients but themselves with all the information and data that they may collect regarding the investments which they are called upon to make. It is this feature, therefore, that is important, quite as important as the profit, to the trust company itself. All trust companies invest more or less in bonds, and of a general character, varying more or less with the character of their business, and the bond department of nearly all the institutions with which I am familiar, is charged very largely with making those investments for the company itself.

There are other matters; for instance, the matter of loans, and the matter of dealing with syndicates on the outside, and the preparation of syndicates on the outside in which money can be safely invested. Those things have to be very carefully done and done with a great deal of discrimination; and, because of that fact, you will always find—those of you who have bond departments can verify what I say—that the information you get through your bond department, both statistical and as to the market and where and when to sell, is of great value to the banking side of the trust company in the matter of investments.

MR. WADE: Mr. President, referring to the value of a bond department connected with a trust company, I assume that many of us are not familiar with such value, and that as we are seeking information in order to make these meetings profitable, we should get up and discuss those points.

My experience in the conduct of the office that I hold in the trust company, is that a well-regulated bond department is almost as essential to a live, active trust company as is a properly conducted trust department. In the management of trust estates it comes to pass that you are to be the custodian of the money of widows and orphans and you are also to become the custodian of diverse and sundry bonds which without the knowledge, the technical knowledge, necessary to possess in the investment of money in bonds you are liable to make a serious mistake. Therefore a well regulated bond department is of material value to the trust department.

To the financial department of the trust company there is no more profitable way of investing your surplus money than through the medium of a bond department. Again, in the financial department there is no better way to replenish your cash, your reserve if you please, than through the medium of a well-regulated bond department, by selling bonds at a time when money is most active to be loaned out to your customers. Every private individual invests his surplus either in real estate or in stocks or bonds. Every well-regulated bank invests in bonds; every trust company is bound to do the same thing; and where the trust company can afford it, whether equipped with all the knowledge that is to be required, so that when they become executor or administrator of an estate they are capable of handling that business without going outside the door.

There are so many things that I will think of to-morrow that I would like to tell you about the bond department, that I cannot now recall; but I would like to hear the question discussed generously here. Many of us are a thousand miles or two thousand miles from home, and if these propositions are suggested and not discussed there is hardly any use of our coming here.

H. C. HARVEY, Cashier American Banking and Trust Company, Huntington, West Virginia:

Mr. President, in our section of the country, and I suppose all over the country, one of the functions of a trust company is to register and certify bond issues, thereby putting a safeguard around them that will prevent forgeries. The best article I have read upon this subject appeared in the American Bankers' Magazine from the pen of that able writer Clark Williams, of the United States Mortgage and Trust Company, New York, on March 25 of this year.

I would like to see this association appoint a committee of not less than three to compile literature, as the gentleman from Oregon has just said, literature which is to the point, and to educate the people, especially in the municipalities, in our counties, upon the necessity of having bond issues registered and certified by a reputable trust company before they are offered to the public. That literature ought also to be disseminated through the banks of this country.

I find, gentlemen, that National bankers are not posted on the bond question as they ought to be. A bank in my neighborhood took a county bond as collateral security that was not registered and certified by a trust company; they took that as collateral security, and it was renewed time after time and they carried it for three years on renewals. At the end of three years they found that it was a forged bond and not worth the paper it was written on. The article written by Mr. Clark Williams will show you how those forged bonds have reached your own city of New York. One bank there was caught for $145,000, money loaned on an issue of $155,000 of forged bonds.

Every safeguard ought to be placed around these bonds if possible to prevent forgeries. If a bond is registered and certified by a trust company, we placing our certificate upon the back of that bond, under the seal of our corporation, and cutting the end of that bond with the protectograph the size of the bond to prevent it from being raised, we throw a safeguard around it that helps to prevent its being forged. Not only that, but the income from registering and certifying bonds is quite an income to the trust company. I would like to see this association take the matter in hand to try and educate the people up, the municipalities and so forth, to having their bonds registered and certified by a trust company.

In one of the municipalities in our locality not long ago one of these so-called bankers came out and called upon the mayor and clerk and told them that it was not necessary to have them register and certify the bonds and pay the little fee required for that work, but stated that he would take those bonds without being registered and certified and would give them as much as anybody else would give. Who knows but what they may have ten times the amount necessary printed upon that plate, and with the signature of the mayor and clerk? And so I would like to see you take some steps to throw a safeguard around the bond issues.

Educational Work to Demonstrate the Superiority of the Trust Company in Fiduciary Capacities.

Benjamin I. Cohen, President Portland (Ore.) Trust Company: This subject, gentlemen, is one which is very dear to my heart, and I will have to allude to my own institution in order to show the work we have done. Up to this time in this direction we are a small concern, with total assets of about a million and a quarter. We have no laws authorizing us to act as executors or administrators, and so our trusts are private agreements; in cases where people wish to make us testamentary trustees, which is allowable, we usually have one of our officers appointed temporarily to act in any capacity necessary, doing all the work, however, through the machinery of the trust company. Now, I recognized in the first instance that in order to educate the public we had to attract the personal attention of the individual. I therefore, being somewhat fond of literary work, wrote two little books, one about three years ago, which we call our "Book of Illustrations," and the other very recently, entitled "What is a Trust Company?" They are small and can be read in ten minutes. They are neatly printed and nicely put together. The "Book of Illustrations" we desire to attract money, the idea being by attracting money we would be in a position to conduct trusts, and as some speaker has said, if a man puts his money in with you he generally wishes you to conduct other business for him. The "Book of Illustrations" therefore was written in what I call the telegraphic style; it is short and pithy and each illustration is to the point. We advertised in the paper three times a week, making our advertisement short and direct, usually with some catchy heading and always ending by saying "Please call or send for our little Book of Illustrations." Then when it is sent for it is accompanied with a pleasant little note, and we are pretty sure he is going to read every word of it. If he calls at the bank he is received courteously by one of the officials and if his business seems to be of sufficient importance he is shown into my room, and if he comes into my room his doom is sealed; my rule is not to let him get away with any more money than is necessary to pay his carfare home.

The particular branch of our business which this book illustrates has grown enormously in three years. Less than three years ago we had deposited in the department to which that book refers about $85,000; to-day we have about $550,000. We have gotten no end of business for every department of our company besides that and in connection with that, and the little booklet has paid for itself a thousand times over.

In doing this work, in directing the attention of the public we were frequently approached with the question, "What is a Trust Company?" A friend of mine once remarked to me, "There are millions of people who never heard of Pears' soap," and there are untold millions of people who have never heard of a trust company. So I looked around for a book that told what a trust company was. The best kind of a little book of that kind I found was one issued by the Union Trust Company, of Detroit, but the trouble with that was that it was too elaborate; their book was one for a student rather than for a business man. The next best to that I found was a book by Mr. Harris, of the Mercantile Trust Company, of St. Louis, used by the students of the Missouri University, I think, which is admirable; but it lacked facts in reference to the State of Oregon, and so I wrote this little book, "What is a Trust Company?" It is not intended for general distribution. I do not think it would do any good to send it out broadcast as we would a leaflet or anything like that, but it is meant to answer the ordinary questions which the average man wants to know. For instance, we state exactly that the trust company has nothing to do with trusts like the Standard Oil and such. We also state something like this. I say, in regard to just plain, every-day honesty, no glittering array of assets, no high-sounding names, will avail unless the public has learned by long years of attention that the trust company can be trusted and, like Caesar's wife not only be above reproach, but the trust company must be above suspicion. It is my idea to adopt the same course with this second booklet that we did with the first, to try to induce the individual man on the street to ask for a copy, and adopt what the old Romans called the *argumentum ad hominem*. Never mind whether he does not give you business to-day or to-morrow, it will come, if not this year then next year; it will come eventually. I have tried to make this second little booklet different from the first, with no attempt at fine writing in it, but conversational in tone—a plain talk, a heart-to-heart talk, and it is astonishing the good that it is doing. It has only been out a couple of months, and we are getting returns already.

Therefore I suggest that this plan can be adopted with profit by trust companies generally; if they would have their booklet describing their departments of work and then use newspaper advertising to induce people to apply for those booklets, I think the money expended would show better results than money expended in almost any way for advertising. The public can be reached in this way better than any other way I know of. That is my experience lasting over eighteen years in this work. I thank you, gentlemen.

F. G. HOBSON, Norristown, Pennsylvania: Mr. President, the question we are discussing is educational work to demonstrate the superiority of the trust company in fiduciary capacities. That is, especially in relation to trusts, as executor, guardian, administrator, etc. I take it that the best way to educate the public in this way is to compel the public themselves to be your bankers.

One or two homely illustrations may explain what I mean. In several accounts that our trust company has recently filed in our Orphan's Court as guardian of minor children we have demonstrated that not only did the wards receive the interest on their money but every time there was sufficient amount of interest we reinvested that as a new principal. So that our orphan's court of our county and our judge in the adjudication of those accounts has commended the work of our company. Now, we see that those opinions are printed throughout the country, and the judge of our orphan's court is our best advertiser, because he has said that our trust company is doing the very best for the wards under our care.

No one ever heard of an account being filed by an individual in which compound interest was allowed to the ward. The trust companies do that work, and we want to let the public know it.

Another illustration: A short time ago our company was appointed the executor of a man who was conducting a mercantile business for a long time in our city, a man who was extremely honest but very careless in collecting his bills, and there came into the hands of the executors many bills and notes, many of which were outlawed according to the statute. One of the wealthy men of our town was appointed as the appraiser of that estate, and after going over the list of claims and notes very carefully, he presented to the court the list of the claims that were supposed to be good, certain sums. He came in and said to me, "I have often heard of trust companies, and I want to see whether they can settle an estate as well as an individual; I have put down there what ought to be collected, what I consider good, and I want to see whether you will fall below that. If you do, I do not think you are doing your full duty, and I will believe you cannot do as well as an individual. If you collect more than that I will have great faith in trust companies."

I am very anxious when that good man cashes in his checks that he also will make the Norristown Trust Company his executor, and he has put us on our mettle to do our best. We have already passed the mark as to what he considered were good claims. Therefore, I say the best way we can give publicity to the fact that fiduciary relations can be better conducted by trust companies than individuals is to prove in individual cases that the trust company can do better than the individual, that it does better than the individual, that it is a saving in money over the individual trusteeship, and that in all ways we can do better work and more cheaply, and to the better advantage of the estate, and then let us see that we are not too modest to let the public know of such individual cases.

Trust Company Loans and Investments.

The President (after a pause): As there seems to be no one who desires to speak on this topic, the next topic is

Institutions and Practices Within the Trust Companies in the Interests of Employees.

I will ask Mr. Tillotson, of the Cleveland Trust Company, of Ohio, that he tell us something of interest on the subject.

E. G. Tillotson: Our company has not done very much yet along this line. We have on our payroll, 139 employees, men and women. We have made no provisions yet for pensions. We have had several on half pay, men who were retired for illness (in one case for old age), and after death we have continued half pay to their widows.

We have a little monthly publication, a paper that is edited by 139 editors, in other words, every one of the employees is supposed to be one of the editors. The publication would be of no interest to anyone except the employees of the Cleveland Trust Company, because, as you would readily understand, it contains principally personal allusions. But the real editors, our advertising manager, and our Assistant Secretary, are endeavoring to elevate the tone of the publication a little, and have asked various men among our directors, and outsiders, to write serious articles in order that the paper may be of actual benefit to the employees. We have had one very interesting article from one of the directors who spent the summer in Europe, who gave us an article on the branch bank system, as he had seen it over there.

We have dinners once a month, where the President and other officers meet with the employees, and we discuss informally the progress of the company, and put the different departments on a competitive basis. We also offer prizes based on increases of business, percentage of increase of business. This year our prizes will aggregate about $3,500, and it is quite possible for some of the employees to win about $500 in prizes.

There are other companies represented here that have done so much more for their employees that I feel somewhat embarrassed to be called on for this discussion. But we have found by experience that this prize money and all we do for our employees is money well expended. It creates a loyalty and enthusiasm, and to emphasize this I will tell you that for three periods of six months past one of the prize winners has been a porter in our employ, earning $60 per month and has won prizes for bringing in new business. Of course his acquaintance was among working men, but in his enthusiasm he has been able to win one of the prizes for three periods of six months each. We have had another fellow, an employee who gets higher wages who has confined his work almost exclusively among Germans (he speaks German), and the interest, the ratio of profit figured out at one and a quarter per cent. of the accounts that man has brought in in the last two years have more than paid his salary and the prize money.

So you see it is actually money well invested, better than a great many forms of advertising, and better than all, it gives them an opportunity to participate in the profits, if you please, and to show them that their efforts are appreciated; it has also called to the attention of the board of directors men who have merit in them, men who ought to be promoted and who may be officers some day. And it looks to me that they are going to make, a good many of them, better officers than some we have now.

I think all of you can be of great help to your companies if you adopt some plan that will make your employees feel that they are just as much a part of the company as the officers themselves. You will be surprised to find how some of the most lowly employees, so to speak, can bring you a great deal of business if they are properly encouraged.

EDMUND D. FISHER, Secretary Flatbush Trust Company, Brooklyn, N. Y.: Mr. President, there is a very simple device which I found to be of great value, and to which I want to refer under the head of "Practices within the Trust Companies in the Interests of Employees." We have a small company, but it is rapidly growing, and there have been recently quite a number of young clerks put on with the result that I found a short time ago a greater number of errors than was desirable, and I instituted a little schedule, which I put in charge of what I called the officer of the day (the company being small a chief clerk was hardly practicable, but the officer of the day), one of our five most experienced men, followed the next day by the second, and so on, to the fifth, making one man practically a week, responsible, and not burdening him too much, and this man would take this schedule. I have jotted it down in memorandum form, because I thought it might be of benefit in the managing department of small banks or trust companies. For instance, we open at eight o'clock. We do not want a time arrangement exactly, as the manufacturing establishment has, as the clerks would probably resent it. So the first item, clerks arriving after 8 o'clock a. m.; clerks absent, and the reason; the reading of the time of striking, and of course the signature of the officer reading the time. Time that the exchanges were received. The number of differences or errors, and the clerks making the same. And, by the way, a prize is offered to be given the first of January to the clerk that made the fewest errors, and the clerk that made the greatest progress in errors; in other words, the clerk that now makes the most errors will probably win that prize the next time. Then the time of striking, the time of the operation and the differences, if any.

In the bookkeeping department the schedule of the number of ledgers and the difference, if any; the number of pass books received during the day, the number of pass books balanced, the number of pass books held over one day. Our theory is that a pass book should not remain longer than the following day after it is received. When I started this, sixty pass books were on hand. My schedule yesterday showed one pass book held for some reason over one day. The final reading and the time of the clerks, and the signature of the clerk or officer reading it. The comparison of the reading in the morning and the reading in the afternoon by the officer of the day, thus catching any error, making three men really involved in the reading of the time clerk. The vault closed, and the time, and the reply from police headquarters. The officer of the day signs it with his signature, and it is presented to me the next morning. So I have an automatic and very simple way of taking the entire work of the institution.

Of course it is applicable to ourselves. A similar schedule, amplified or reduced, as might be necessary, would be, I think, very useful to all, except where there is a chief clerk actually in charge of this every day in the week—although I really believe that an officer of the day, a man changing from day to day, having only one day a week of it, is a better man than to have a chief clerk in charge of it all the time. What is the result of this? The day before this was instituted there were fourteen errors in exchanges and in checks and credits, aggregating probably a thousand items altogether. The day following they struck the first time; of course each clerk took care, he went over his additions before submitting it for the final proof. During the last six weeks I do not think it has exceeded three errors, and as a rule the tellers and the credit men prove the first time; but of course the bookkeeping department, with a thousand items a day, involves a good deal of work; and, as I say, frequently young boys are on the blotters there, and there is a big chance for error.

Further than that we get the clerks to come once a month to the financial library that is primarily supposed to be for the benefit of the outsiders, for our customers to come and look over financial literature; but really the chief benefit derived is by the clerks. We have the leading banking magazines there and we recommend to them special articles that we think will be of interest and value to them. They come once a month, as I say, and talk over these various matters, with the result that it tends to a greater efficiency of our force.

There is another plan I have in mind for our next meeting, which was suggested by a little schedule, I think in the September number of "Success." It suggested a card on which was to be written what you would call a man's personality, taking a man's character and analyzing it. I propose to use that in my next lecture—personal neatness, pleasantness, if you will, many things that will stimulate the clerk to improve his efficiency and his personality. This simple schedule, I think you will recognize, will be of some value if put into effect.

The day following this we saved one hour and a half in the time of proving, and consequently in the time of the clerk in his active service in the bank.

The President: The next and last item on our programme is suggestions of members as to the work of the section. (After a pause.) As nobody seems to be prepared or ready to give suggestions along this line, I would like to speak of an experience, which is not new, but which after all seems to be the important thing that trust companies have to deal with. As we have seen from Mr. Perine's figures, the assets of the trust companies of the United States are almost $4,000,000,000 (four thousand million dollars.) Now, that is easy to say; but it is a vast sum of money, and growth of the trust companies has been such that while this section which began a few years ago, as I remember, in a very small room, and with very few persons present has grown to its present proportions, if the growth of trust companies continues in the future at anything like the ratio it has been in the past, it will not be many years before the aggregate figures will outstrip those of the National banks. The National banks are, as we all know, controlled by the Federal Government, and have a uniform system, and a rigid and exacting system of examinations. Trust companies in some of the States—and I am happy to say in the State in which I live—have equally as good a system. We are there accountable to and examined by the Auditor of Public Accounts, and I believe our examinations are as thorough and as rigid and the exactions as great as those of the Government. We are also required by the rules of our clearing-house to carry a very adequate reserve. But there are many States, as I understand it, where trust companies have no accountability, or practically no accountability, to the public in the way of examinations and reports. Now, we are all interested in the reputation and good character, and high standing of our fraternity, and a mishap to one means perhaps disaster to many, and I think that you gentlemen here, gathered from the different parts of the country, can do your business of trust companies no greater service than to work with your Legislature for the enactment of such laws as will safeguard your companies to the greatest possible degree. I want to impress that upon you, and I think a model law has been suggested at some previous meeting of this association and section.

Festus J. Wade, of St. Louis: We have within our company an organization which I regard as being most valuable to promote the welfare of the institution and to protect the integrity of every man or woman employed in that organization, and at the same time benefit the employees. It is a corporation organized under the laws of the State of Missouri, known as the Employees' Association of the Mercantile Trust Company. The employees are invited to join after they have been with the company three months. The invitation is extended to them as a privilege. There is nothing whatever compulsory about it, and they are told that it matters not the slightest whether they go into that organization or not. They are asked to contribute if they join, and they must contribute if they join, five per cent. of their salary—no more and no less, no matter what the salary may be. The elective officers, and the executive officers, cannot be members of the organization, and if an employee be elevated from what we call employees to executive officer he must sell his stock in that organization and cease to benefit by its operation. This organization has its board of directors, consisting entirely of employees. They have absolute control over their own funds, except they cannot buy anything in the way of investment without the written approval of the company. That is put there for the purpose of eliminating speculation, and the officer is prohibited from participating in the Employees' Association, because it is supposed to be his purpose to encourage the organization in every way possible. Whenever we are fortunate in making a substantial sum of money at the end of three, or four, or five or six months, as the case may be, the executive officer of our establishment will recommend a donation to the Employees' Association. If we receive an underwriting of two or three million bonds below the market, for instance, as in the case of Japanese bonds, we will set aside $15,000 or $20,000 of that underwriting for the Employees' Association. They invest their money in it. The result has been that out of 175 employees we have in our establishment there is not one man or woman who is not a member of the association, and I am happy to say that they have made thirty per cent. per annum for five years on their investments. When they get a surplus for investment they invest it in the stock of the corporation. It makes every man and woman in the employ of that company a check upon his fellow employees, a check upon his officer, because if I as an officer of that organization should do something irregular I not only strike the pocket-book of the depositor and stockholder but I strike the pocket-book of that individual employee.

Again, along the line that our president has so aptly suggested, we go probably to extremes in the matter of examinations of our company. We claim the strength of our organization lies in the confidence of our stockholders and the confidence of our directors and depositors. Therefore, we undergo a State examination twice a year. It is compulsory. We undergo an expert accountant examination once a year by certified public accountants. And then we have, in addition to all of that, a flying auditor, a man who has an order that he can go into any cage or any department in any hour of the day or night, take possession and make examination and report the result to the executive of the establishment. Those are the things that will make a trust company. The trust companies are bound to supersede the National banking system of the United States of America if the gentleman belonging to this section will look after his trust company as he would look after his private fortune of his family.

The President: Gentlemen, the entire programme has been finished, and unless some member on the floor has some topic or anything pertaining to the business of the section to suggest, we will proceed to the nomination and election of officers. I would be very glad, if any gentlemen present have anything to present to the meeting, to hear them.

Mr. Tillotson: May I say another word? It occurs to me that one of the weaknesses of this section is the unwillingness of the members to speak. You can all see, of course, in about half a minute, that I am not accustomed to talking in public, but there are men all around me that could discuss these subjects with the greatest advantage to all of us. One man here I see is President of two National banks and President of a trust company. Is there anybody better able to discuss the questions before us? There are gentlemen here from Cincinnati and Chicago who could discuss the value of a bond department to a trust company. I could not say anything, because we haven't got a bond department in our company; but there are many here who could say much of interest and value to us all.

The educational work could have been discussed by all of you. There are attorneys here who have given the matter great consideration, not only from a legal standpoint, but from a trust company standpoint.

The trouble is we all get in here and most of us keep quiet and don't say anything. We don't get acquainted. We all know Mr. Wade and we know Mr. Williams and Mr. Gibson and the members of the executive council, and we are very glad to have them and hope to have them again and will vote for them, but there are a lot more members here who are brimful of wisdom and enthusiasm, and we would all be benefited and delighted if they would get up and say something. There is a man I see now from Cleveland, a man right in front of me, a man who knows more about the trust company business in a minute than I do in a year, and he has not said a thing.

Mr. Gibson, of Denver: Mr. President, I am very glad Mr. Tillotson has made the remark that he has made. There are only two of us present at this meeting to-day, I think, who were present at the organization of the section—Mr. Holliday and myself. This section was organized nine years ago. We did a great deal in the old days; we read papers and so on, and we think it is time now for some of us to take back seats and hear from some of the new members.

If I may be allowed to make this suggestion, it seems to me it would be well to have our programmes given out some considerable time before the meetings. I dare say that few of us would desire to get up and discuss any of these important subjects without having given some thought to them beforehand. Although I am a member of the executive committee I did not happen to receive my copy of the programme until en route to the convention, in Chicago, and naturally I am not prepared to give any light on any of these questions. I merely offer that as a suggestion, so some of us will be better prepared at the next meeting to talk about these subjects that are suggested here.

RALPH W. CUTLER, President Hartford Trust Company, Hartford, Conn.: Mr. President, I have been extremely interested in what Mr. Wade has said in regard to the interior workings of his trust company. I am not chock full of wisdom, and have not very much to say; but I do want to say just this. That it seems to me we all want to enlist the attention of our employees in the work in which they are engaged and that there are two ways in which to do it. The first is to persuade the young man to become a member of the American Institute of Bank Clerks, which it seems to me is a very valuable organization, and in our case every single employee of the Hartford Trust Company is a member of that institution. And the other thing is to give the young men a capital interest in the stock of the concern itself. We encourage our young men to buy one or two or five shares of the stock of our corporation, and it works wonders, I assure you. We do not carry out so elaborate a system as Mr. Wade has explained, but the executive officers of the institution can sleep nights more securely because those young men are our stockholders.

Upon motion a nominating committee of five was appointed by the president, as follows:

John Skelton Williams, Richmond, Virginia; E. G. Tillotson, Cleveland, Ohio; L. E. Anderson, St. Louis; A. J. Hemphill, New York, and F. B. Gibson, Denver.

THE PRESIDENT: I would suggest that while this committee is out, the delegates from the various States which are eligible to have a vice-president should have a little caucus. We will therefore take an informal recess for a few moments in order to enable them to make nominations for vice-presidents.

In order that you may know what States are eligible, I will state the by-laws provide that every State which has ten trust companies, members of this section, is eligible to have a vice-president. They are as follows: Alabama, Arkansas, California, Connecticut, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia and West Virginia.

I believe the custom is in the case of the president and vice-president for nominations to be made from the floor. I would like to have some gentleman who was present last year enlighten me if I am not correct.

A VOICE: That is correct.

(Thereupon an informal recess was taken for five minutes.)

The nominating committee made their report as follows:

The committee has unanimously agreed upon the following names which we desire to present to your consideration for election to office for the ensuing year.

For president of the section, Mr. Clark Williams of New York city.

For vice-president, Mr. Festus J. Wade, President of the Mercantile Trust Company of St. Louis.

For the five members of the executive committee, the following names: W. L. McDonald, Vice-President of the Commonwealth Trust Company of St. Louis; H. P. McIntosh, of the Savings and Trust Company, Cleveland, Ohio; Joseph E. Otis, President of the Western Trust and Savings Bank, Chicago; Mr. Lynn H. Dinkins of the Interstate Trust and Banking Company, New Orleans, and Mr. J. F. Thompson, Vice-President of the Bankers' Trust Company of New York city.

Upon motion the secretary was directed to cast the ballot of the section for the officers named.

The secretary accordingly cast the ballot of the section for the gentlemen named.

THE PRESIDENT: I will appoint Mr. Jay, of Boston, and Mr. Gibson as a committee to find Mr. Williams and bring him to the rostrum. I will appoint as a committee Mr. Hart and Mr. Cohen to find Mr. Wade and bring him forward.

THE PRESIDENT: Nomination for the offices of vice-president are now in order.

The following gentlemen were nominated for vice-president from their several States:

Alabama: A. C. Daniels, President Central Trust Company of Mobile.

California: J. C. Drake, President Los Angeles Trust Company.

Connecticut: Ralph W. Cutler, President Hartford Trust Company.

Illinois: H. L. Edmunds, Secretary Northern Trust Company, Chicago.

Indiana: John H. Holliday, President Union Trust Company, Indianapolis.

Massachusetts: N. W. Jordan, President American Loan and Trust Company, Boston.

New Jersey: Alexander C. Wood, President of the Camden Safe Deposit and Trust Company, Camden.

New York: Gates D. Fahnestock, Vice-President Franklin Trust Company, Brooklyn.

North Carolina: George Stephens, President Southern State Trust Company, Charlotte.

Ohio: E. C. Tillotson, Vice-President and General Manager Cleveland Trust Company, Cleveland.

Pennsylvania: David McKinney Lloyd, President Safe Deposit and Trust Company, Pittsburg.

Vermont: H. L. Ward, Treasurer Burlington Trust Company, Burlington.

West Virginia: F. M. Staunton, Vice-President Kanawha Banking and Trust Company of Charleston, West Virginia.

On motion the secretary was directed to cast the ballot of the association for the vice-presidents so nominated.

The secretary cast the ballot accordingly, and the gentlemen named were announced elected.

THE PRESIDENT: I want to thank this section of the American Bankers' Association for having honored me by election to the office of president. I was not present at the meeting in New York last year in which I was elected. I am informed that this was the largest meeting that the section has ever held. This, I think, is the next largest. As I have said very early in the meeting, I think the importance of the trust company men of this country getting together, becoming a homogeneous body and working under uniform laws and uniform customs and practices is most important, and I predict that the day is not far distant when the trust companies of this country will, many of them, if not all, be under the supervision of the Federal Government. I think it is as inevitable as that the sun rises and sets. And before that time we can do much for our cause by coming under uniform laws and getting our house in order. I thank you most cordially, gentlemen and on my own behalf I want to thank the bankers and citizens of Washington for the hospitality which they have so generously extended to us and which we are enjoying to the full.

Mr. Williams, it is with peculiar pleasure that I transfer from my breast to yours this badge, as president of the Trust Company Section. You, sir, have done more than any other member of this association, more effective work than any other member I know, and you richly deserve this honor, and I know you will fill the place with credit to yourself and gratification to all.

Mr. WILLIAMS (upon taking the gavel as president): There is nothing which I can say which will adequately express my deep appreciation of the honor you confer upon me. I feel that only an expression of this kind is necessary at the present time. You must look to me for such good works as I am able to contribute during the coming year for the benefit of the Trust Company Section as your presiding officer. Before we adjourn, however, I would suggest that a motion be formally made from the floor, telling of the sentiments which have been so well expressed by Mr. Potter, thanking the generous trust company officials of the city of Washington for the entertainment they have provided for us.

Mr. FAHNESTOCK: Mr. President, I take great pleasure in moving that the thanks of this section be extended to the trust company officials of Washington who have so handsomely and generously entertained us while here.

The motion was numerously seconded and the question being taken was unanimously agreed to.

THE PRESIDENT: May I ask the vice-president, just elected, to come to the platform.

Mr. Wade came forward.

THE PRESIDENT: It gives to me the greatest pleasure to present to you the emblem which represents the confidence which this section has in your ability to carry on its affairs. I take great pleasure in pinning on you the emblem of first vice-president of the Trust Company Section.

MR. WADE: Mr. President and Gentlemen—This is indeed a delightful honor, particularly because you have a president who will do all the work, and I expect to draw all the honors and the salary for the balance of the year. I thank you for this evidence of good will and confidence and I will do all I can in my power to aid the Trust Company Section and the trust company business in the United States of America.

THE PRESIDENT: Before adjourning I would state that the executive committee has the power to fill vacancies in the offices of vice-president from States entitled to them where they have not been filled by nomination from the floor.

Thereupon, at 1.25 p. m., the section adjourned.

SAVINGS BANK SECTION.

The Savings Bank Section of the American Bankers' Association met in fourth annual convention at the banquet hall of the Shoreham Hotel, Washington, D. C., Tuesday, October 10, 1905, and was called to order at 10:30 a. m. by the President, Charles E. Sprague, of New York city.

Reverend J. M. Schick, Pastor of Grace Reformed Church, Washington, D. C., offered the following prayer:

PRAYER BY REV. J. M. SCHICK.

Almighty and Everlasting God, by Whose blessing all our doings must be sanctified, and unless Thou build the house, they labor in vain that build it, we implore Thy presence and Thy benediction with us at this time, so that in all our works, begun, continued and ended in Thee, we may glorify Thy holy name. With a realizing sense of our responsibility to Thee, enable us to enter upon the transactions of this meeting, knowing that every right work is Thine and every right cause is of Thine appointing. We praise Thee for that Thou hast used us so largely concerning the gathering of those who otherwise would have been unable so to do, in guiding the savings of the weaker and the poorer, turning them to good account, using us thus in Thy service; for every service that helps our fellowmen is, when rightly understood, Thy service. Therefore, we lift our hearts unto Thee in grateful recognition of the blessings Thou hast bestowed and the mercies Thou hast showed and the favors Thou hast imparted to the institutions which we represent, to the institutions here gathered together in this association. And we humbly pray Thee further to continue Thy blessings unto each and all, and to this association collectively, so that with an eye single to Thy glory, in full consciousness of the responsibility resting upon us, we may have continually the Divine presence in all our work.

Shield us from the temptations to selfishness which are so abundant. Deliver us from the evils that at times may be so near, and before which so many have fallen; and make us conquerors over self and selfishness and the world, and enable us, in that right altruistic principle of life which marks the deed of every right man, to use the opportunities Thou art giving us in such a way as to be helpful to those for whom we act, and with whom we serve Thee; to the end that, strengthened with Thy might, made more prosperous with Thy blessing, we may ourselves, having been blessed, prove a blessing to others as Thou hast blessed us. And unto Thy name shall be given the praise, through Jesus Christ, our Lord, amen.

THE PRESIDENT: **An opportunity will now be given to you, gentlemen, to hear from Mr. B. F. Saul, Chairman of the local committee on arrangements of the Savings Bank Department of the Washington Bankers' Association.**

ADDRESS OF WELCOME BY B. F. SAUL.

On behalf of the Savings Bank Committee of the Washington Bankers' Association I extend to you all a hearty welcome. The Savings banks of Washington welcome you not only to this city but to their institutions, and hope that you will visit them during your stay here.

I presume those delegates from the larger cities, where the strongest Savings banks are located, will be surprised to find that the Savings banks of Washington are small institutions; but most of the large Savings banks of the country are old institutions, a great many being more than fifty years old, while the oldest Savings bank in our city was organized in 1891, only fourteen years ago.

Ten years ago the total assets of the Savings banks of Washington were less than $250,000; five years ago they had increased to $1,000,000; and to-day the total assets of the Savings banks are more than $4,000,000. In the past the persons who would ordinarily be Savings bank depositors have had to place their savings with the trust companies and the building associations. From the above figures it can be readily seen that the age of the banks is the principal reason they are not among Washington's larger financial institutions.

But there is another reason, and that is that we have no Savings bank law or supervision in this District, but we hope before another winter passes that Congress will enact a law which will place the Savings banks of this city under the supervision of the Comptroller of the Currency, as the trust companies have always been, and we hope at this meeting to have your co-operation by recommending to Congress such legislation. However, we are proud of our young and growing institutions, and I am sure if you find time to visit them you will be pleased at the results we have attained; but of course, the most interesting bank in Washington to you will no doubt be our National Treasury.

Washington is not a commercial city, and the points of greatest interest will probably be the public buildings.

The members of this committee desire to place themselves at the disposal of the delegates, and will be pleased to render them any possible service during their stay in this city.

And in conclusion, I again extend to you a most cordial welcome, and hope this meeting may prove the most successful in the history of the Savings Bank Section.

ADDRESS OF THE CHAIRMAN, CHARLES E. SPRAGUE, PRESIDENT UNION DIME SAVINGS INSTITUTION, NEW YORK CITY.

The Savings Bank Section of the American Bankers' Association accepts with cordial appreciation your efforts and your generous hospitality. We already know that you have made the most lavish preparations for our entertainment. We all of us have emerged from the tenth story of the New Willard Hotel, staggering under a double weight of pasteboard and of grateful obligations. We are to be your guests by land and by sea, in peace and in war. Our patriotism will be evoked by a visit to Mt. Vernon. We shall perhaps have our envy excited by a trip through the United States Treasury, and by the sight of the vast amount of funds therein, which we cannot have under our control. You have provided for us in every possible way. The well-known hospitality of the sunny South, added to the metropolitan spirit which pervades the national capital, has caused you to more than outdo yourselves, and we only hope that the prosperity of your institutions, to which you have alluded, may continue, and that we in our various small ways, in the remote haunts of men from which we hail, may be able to recompense you at some time by giving you in our own peculiar way the kind of good time which we are able to give you. We thank you.

It now becomes my very pleasant duty and most honorable duty to open the proceedings of the fourth annual convention of the Savings Bank Section of the American Bankers' Association. In future times we or our successors will look back to this as one of the early meetings, one of the beginnings of great things. When in future years this organization has fulfilled the promise which its vigorous youth gives forth, those who follow after us will look back to this old society with grateful spirits as having inaugurated a movement of great advantage and benefit to the country and to its industrial classes, and to the general welfare. On an occasion like this it is customary to make a retrospect and a prospect, to look over the work of the past, and to consider what it is best to undertake for the future. In other words, we inquire, in the first place, in the classical phraseology which I believe is used in this section, "where are we at?" Secondly, we inquire why are we here, and thirdly, what we are going to do about it? Where we are at, is satisfactorily answered by the large number of attentive and interested listeners who are present. Why we are here, is a little more difficult of comprehension. Why is it thought necessary for those of the American Bankers' Association who are particularly interested in savings to create a separate department? Why have they taken the trouble to start at least twenty-four hours ahead of the time which otherwise would have been necessary, in order to attend this meeting as well as the proceedings of the association proper?

It is not for protection of your valuables against fraud and deceit. That is amply cared for by the parent association. It is not to consider the future of the currency of the country. It is not to consider the advantages of adopting systems of money orders or discussing State and national supervision of State and National banks. Nearly all these subjects are covered by the American Bankers' Association.

Why do we have a Savings Bank Section, and why do we need it? As bankers we do not, but I hold that we are something different, something distinct, or at least distinguishable from bankers; that those who are purely and simply bankers have not honored us with their presence to any great degree. We are something else, although organized under a great diversity of law and customs, organized in almost as many different ways as there are States in the Union, and unorganized in some of the States, we all have one common purpose, which is the safe-keeping of the economies of the industrial classes of society, of those who, as will always probably be the case, are obliged by the circumstances in which they live to sell their services, whether it be as a university professor or as a day laborer, to someone who can contract for and pay an appropriate stipend. The only safety for those classes is to have some depository which they can absolutely trust, and the only hope for their old age is in present self-denial, which in future will soothe and alleviate the distress of their declining years.

The Purpose of Savings Deposits.

I take it that the purpose of banking proper is the facilitation of business. The business man does not accumulate his money by putting it into any kind of bank and letting it increase. Very likely as his business itself increases his cash account may safely be lessened. He desires to make his real investment in the machinery of the business in which he is engaged. His cash account, which is practically his bank account in these modern times, is simply a facilitation, simply a buffer for the purpose of smoothing over the interval between production and collection, and also the machinery for the purpose of collecting what is due him and for the purpose of liquidating at the least possible expense what is owed by him. But the accumulator, the Savings bank depositor, has no such purpose to look forward to. His object is not to do with as little cash balance as possible, but to increase that cash balance, while it shall be in a form not only realizable in cash upon proper procedure, but shall by its increase measure his prosperity. The point of view therefore is quite different. The banker employs the money of himself and his several fellow shareholders so as to give the greatest returns. It is true he looks after the welfare of his depositors, but his primary duty is to his shareholders. He is amenable to them. The depositor is a customer who may come and go, but the shareholder is not a creditor, properly speaking; he is a proprietor, and he is entitled to the proper use of his money in such a way as shall be profitable, and the attitude towards the depositor is secondary. With us who are not so much bankers as savings keepers, the attitude is reversed. Our primary duty is to those who cannot look out for themselves. We set ourselves up in that capacity. We hold ourselves forth to the world as being ready to safeguard the surplus which economy and self-denial accumulate among those classes who are properly intended to confide in our care. We therefore must hold, and we must remember in our discussion here, that we are something other than bankers. It is true that the bankers allow us in their ranks. Some of us are bankers and savings keepers, and some of us are savings keepers and bankers. Some of us are solely keepers of savings and not in any proper sense bankers. It is true that the Bankers' Association allow us to participate on equal terms, and even allow us to contribute the usual dues just as if we were money-making institutions. This is kind on their part, but they should recollect in fixing these dues that we are not bankers, but are the bankers most stupendous depositors. Savings banks taken collectively deposit more money in the National and State banks than probably any other one class of institutions, unless it be the gigantic industrial corporations.

This is a great country for experimentation. Having the great number of Commonwealths that we have, united under one great Commonwealth, there is an opportunity for testing methods in every walk of life. Now, in the Savings banks, as I said, there are a large number of diverse methods of organization. Other methods have been tried in Europe and perhaps will be tried here. None of us, to speak in homely fashion, knows it all; each of us can learn something from his neighbor, and I myself do not admire the Pharisaic attitude that would impel people in one State in our walk in life to say to those of another State, "they are not Savings banks at all; put them aside, they are not to be mentioned in the same paragraph with ourselves; we are the elect." I do not believe in anything of the sort. I believe that we should come together; and if you can convince us that your method, allowing for the difference in our environment and our situations, is superior to ours, we should give you the floor and let you prove it to us. And you, on the other hand, should allow us to prove to you, if we can, that our methods are worthy of commendation and emulation.

Various Kinds of Savings Banks.

Now, there has been the Governmental Savings bank, an institution carried on by the Government or by the Municipality. I believe our advocates of municipal ownership have not yet reached that stage. Then there is the semi-Governmental or postal Savings bank, carried on by a department which was organized for a totally different purpose, and not for banking, which it does through money orders, which I consider inappropriate for a Government department; and although I am open to conviction, I consider the carrying on of a Savings bank by a department of the Government to be equally inappropriate. Then there is the type of Savings bank which is a capitalized concern and which has stockholders. Doubtless in those localities where it has grown up, that may be the best. We are glad to be instructed as to what point. We are glad to know what the difficulties are; glad to know whether there is that temptation to deviate from altruistic principles which we heard referred to this morning; whether there is not a temptation to set the stockholder up as superior to the depositor instead of second to him, as he should be. We must consider that. We are open to conviction on all these points. There are also those, generally the same kind, who not only are capitalized as savings keepers, but also bankers in the same building and over the same counter. Whether there is practically any danger from temptation to vary from altruism, is another point that we will ultimately discuss.

When there are in the older parts of the Union the old-fashioned original so-called mutual Savings banks, which have no shareholders. The history of these Savings banks has been reasonably prosperous, I believe, and we number very many of the oldest, soundest and most reputable institutions of that kind in our ranks. I am sorry to hear sometimes of that spirit which I have ventured to call Pharisaical, which would endeavor to separate institutions of this kind into a province of their own, and will not admit that anything can be learned from them.

Practical Character of the Savings Bank Section.

But we have not come yet to the time for considering these broader questions of organization. We have commenced in the right way. We have not begun with words of ten sylables, but we have commenced with the alphabet of the Savings bank business. We have commenced by endeavoring to ascertain the best methods as to the details of business, and in those branches where we come in contact with the depositors. We shall reserve for a future time consideration of those broad questions of whether we shall be capitalized, whether we shall be purely Savings banks, whether we shall be mutual. We will defer those questions. We do not propose to take them all up at present. We have commenced with some comparatively minor but really vital questions. During the past year we have commenced the collection of a complete and thoroughly classified set of forms by which the business of a Savings bank is conducted. The hard and skillful work in making this collection has been done by our efficient secretary, Mr. Hanhart. A set of forms will give you almost a photographic view of the methods and purposes and general trend of the business of the Savings bank. By examining the collection which is now on view at the Willard Hotel, every one of us, I think, will find something that he has not thought of before, something which he can with advantage either avoid or adopt. If we find anything worthy of adoption, it will interest and help us. If we find anything to avoid, it is a simple matter to avoid it; and it may remind us of some of the dangers of which we should beware. A large part of the work of this section—and this is a working section—has been devoted to the compilation of these forms. We have, however, several other questions in reserve, which will hereafter be presented. One of these, rather a minor point, but one which seems to have acquired a good deal of importance, is the question of the treatment of certain accounts, wherein proprietorship would seem under various laws and conditions to be somewhat doubtful, the so-called two-name accounts that on their face purport to be the property of more than one person. This is an intensely practical question. We propose to begin with intensely practical questions, and from them gradually build up to the broader questions, such as the methods of organization, the question of supervision, how far and in what way should the State or National Government intervene for the public good; how far should paternalism be extended, so as to interfere, or intervene, rather more or less in the conduct of these corporations.

Then we have been considering another question which will also be a subject of discussion to-day, probably, that is the formulation and possibly the adoption of a plan by which statistics of the savings of the country may be more accurately ascertained than they ever have been. It is well known that the published statistics of this kind are very unreliable and not based on actual figures. This section is representative. It does not contain by any means all of the Savings banks of the United States, but it is so representative in its character, its members are so scattered from Maine to California, it embraces institutions of almost every kind and class which can be brought under this act, so that a report given out anonymously as to institutions and solely by aggregates as to States and sections would be exceedingly representative. The question has been before our executive committee as to whether we ought not to have such statistics as that filed and circulated among our own members only, in order that we may learn the trend of things, in order that from the reasoning developed from these figures we may improve on past history. Those are among the subjects that are before us to-day.

We also are to listen to several gentlemen who will address us or read papers on various subjects.

Having said a very few words, and having minimized the annual address of the president, to which I know members on occasions of this kind always look forward to with fear and apprehension, I will pronounce the fourth session of the Savings Bank Section of the American Bankers' Association open for business.

I will explain to the session that through the unfortunate circumstance of a cabinet meeting being called at this hour, Honorable Leslie M. Shaw, Secretary of the Treasury, will probably be unable to address you to-day, as he had expected. But another eminent gentleman who is on our programme has arrived, and we shall take preat pleasure in listening to him. I now introduce to you Honorable W. B. Ridgely, Comptroller of the Currency of the United States.

Laws Regulating the Operations of Banks.—Address of Hon. Wm. B. Ridgely, Comptroller of the Currency.

Mr. Chairman, Ladies and Gentlemen—I was not fortunate enough to be here at the beginning of your president's remarks, to hear all that he said; but I was greatly interested in what I did hear, and especially in his conclusions in regard to Governmental regulation of banks, and to the very apt distinction which he made between interference and intervention. I do not believe in interference with banks, but I do think it is to the interest of the banks as well as to the interest of the depositors and the general public, that there be some Governmental intervention.

No one will question the desirability, if not necessity, of laws regulating the organization and the operation of banks.

If we are to have such laws, it is the most logical consequence that the law should not only regulate their methods of operation, but provide a system of examination and supervision to see that the creations of the law observe its provisions during their life as well as at their birth. It will also be found necessary to follow them after death, and to provide for the administration of banks which fail or go into liquidation. In fact, the administration of insolvent banks is a very important part of any system of State regulation, and one in which the difference between good and bad or indifferent administration is very serious in its consequences.

If the State gives a charter to a certain number of men, authorizing them to establish the business of banking, and making certain conditions as to the paying in of capital in cash, and the other ordinary requirements of such an organization, it thereby assumes a responsibility for the parentage of the new corporation. It has given it life and power, and a certain standing and dignity by reason of its State charter. It is only its plainly logical duty to continue its care and supervision throughout the life of the institution, not only for the protection of the bank itself, but the people who transact important business with it, by virtue of this law-given life and power. This is no invasion of the rights of the incorporators or shareholders; it is only what they should expect and a most reasonable concession from them for the privileges which are granted to them by law. They have no natural right to incorporate. It is all given them by statute. In return for the franchise given them, they should willingly submit to any reasonable regulation and supervision which the law imposes to safeguard and protect the public.

Probably a very large majority of the people who organize banks and those who are given charge of their management, are acting in perfect honesty and good faith. My experience and observation lead me to believe that most banks are honestly managed, and most of these are also conducted with good judgment and ability. It may be and doubtless is true, that such banks do not need any outside supervision. The officers and directors of any bank can, if they will, make far better examinations and exercise much more efficient supervision over the affairs of their bank than any official of the Government possibly can. Unfortunately, the directors and managers of all banks do not fully discharge their duty in these respects. Some of them do not know how to conduct or supervise the business; some who do know how, neglect their duties; and others have neither the honesty nor intelligence needed. It is such banks as these that need State examination and supervision. No one is more interested in seeing that this is thoroughly given them than the people who are managing their banks honestly and well, strictly in accordance with the law. It is greatly to the interest of the man who is so conducting his business to see that his competitor is, as far as possible, compelled to do the same. Not only does it make the competition more fair, and gives him a better chance for the business, but it reduces the risk to him from the failure of his neighbor, which may so upset the business of his whole community that there is danger to all its banks, no matter how well and prudently conducted.

Good Record of the Savings Banks.

I believe that what I have just said is especially true of Savings banks. The record of the American Savings banks for honesty of management will certainly compare favorably with that of any other class of banks, especially in those States which have mutual Savings bank laws, and real Savings banks. From the nature of the business, the character of your investments, and the people you have for depositors, there is more to be feared from anything which destroys the confidence of your people. This makes it more necessary for you to see that you are not placed in competition with banks less ably and less honestly conducted.

Over no other banks has there been for so long a period such a complete and thorough supervision as has been given the National banks of the United States. The Bank Act itself contains many severe restrictions. The examinations and reports of condition are frequent and comprehensive. The good results shown by the National banks are largely due to this supervision. During the more than forty years' operation of the law, the failure of National banks have been much smaller in proportion to the whole number in operation than those of the banks other than National. The National banks have paid their creditors a far larger percentage of their claims, and the cost of liquidation per one thousand dollars collected has been very much less.

The system of examination can be and should be improved by paying the examiners' salaries instead of fees, and in some other ways, but on the whole, it has worked well; certainly well enough to demonstrate that it pays and is much better than no supervision.

Some of the States have very good banking laws, especially in regard to Savings banks, and good State supervision. Some have fair laws, and some poor laws, with little or no supervision.

It certainly will be an improvement if something like uniformity could be brought about, and especially if the States with no system of supervision would adopt some good plan for bank regulation. A State which creates a banking corporation, and gives it authority to conduct the business of banking, whether it be commercial banking, a Savings bank, or a loan and trust company, owes it to its people to see to it, as far as supervision will do so, that such a bank conducts its business honestly and according to law, and it owes it to the banks which are well and ably managed, to protect them from the dangers and competition of those which are run in violation of law by men who are lacking in honesty or ability, or both.

Mr. Latimer: Mr. President, I offer the following:

Inasmuch as there is now no law in the District of Columbia giving any Government officer supervision over Savings banks, it is hereby declared the sense of this meeting of the Savings Bank Section of the American Bankers' Association, assembled at their annual convention in Washington, that such a law should be introduced in Congress and passed at the earliest opportunity giving such supervision, preferably to the Comptroller of the Currency, and the Savings Bank Section hereby pledges all its aid and influence towards the passage of such a law.

The President: Gentlemen, you have heard the motion. It seems especially appropriate at this time that we should take action on this question, after the remarks to which we have listened.

The motion was seconded.

Mr. Rother: Mr. President, we are acting here in the eyes of the whole country. What impression will such a resolution, applying to the District of Columbia, make upon the country if we ignore those States that have no laws? Or is it considered that because this is the seat of government and under the control of the Congress of the United States, that we are at liberty to make an exception? It seems to me it is well to consider whether such is the case. We have a number of States that have no Savings bank laws, as we all know. Maryland, the State from which I come, is one of those States. Now, I repeat, what impression will an action of this kind by this session make on the States that have no laws, when we consider only the case of the District of Columbia?

Mr. Smith, of Washington, D. C.: Mr. President, this is a subject which very appropriately comes before us now, for two or three reasons. First, we have struggled through a term of fifteen years since the first Savings bank began here, not only without any supervision, but without any Savings bank law. At the time of the organization of the Union Savings Bank, with which I am connected here, we absolutely had no law under which we could get a charter. We had to go either into Virginia, across the river, or up into West Virginia, or to Delaware or New Jersey to get a charter at all, and the Union Savings Bank operates to-day under the laws of West Virginia. That is certainly an anomalous situation, that a Savings bank chartered by another State should have its home office here. Yet, that is the existing situation. And while we have to-day a law which was passed as a part of a very minor chapter in the code, under which we might incorporate, we do not dare incorporate here, because of the provisions of that law, or rather the lack of provisions of the present law. It is always difficult to get any local proposition through Congress. We need all the help we can get to put through the law which is going to be introduced this winter. Comptroller Ridgley has been very much interested in this matter, and has prepared a bill which he is going to introduce, and we are all going to try to help him get it through. I think it is not only entirely appropriate but very desirable that that law should receive the sanction of the Savings Bank Section of the American Bankers' Association.

Mr. Rother: I do not want to be understood as opposing this proposition. I simply desire to call attention to the weight that it may have all over the country if we simply take up the District of Columbia and take no action with reference to the various States that now have no laws on this subject.

Mr. Greer: Mr. President, it is a fact that the Bankers' Association of the State of Ohio have for several years past been trying to get together on the subject of an adequate banking bill looking to State supervision and examination. They have been unable to agree, and on the occasion of the recent State convention in Cleveland a bill that had been prepared with great care was tabled in the latter part of the session. It would be very neighborly and kind if the Savings Bank Section of this association would lend any possible aid in its power to our good friends of the District of Columbia to further such legislation as they desire; but if the bankers of Ohio cannot agree as to what they desire in the way of bank legislation, and if some other States are in the same predicament, as I believe they are, I think this association will be going rather beyond its power and arrogating to itself duties which are rather inconsistent, to place itself on record as to what the bankers of the District of Columbia ought to have.

Mr. Smith, of Washington, D. C.: I think the resolution offered contains merely a suggestion that it meets with the approval of the Savings Bank Section that there should be some supervision, and that is all it says, adding the further paragraph that it is hoped Congress will give us a law. Perhaps all objection could be removed if it was stated that this resolution was introduced at the request of the local element here, and that we want to aid them.

The President: I should like to ask for the information of the section whether this proposed enactment has or has not received the unanimous approval of the local bankers' association. Some gentleman from the District of Columbia can no doubt answer that question.

Mr. Smith: I think it has received the sanction of the local bankers, as far as it goes. We hoped it would go further.

Mr. Mills: Mr. President, if it is in order, I should like to know how far this proposed law intends to go. I come from Maryland the same as Mr. Rother, and we should like to know the scope of the law.

Mr. Griswold: Mr. President, perhaps it would save the time of the convention if you would include the other States that have no laws on the subject, but which desire that the convention should take action in that direction.

The President: Replying to the next to the last speaker, as the Chair understands the purpose of the resolution, it is merely to put on record the sentiments of this section on the general subject, without regard to particular ways and means, and in reply to the last gentleman the Chair thinks such an amendment would not be germane to the present question, which relates solely to the District of Columbia, which is the one spot on this habitable earth with reference to which this Savings Bank Section of the whole United States has any right to express an opinion. We are all in one sense residents of the District of Columbia. It is our property; but it seems to me that it would be foreign to the purpose of this occasion to censure or praise the State of Maryland for having no Savings bank law, which I know her Savings bank officers desire. While perhaps the embracing of the different States would not be positively out of order, yet it would not be germane to the present discussion. The question is, Do we or do we not approve of this resolution, which we have heard read, and upon which we have heard very able remarks?

Mr. Greer: Mr. President, perhaps it would be well to have the resolution read again.

The resolution was read again by the secretary.

The question being called for, the resolution was agreed to.

The President: The next in order is the report of the chairman of the executive committee of the section, Mr. Latimer.

Mr. Latimer read the following report of the chairman of the executive committee.

Report of the Chairman of the Executive Committee.

Your executive committee has held four meetings since the last convention —September 13 and 14; December 20, 1904, and May 2, 1904.

At the September meetings but little important business was transacted besides organizing.

At the meeting held December 20, the matter of printed forms was discussed, and resulted in a call being made for forms in use by all the Savings banks throughout the United States; the result of which is the compilation of forms on exhibition here to-day. In collecting these forms much time and some expense has been incurred, which, of course, will not happen again, but for the benefits to be derived from this collection we felt justified in going to the expense. Perhaps some action might be taken whereby a reproduction of these forms may be made and offered for sale to our members only, and in that way we may be reimbursed for the cost of production. Owing to the vast amount of time required of our secretary in this work, your committee has recommended a small salary to be paid him for his services.

The meeting of May 2, 1905, was attended by nearly all the members, as well as the only two ex-officio members of the committee, the Hon. Myron T. Herrick, Governor of Ohio, and Mr. A. C. Tuttle of the Naugatuck Savings Bank.

At this meeting the question of the interchange of monthly reports of the deposits and withdrawals was discussed and received the commendation of the committee, and resulted in having the question brought before this convention for action.

Our membership has materially increased since our last convention, a report of which will be given in full by our secretary.

The work of some of the State delegates has been most gratifying and has resulted largely in accomplishing this increase, and I think the appointment of State delegates to look after our interest in legislation, as well as the increase in our membership, ought to be continued.

Our expenses have been somewhat larger the past term than usual, owing to the collection of forms and the large amount of circularization done. Most of this it will not be necessary to duplicate.

Any appropriation asked for our use has been cheerfully granted by the executive council, and we have a small balance to our credit at this time.

Contrary to the original intention of having our officers (except the secretary) act for one year only, I have been elected for the past three years as chairman of the executive committee. This was thought best at the time, owing to the many things in connection with the organization of the section, and now that we are thoroughly and successfully organized and I am to retire, I want to thank those of you who have given me their assistance, and hope that the same pleasant relations existing between the members and myself will be cheerfully accorded to my successor.

(Signed) G. Byron Latimer.

The President: Gentlemen, you have heard the report of the committee. What is your pleasure?

On motion the report was accepted.

On motion the thanks of the convention were tendered Comptroller Ridgley for his able address.

The President: Mr. Ridgley, it becomes my pleasant duty to convey to you the thanks of this association, and we compliment you on the style of your paper. In its admirable epigrammatic brevity it is a little classic, which contains much in small compass. The thanks of this section are hereby conveyed to you.

The next thing in order is the report of our Secretary, Mr. Hanhart.

The secretary read the following report:

Report of Secretary Hanhart.

Mr. Chairman and Gentlemen of the Savings Bank Section—I am pleased to report a substantial gain in the membership of this section since our last convention in New York in October, 1904. We then had 616 members, whilst our membership at this date is 734. I take this occasion to thank many of the State delegates, who have unselfishly given considerable time in their endeavors to increase our membership.

The amount of our expenses of this year is heavier than usual, one of the reasons being that some of the items, such as rent, etc., include expenses incurred prior to the beginning of the present fiscal year, but not paid then; they also include expenses incident to the collecting, arranging and casing of the printed forms, which you have all seen on exhibition at our headquarters.

Stationery, printing and binding	$412.13
Postage stamps	188.00
Typewriting and stenography	446.00
Rent and telephone (two years)	607.54
Expenses of executive committee meeting in May last	133.81
Convention expenses (badges, programmes, etc.)	89.00
Salary of secretary	400.00
Expenses of proceedings, etc., of last convention (sent to members and paid by Secretary Branch)	606.46
Sundries	138.65
1,500 copies of convention proceedings sent to non-members	168.38
Total	$3,189.97

In explanation of the items of $168.38 for convention proceedings, I will say that it was decided last year, as an inducement to the non-member Savings banks to join the association, to send them a complete report of the proceedings of our last convention. This expense, of course, will not be incurred again, being now unnecessary, as our section is well known throughout the country.

Respectfully submitted,
Wm. Hanhart, Secretary.

On motion it was ordered that the report be accepted and placed on file.

THE PRESIDENT: It is appropriate for me to say again, as I have already said, that the vast amount of work performed by our able secretary, to which he has modestly made no reference in his formal report, is work of a kind and amount which none of us can realize except those of us who have been at work near him and in touch with him, and have witnessed his faithful and unsparing diligence and attention to business.

You will observe that on our programme there is an address on a very interesting subject, proposed bank legislation in Ohio, which was to have been read by N. Henchman Davis, President of the Central Trust and Safe Deposit Company of Cincinnati, Ohio. Although the State of Ohio has not such a busy banking law as we would like it to have, yet Mr. Davis lives in a very busy State. He has found it impossible to be with us in person, but he has sent to us a very carefullly-prepared essay on this subject, which I am sure will be listened to with great interest, as the eyes of the civilized world are largely on Ohio, a place from which our great men are very apt to come, and then after they have come from it, to stay away from it.

I will ask the secretary to be kind enough to read this essay of Mr. Davis, and I am sure he will do full justice in the reading of it.

The secretary then read the following paper:

PROPOSED BANK LEGISLATION IN OHIO.—PAPER BY NATHANIEL HENCHMAN DAVIS, PRESIDENT CENTRAL TRUST AND SAFE DEPOSIT CO., CINCINNATI.

Mr. Chairman and Gentlemen—The general condition of the laws of Ohio in relation to financial institutions which has led to the present movement in favor of an entire revision and codification of the laws relating to all classes of banks, and to the work of the committees of the Ohio Bankers' Association, the Ohio State Board of Commerce and other leading conservative representatives of the various banking interests of the State, including commercial banks, both private and corporate, Savings banks, safe deposit companies, trust companies, etc., can be very briefly stated.

You will not be interested in the details of the present situation and, therefore, it will suffice to state that the laws of Ohio relating to these institutions are in a decidedly unsatisfactory, and rather uncertain condition, which has arisen from the fact that no uniform system of laws for the creation, limitation, regulation and government of these institutions has ever, except within the past two or three years, been carefully considered or formulated. The many statutes governing these financial institutions have been enacted from time to time, through a period of many years, as occasion and special needs have arisen, or the exigencies of business, or the desires of groups of individuals, have made additional powers, or changes in the laws, seem desirable, in fact various laws, sometimes inconsistent and usually lacking in completeness, are now scattered through the volumes of the Revised Statutes of Ohio, often in the appendix, and these laws have never been brought together and separately arranged and indexed until the publication this month of the pamphlet entitled, "The Laws Relating to Banks, Banking, Savings and Loan Associations, Savings Banks, and Safe Deposit Trust Companies, in force July 1, 1905," which has just been arranged and compiled under the direction of the Ohio State Board of Commerce and the Ohio Bankers' Association, by Drausin Wulsin, Esq., of Cincinnati, counsel to the committee.

The confusion mentioned above has been intensified by some recent decision of the Supreme Court of Ohio holding that some of the laws heretofore enacted are invalid as being "special legislation"; that is, confined to cities and towns of certain grades and classes and not general in application.

The present laws do not provide for any State examination for any of these institutions, nor for any practical regulation by the State.

THE EFFORT FOR BETTER STATE REGULATION OF BANKING.

The bill which has just been prepared under the direction of the subcommittee of the joint committee of the Ohio Bankers' Association and the Ohio State Board of Commerce is entitled, "A Bill to regulate commercial banks, Savings banks, Savings societies, societies for savings, savings loan associations, safe deposit companies, trust companies, and savings and trust companies," practically all financial institutions in the State receiving money on deposit, except building associations.

You will be interested only in the salient features of this bill, and changes in existing laws, and not in details regarding the steps of organization, usual powers, etc.

The bill provides for a State Superintendent of Banks, to be appointed by the Governor, who is charged with the execution of the law in relation to all these institutions, and is provided with suitable assistants. It is provided that these institutions shall not make less than five reports of their condition, under oath, each year to the superintendent at such times as the superintendent shall require, which reports shall also be published in a newspaper, and that the superintendent, his assistant, or an examiner appointed for that purpose, shall thoroughly examine, at least once each year, every such institution now doing business in the State, or that may hereafter be organized under this law. The superintendent and his assistants are put under bond, and are bound by oath under severe penalties to keep secret all facts and information obtained in the course of such examination, except in so far as the public duty of such officers requires report upon the same, or official action taken in regard thereto.

In addition to the examination by the Superintendent of Banks it is provided that a thorough examination shall be made of each institution each year by a committee of three of its directors or stockholders who shall be appointed annually by the board of directors, and shall report the result of their examination to the board.

The provision requiring five reports each year to the Superintendent of Banks will have the effect of keeping these institutions well in line under the law, and it is also expected that the superintendent will call for these reports at the same time reports are called for from the National banks. If this is done the actual condition of finances in the State will be more accurately shown.

Although members of the committee having in charge the drafting of this new law were in favor of somewhat more radical and conservative clauses—for example, in relation to the minimum limitation of capital of certain institutions, the powers, and combinations, of some of the classes of banks created, the restriction of the use of the words "bank," "bankers," "Savings banks," "trust company," etc.—than now appear in the draft of the bill, it was thought advisable to allow rather liberal provisions, because of the many small banks, trust companies and Savings banks already organized throughout the State, and the necessary limitations to the advantageous use of their funds caused by their location in small towns, also because of the number of excellent and long-established private banks.

The draft of the bill provides that "every corporation or association" receiving money on deposit shall be subject to the examination and regulation provided for in the bill, but does not otherwise affect existing institutions. Firms and individuals are not specifically mentioned. It provides, however, that all existing institutions may, under certain simple proceedings, come under the operation and obtain the advantages offered by the new law, and its is believed that the confusion existing in the old laws, and the many advantages offered by the proposed new laws, including the higher standing, credit and stability, will induce every banking institution, private and corporate, to voluntarily come under its provisions as soon as some prejudices are overcome and the advantages are thoroughly understood and appreciated. It is also believed that the measure will be decidedly "popular" in the community at large, not only because of the confusion that has heretofore existed, but also because of the recent serious troubles and failures of banks in various parts of the State, brought about through laxity of methods, and especially because of the entire absence of any State examination or regulation. The proposed new law requires all companies (banks, etc.) incorporated thereunder to use the word "incorporated" on all letter-heads, drafts, certificates of deposits and pass-books.

PROVISIONS OF THE PROPOSED BANKING LAW.

The proposed new law permits the organization of commercial banks having a capital of not less than $25,000; of Savings banks having a capital of not less than $50,000; of safe deposit companies of not less than $25,000 and of trust companies having a capital of not less than $100,000. It also permits, under certain conditions, the combination of any, or all, of these institutions provided the capital of a combined commercial bank and safe deposit company shall not be less than $25,000; of a combined commercial bank and Savings bank not less than $50,000; of a combined Savings bank, commercial bank and safe deposit company not less than $50,000; of a combined trust company and safe deposit company not less than $100,000, and of a combined trust company and Savings bank not less than $150,000 and of a combined trust company Savings bank, commercial bank and safe deposit company not less than $150,000. Trust companies are also required to deposit $100,000 with the Treasurer of State.

The bill further provides, however, that in case of any of these combinations the funds and accounts of each department, that is, commercial, savings, trust, etc., shall be kept separate and apart from the funds of any other department of the combination.

Provision is also made for the creation of a surplus of not less than twenty per cent. of the capital in all cases.

Before any of these institutions can commence business the entire capital stock of the corporation has to be subscribed and at least fifty per cent. thereof paid in, and the remainder of the capital stock must be paid in in monthly installments of at least ten per cent. each. The approval and authorization of the Superintendent of Banks has also to be obtained.

Loans can be made, under certain conditions, up to twenty per cent. of the paid-in capital and surplus, to one individual or company, and loans upon real estate can be made up to sixty per cent. of capital stock, surplus and deposits, provided a resolution authorizing the same be adopted by a vote of two-thirds of the board of directors; such loans not to exceed sixty per cent. of the actual value of such real estate including improvements, which must be insured.

The provisions governing loans are somewhat similar regarding all classes of financial institutions mentioned in the bill, but the necessary brevity of this paper will not permit of entering into these details. Clauses provide at length for the investment of the funds of these various institutions, and Savings banks and trust companies are permitted to make certain loans and investments when the same are authorized by an affirmative vote of not less than two-thirds of the entire board of directors; for example, trust companies, in addition to the investments usually recited, are authorized to invest in certain other "stocks and bonds"—when the same are authorized by an affirmative vote of not less than two-thirds of the entire board of directors of such company—"and the promissory notes of individuals, firms or corporations, when secured by a pledge of any of the aforesaid securities"; also to invest in ground rents, provided such investment is authorized by the unanimous vote of the board of directors. Savings banks and trust companies are not permitted to invest more than twenty per cent. of the capital and surplus in one security or loan, except in providing a suitable building. Commercial banks are given more general and extensive powers relating to commercial paper, business and loans. Savings banks and trust companies are given the usual powers, and the funds held by the latter in trust shall not be liable for any general liability of the company, nor shall such funds be mingled with the investments of the capital stock or other moneys or property belonging to the company.

The provision of the National Banking Act prohibiting overcertification of checks is incorporated in the bill.

All these institutions, except trust companies, are permitted to make loans to their officers and members of their board of directors. Trust companies are prohibited, both under existing laws and in the proposed new law, from making loans to officers, directors or employees, and it is thought by members of the committee that this prohibition should also extend to the Savings banks.

In addition to the restriction upon loans and investments referred to in a general way above, each institution is required to have an executive committee to consist of at least three members of its board of directors; that that committee shall meet at least once each week and shall pass upon all loans and investments; that minutes shall be kept of the meetings of such executive committee, including records of all loans and investments, and be submitted to the board of directors for approval at each meeting of the board.

The reserves to be maintained by each of these institutions or by any combination thereof, are as follows: "at least twenty per cent. of their total demand deposits, and fifteen per cent. of the total of their time deposits. At least five per cent. of such demand and time deposit shall be kept on hand in cash in the vaults of such banks; the balance of such reserve which may not be kept on hand in cash, shall be kept subject to demand in National banks of the United States, or any banks, Saving banks, trust companies, or other banking institutions in States where such institutions are subject to State supervision and to examination by a Superintendent of Banks or bank examiners provided for in such States."

This is a very brief summary of a draft of a very long bill, which has required an amount of detail work, and an expenditure of time, that cannot be realized by any one who has not actively engaged in a similar task. Almost all details have here been omitted, and it is more than possible that many matters of special interest have not been mentioned regarding which some of you may desire information. A copy of the bill is here and it will be a pleasure to answer any questions.

The committee having the drafting of this bill in charge fully realize the magnitude and importance of the work undertaken, and the imperfections that, doubtless, exist in the measure they have prepared; but it is the sincere desire of every member of the committee to have the State of Ohio enact laws governing all its financial institutions that will place these institutions, and their credit, and the financial standing of the State as represented by them, upon the very highest plane.

The committee recognize, however, that many prejudices have to be overcome, and though agreed that in some respects the bill could be improved from a conservative point of view, believe that the enactment of the bill into law would be a very long step in the right direction—an improvement of almost incalculable value upon the existing conditions, and will, by accustoming the financial institutions of the State to supervision, examination and regulation, lead to further improvement in the law, while a more stringent measure might encounter serious opposition.

The draft of the bill as now prepared has been approved unanimously by the sub-committee of the Ohio Bankers' Association and the State Board of Commerce, and will be presented, for approval, at the meeting of the Ohio Bankers' Association to be held on September 27. When it has received the approval of the Ohio Bankers' Association, copies of the bill will be forwarded to every member of the Ohio State Board of Commerce, which is thoroughly representative of the business interests of Ohio, having a very large membership extending into every county in the State. So it is expected that when the final draft of the bill is presented to the Legislature for enactment into law it will have received the approval of not only the banking interests, but also of, practically, the entire business community.

THE PRESIDENT: Gentlemen, you have listened to this very interesting paper, which will take the usual course and be printed in our transactions. A question has occurred to me which perhaps our secretary can answer, and which may be of interest to others. That is as to what will become of the few non-capitalized Savings institutions now existing in the State of Ohio, in the event of the passage of this proposed legislation?

THE SECRETARY: There are, as I understand it, four Savings banks in Ohio that are mutuals, that were organized long previous to the present legislation. As I understand it they will not be interfered with, with the exception that five times a year, like all financial institutions, they will have to make reports to the Superintendent of Banks. They are not interfered with otherwise. Their investment and organization will remain the same as at present.

THE PRESIDENT: But they will come under the examination of the Bank Superintendent?

THE SECRETARY: Yes.

Thereupon the section adjourned until 2 o'clock p. m.

AFTERNOON SESSION.

THE PRESIDENT: At the time of the adjournment we were considering the address of Mr. N. Henchman Davis, of Ohio, on the subject of proposed legislation in the State. Is it proposed that any action be taken, or is any debate or interrogation desired on that subject before passing to the next order of business? We wish everything to be as fully discussed as possible, but if no one has anything to say we will pass on. The essay is a very exhaustive one, and doubtless has placed the matter in as good a shape as it can be at present.

The next order of business is the report of our special committee on accounts opened in two names. That committee consists of Mr. B. W. Johnson, of Albany; Mr. J. H. Johnson, of Detroit, and Mr. W. W. Cloud, of Baltimore. The chairman of that committee being absent, I will call upon Mr. J. H. Johnson, of Detroit, to read the report.

MR. JOHNSON: Mr. President, the committee having made a complete report, and copies of it having been furnished to all the members of the section, I would suggest that the reading of the report be waived.

THE PRESIDENT: And that it be accepted as printed and laid before us.

MR. JOHNSON: Yes.

THE PRESIDENT: You have heard the motion, gentlemen? Is it seconded.

The motion was seconded, and it was ordered that the report be accepted as printed.

ACCOUNTS IN TWO NAMES—REPORT BY THE COMMITTEE APPOINTED FOR THE PURPOSE.

Report of committee appointed in pursuance of the following resolution adopted at the convention of the Savings Bank Section of the American Bankers' Association in New York, September 13, 1904:

"Resolved, That the chairman appoint a committee of three to consider the question of a form of uniform law regulating the accounts of depositors opened in two names, and report at the next meeting."

The committee will preface their report with the following communication from Mr. Thomas B. Paton, honorary counsel to the section, received in reply to a request that, for their information, he should draw up a tentative form of statute in regard to two-name accounts:

"New York, April 6, 1905.

Mr. William Hanhart, Secretary Committee on 'Two-name' Accounts,
Savings Bank Section,
American Bankers' Association, New York, N. Y.

My Dear Sir—In pursuance of your request, following the action of the convention of the Savings Bank Section last September, that I draw up a tentative form of statute to apply to the joint and trust accounts and which could be adopted in all the States of the Union, for submission to the committee on 'two-name' accounts, would say:

I have given the subject due consideration and have prepared two forms of statutes, which I send you herewith.

The object of the proposed act conferring upon a depositor the power to nominate another to whom the balance, or any portion thereof, due by the bank at the time of his death, shall belong and be payable, is to enable a depositor, while retaining full ownership and control during his life, to prearrange a disposition of the same when he dies. It has the same effect as if he made a will bequeathing the amount to the nominee or nominees, and obviates the preliminary trouble and expense of will making and the subsequent probate proceedings. In the case of a multitude of small depositors their Savings bank accounts are substantially their all, and by legalizing this method of testamentary disposition it confers a real benefit upon a numerous body of depositors who otherwise would not take the precaution of making a will and who often, by attempting to make a testamentary disposition by some form of trust or joint account, have their intention frustrated by some legal ruling that what was plainly their own property, owned and controlled by them during their life, cannot be disposed of at their death in such manner.

Concerning the other act as to joint accounts, or accounts which are put in two names and often made payable to either or the survivor, it does not seem advisable that legislation should attempt to regulate titles during lifetime of the parties by providing that ownership vests in the two parties jointly. Sometimes when these accounts are created both parties have property rights therein; more often one owns the account and puts it in a joint form that the other, generally a relative in whom he has confidence, may have the power also to withdraw during his lifetime should occasion arise, and shall take by survivorship in case he dies first. In such cases the original owner practically retains control. Legislation which would give the other party property rights in the account, when one was intended during the lifetime of the original owner, would in many cases frustrate the design of such accounts and be unjust. The limit to which legislation may appropriately go, it would seem, would be to provide for or regulate payment by the bank of such accounts during the lifetime of the parties and where they are made payable to the survivor protect the bank in paying the latter.

The form of act submitted regulates payments of these accounts during lifetime of the parties and further, where there is a 'survivor' provision, provides that upon the death of one the money shall be payable to the survivor. This will protect the bank in making payment to a survivor as against representatives of a decedent who may claim he never parted with ownership during life. It is doubtful whether legislation should go further and ordain that the term "survivor" should carry the property to the latter. Doubtless it is the intention in the large majority of savings accounts payable to A or B or the survivor that, upon the death of one, the survivor shall become sole owner; but there are cases where such is not the intent. The act as submitted is tentative and designed to bring up this question for full consideration. If thought best that the term 'survivor' should at death have property-conveying force, the act could be changed to read 'Upon the death of one the moneys due upon such account shall belong and be payable to the survivor.'

The proposed legislation has been drafted in two separate acts, regulating respectively accounts having nominees and joint accounts. If thought desirable both might be incorporated in a single act. They are submitted for consideration of the committee. Very truly yours,

(Signed) Thomas B. Paton."

"An act to confer upon depositors in Savings banks power to nominate the person or persons to whom any sum due by the bank at the death of depositors shall belong and be payable.

Be it enacted, etc.:

1. Any depositor in a Savings bank may by writing, executed as provided in this act, delivered at or sent to the office of the bank, nominate a person or persons to whom any moneys due by the bank to such depositor at his or her decease or any portion thereof, shall belong and be payable; and may from time to time revoke or vary such nomination by writing similarly executed and delivered.

2. Such nomination shall be subscribed by the depositor in the presence of a witness, who must be some person other than the nominee, but may be an officer or employee of the bank; and such witness must also sign in that capacity and add his or her address to the signature.

3. It shall be the duty of the bank to which a nomination, as above, is delivered, to preserve the same and make such entries on its books or records as are requisite to clearly evidence the fact of such nomination. And upon delivery to it of a revocation of such nomination, or of a new nomination in change or variance of a former nomination, the bank shall preserve the same and make entries or records accordingly.

4. Any such nomination, or any revocation thereof, shall take effect from the time of its delivery to the bank. The effect of an unrevoked nomination shall be that upon the death of the depositor making it the moneys due by the bank to such depositor, or such amount thereof as is specified in the nomination, or where the entire amount due by the bank is less than the amount stated in the nomination, then such entire amount shall immediately be and become the property of the nominee or nominees therein specified, and payable by the bank to such nominee or nominees upon satisfactory proof of death and evidence of identification. But money acquired by nomination shall be subject, in the hands of the nominee, to the lawful claims of creditors of the depositor, and to inheritance tax, where the same is imposed by the law of the State.

5. A nomination is revoked by the following acts or events:

(1) Delivery of revocations as above provided;

(2) Delivery of a new nomination in change or variance of a former nomination;

(3) By the death of the nominee in the lifetime of the depositor, save when the nominee is the child or other issue of the depositor, and dies leaving issue, and any such issue is living at the death of the depositor. In such case the nomination takes effect as if the death of the nominee had taken place immediately after that of the depositor, unless a contrary intention appears by the nomination.

The making of a will by, or subsequent marriage of, a depositor does not revoke a nomination; nor is a nomination revocable in any other manner than as above prescribed.

6. The following are appropriate forms of nomination and of revocation, but these forms are not exclusive of any other forms which substantially comply with the provisions of this act:

Form of Nomination.

(Address of bank.)

I hereby nominate..............................of.....................to receive at my decease the whole (or any designated amount) of the amount then due me by (name of bank) upon deposit No....... (or any other sufficient description of the account or accounts).

Dated.......................... (Signature of depositor.)

In presence of..........................

(Signature and address of witness.)

Form of Revocation of Nomination.

(Address of bank.)

I hereby revoke the above nomination.

(Dated, signed and witnessed in same manner as above.)

Form of Revocation on Separate Sheet.

(Address of bank.)

I hereby revoke nomination executed by me on (insert date and description of nomination) which was delivered to (name of bank) on

(Dated, signed and witnessed in same manner as above.)

7. Where a nomination or revocation is executed in any other State or country the witness must be an officer qualified to take the acknowledgment or proof of a deed of real property situated in this State.

8. Wherever a depositor making a nomination cannot write, the witness must sign the following certificate:

'I certify that the foregoing nomination has, before being made by the depositor, been first audibly, clearly and distinctly read over to him (or her) in my presence and hearing, when the depositor appeared perfectly to understand the same and made his (or her) mark thereto in my presence.'

(Signature and address of witness.)

This act shall take effect.........................."

"An act concerning the payment of joint accounts in Savings banks.

Be it enacted:

When an account in a Savings bank is opened in the names of two persons jointly, or an existing account in a single name is changed to the names of two persons jointly, without in terms being made payable to either, such account shall be paid only upon the joint order of such persons. If to such account is added the words 'or survivor,' upon the death of one, the moneys due upon such account shall be payable to the survivor.

When an account is opened in a Savings bank to the credit of two persons, or to an existing account in a single name is added the name of another person, and the account is, by its terms, made payable to either or the survivor, the bank may, during the life of both persons, pay either, and upon the death of one the moneys due upon such account shall be payable to the survivor."

Joint accounts in Savings banks are usually opened for the convenience of customers who desire that during the lifetime of two depositors either one may draw the funds on presentation of the pass book, and that at the death of either the balance standing to the credit of the account shall be paid to or be subject to the order of the survivor without the cost and formalities of probating a will, or applying for letters of administration. The effect of these accounts is that the survivor takes, and that in the meantime either of the two parties may withdraw part or the whole of the amount. The real ownership of the money when first deposited, or of any subsequent deposit, is never inquired about or questioned by the bank; the property is held in joint tenancy, the survivor taking.

Some Savings banks accept these accounts without asking any questions and require no declaration or agreement, it being understood with the depositors that the bank will pay either of them on presentation of the book.

The majority of Savings banks, however, require the depositors to sign some form of declaration reciting that the account is held for both of them and authorizing the bank to pay either of them or the survivor of them. This declaration, when signed by both depositors on opening the account, is called a simultaneous declaration. It varies considerably in form, but practically all have the above matter embodied in them.

We have carefully considered the proposed statute suggested by Mr. Paton as a means to effect the purpose intended by these accounts.

At first glance it certainly would appear to be very desirable to have such a law provide for a legal form to be complied with in opening an account in two names or in adding a name to an existing account, and then having that action on the part of the depositor or depositors decisive and not capable of review by the courts, except of course on the legal grounds upon which any legal instrument can be attacked. We must, however, consider this question in all its bearings; it is really twofold.

1. Is such general legislation practicable and is it capable of adoption in all the States?

2. Admitting such legislation to be feasible, would it be really desirable and would it accomplish the desired results?

Answering the first question, this committee entertain strong doubts as to the practicability of obtaining general legislation on the subject that could be passed and enforced in all the States; for any legislation to attempt to regulate such property rights, which of their nature are very diverse and complicated, would, we believe, be hardly possible, and we also fear that in many instances, such legislation would defeat the intent of these accounts as they are now opened; moreover, the judicial decisions in the several States regarding these accounts are so very conflicting that even if a general statute could be devised and adopted it would, after all, in many instances, be reviewed by the courts according to the special conditions existing in the different cases, and this would often defeat their purpose.

In addition we would say that the conditions are so different in the several States, both with regard to existing laws and to the character of the institutions, that in our judgment no satisfactory statute of this character would have any prospect of passage; aside from that, a very large expense would be involved for which the return, even if the efforts were successful, would be entirely disproportionate.

We have now to consider whether such legislation would be desirable at all, and we have no hesitation in answering this question in the negative for the following reasons:

It must first be admitted that the actual property rights involved in the joint accounts of Savings banks are practically far beyond the knowledge of the banks. We take it that a bank, willing as it is to accommodate its depositors by opening joint accounts, must, as a paramount condition, consider its own safety, as well as protect its customers in making payments. If this safety and protection can be secured, not by general legislation, which will at all times be reviewable by the courts and give endless trouble both to the depositors and to the bank, but by the adoption of some standard form or declaration to be signed by the depositors when opening the account or by the original depositor when adding a name to his account, the object will be realized in a greater measure and in more satisfactory way. It appears to us to be possible to devise such forms of declaration as would make the matter plain to the depositors, secure the bank in paying either or the survivor of them, and at the same time not attempt the impossible task of regulating present and ultimate property rights of which the bank really knows nothing and desires to know nothing.

To show how difficult this matter is becoming we would mention that an amended Inheritance or Transfer Tax Law, lately passed by the New York Legislature, compels the banks, under a penalty of $1000, to give the State Comptroller ten days' notice of intention to pay or transfer to the legal representatives of the decedent, or to the survivor, any deposits standing in the joint names of a decedent and one or more persons. This dangerous statute disregards the fact that a Savings bank in most cases has no means of knowing whether one of the parties named in a joint account is dead or not, but, according to the law, the penalty could be enforced just the same.

Under this law, although as a matter of fact in at least seventy-five per cent. of all cases arising there is no contention that any tax could really be assessed, the bank must notify in each case or suffer the penalty. It is incumbent upon the bank to know, whenever an attempt is made to withdraw a two-name account, whether both the persons named are still living, which it can be readily seen would be an absolute impossibility in any bank having a large number of depositors scattered all over the country. If this law is to be strictly enforced, and its repeal cannot be secured, the ultimate result will be the abandonment of two-name accounts in New York State Savings banks. These accounts were used in one form or another long before there was any thought of a succession tax and were intended to enable the account to continue and be withdrawn without any formality in the event of the death of one of the persons named in the account, and as incident to this form of account, though not its only intent, the cumbersome and expensive proceedings of administration were avoided.

The committee believe that two-name accounts meet a great need, particularly with depositors of limited means, and should be encouraged whenever they are not made impossible by adverse legislation such as above mentioned.

After due consideration and deliberation this committee reports that they do not consider that general legislation regulating joint accounts in Savings banks is either practicable or desirable, and believe that the ends desired can be more easily and effectually accomplished by the adoption of suitable forms for all two-name accounts, and suitable blanks to be used by Savings banks. Owing to the differences in the practice of Savings banks in the several States, and also the varying decisions of the courts, the committee believes it unwise at the present time to suggest any uniform form for use by all the Savings banks.

In conclusion this committee beg to state that they do not consider they have a right to go behind the strict letter of the resolution in pursuance of which they were appointed, and therefore they have not considered the matter of trust accounts referred to in Mr. Paton's communication, especially as their inclusion would tend greatly to complicate a matter already sufficiently confused.

Respectfully submitted,

Benj. W. Johnson, Chairman; J. H. Johnson, W. W. Cloud, Committee.

THE PRESIDENT: A number of gentlemen desire to be heard on this question, and it seems appropriate that the discussion should be opened by the counsel of the executive committee, who has studied this subject more thoroughly than anyone else. I should like to hear from Mr. Paton, of New York.

MR. PATON: Mr. President and Members—Gibbon, in his admirable history of the decline and fall of the Roman Empire, tells us that after five centuries the number and weight of the laws became so numerous that the proposer of any new law stood among the people with a cord around his neck, and if the law was rejected, he was immediately strangled. Now, gentlemen, having been the counsel who drafted the proposed laws which are rejected, so to speak by the committee, I am very glad indeed that we do not live under any such conditions.

The origin of this matter of the regulation of two-name accounts began in a discussion of the last meeting. The proceedings of that meeting are of record, and there is no necessity of going into detail as to them. It is sufficient to say that a committee was appointed with the request that they consider the framing of a uniform law to regulate the subject of two-name accounts. That committee honored me with the request that I draft such laws. I drafted two laws, one covering trust accounts, the idea being a law which would supplant the attempts of people to make a will by putting money in trust for another, by a form of declaration or nomination, rather. It is fully set forth in this report, and you have all read it doubtless. The other law which I drafted was a proposed law to protect the banks in paying joint accounts to the survivors. The committee have absolutely excluded from consideration the trust law as being beyond their province, and have confined their report to the law regulating joint accounts. In their report they reached the conclusion that it regulates property rights. It was not intended to do any such thing, and I do not think a reading of the law will so indicate. It simply protects the banks in paying to the survivor. The committee in their report say that legislation regulating joint accounts is neither practicable nor desirable, and they recommend a standard form of declaration, uniform terms to be adopted by the banks for the regulation of these accounts. Now, we all know that joint accounts are in great variety of forms. It will not do to say that they are numberless, for even the hairs of our heads are all numbered, and I have heard some gentlemen say that they wish they had a few of the back numbers.

But our industrious secretary has collected a large number of these forms which have been devised doubtless by attorneys for the banks in different States, in an endeavor to conform to conditions as developed by decisions of the courts in those States. We all know that the decisions governing these joint accounts are conflicting in the different States, and that they will continue to conflict.

Now, the problem which this report of the committee presents to us to-day is this: You evidently are dissatisfied with existing conditions. You want some method of regulation. The question is, Will you adopt legislation protecting the banks in paying joint accounts to the survivors, or will you leave things as they are? It seems to me that it will be impracticable to adopt any standard form of joint account as recommended by the committee, with all due respect to that committee, unless it is backed up by legislation. Take any form that may be submitted, Will the banks in that State adopt it, knowing that the courts in that State may differ in their construction? It seems not. It seems as if the only practical way to regulate that subject at all is to adopt a statute which will protect the bank in paying to the survivor. Of course, this is simply my individual opinion. You all may differ with me. This proposed statute will protect the bank, so that it will not be put in the dilemma, as it often is, of interceding between the parties or paying when it is unsafe to do so.

Why is not such a statute practicable? We recollect that banks, with reference to a form of account in trust, felt unsafe in paying to the beneficiary on the death of the trustee, and statutes have been enacted in at least a dozen States permitting the trustee, in the absence of notice of any other conditions of the trust, to pay to the beneficiary. That statute does not regulate the title, but it protects the banks. Now, why cannot the same thing be done, and why is it not the best thing? It is for you to discuss the enactment of such a statute.

Now, the proposed Ohio legislation that was made the subject of an address this morning, in section 33, contains just such a provision. It is brief and I will read it.

"Whenever a joint deposit is made to the account of two or more persons, with an agreement that such deposit is to be subject to the check of either party, and that it shall continue so notwithstanding the death of anyone or more of the persons, making such joint deposit, such account shall continue to be payable on the check of the survivor, and death of anyone or more of the persons making such joint account shall not revoke the power of the survivor to check on such account; and no recovery shall be had against such company for amounts so paid on the checks of such survivors or survivor and charged to such account."

That is simply in another form of language providing as is provided in this proposed Act.

When an account is opened in the Savings banks by two persons, or to an existing account in a single name is added the name of another person, and the account is by terms made payable to either or the survivor, the bank may, during the life of both persons, pay to either, and upon the death of one the moneys due upon such account shall be payable to the survivor.

I do not understand that the words "shall be payable" regulate any property rights. If there is any question about it change them, and let it read "may be paid to the survivor." That is as far as legislation should go, and it seems to me that it is much the better and wiser and simpler and more practicable way of regulating the subject of joint accounts than to adopt any standard form which will not be adopted in all the States in view of the conflicting constructions which the courts in the future will put upon it. These are my views with reference to joint accounts, and the other subject not being within the province of the committee, according to its report, I will not assume to discuss that now.

THE PRESIDENT: Gentlemen, I wish to call attention to what seems to me to be one misapprehension on the part of the committee. Only one member of the committee was present at the meeting of last year, and he was not the chairman of the committee. It was distinctly understood then that two-name accounts included trust accounts, because the trust account of necessity has at least two names on it, one the trustee, and the other the *cestui que* trust. I raised that question myself, not thinking at first that the expression "two-name" was susceptible of that interpretation, but immediately it was definitely stated that two-name accounts were intended to include the trust accounts. Therefore I should rule that the discussion on trust accounts is perfectly proper under this report, although the committee has been under a misapprehension in believing that this was not intended to be part of their sphere. I shall be glad to hear any other remarks on the general subject.

Mr. JOHNSON, of Detroit: This is a rather difficult subject to take up, and I have found that the more I attempted to learn the less I know.

I think you will have to divide the subject, with all due regard to the President. I think we shall have to keep the subject of the joint accounts separate from the trust accounts, because I think the legal propositions are different. I am not an attorney, but it occurs to me that they are. The conflicting laws of the various States, and the different conditions, make it extremely difficult to pass any law that could be used generally, as I have been told by several prominent attorneys, and they told me, too, that a simple form of declaration in the making of the deposits would cover the banks fully. If you are careful to avoid any reference or condition which indicates that either party draws by virtue of a power of attorney, then the bank is fully protected by this simple form of declaration. I have looked over the various forms of contracts which are signed and executed and made a part of the deposits, but unfortunately I have not had an opportunity to consult with our chairman, and have consulted for only a few moments with the other members of our committee. It is only my individual opinion, that the simplest and best form I have found in the various two dozen or more that the secretary has selected for us, is the simple declaration "payable to both or either, or the survivor," and stop right there.

Now, I have here the legal opinion of our attorneys on the subject, and they rule against Mr. Paton and his proposed draft of a law. I also have the opinion of a very prominent firm of attorneys in our city, holding that the law is not necessary, but that such a simple clause as I have suggested, will fully protect the banks. If you have the time later I shall be glad to read those letters to you, but I do not want to occupy your time unless you are so disposed.

Mr. Rother: Mr. Chairman, I believe this question of two-name accounts has been a trouble to the Savings banks ever since they were in existence, and I do not believe more trouble has been caused in any State than in Maryland by this question. On last Saturday a case came to my notice where a gentleman deposited $3,000 in his own name and the name of a lady, subject to the order of either and the survivor. We have any number of decisions in the State of Maryland that if the bank knows of the death of either of the parties it pays the money at its peril. In this case to which I refer, the bank book was given to the lady after the deposit was made. After the death of the gentleman she went to the bank and withdrew the account and deposited it in her own name. The attorney for the heirs, learning of the deposit, has entered suit against the administrator. I have consulted with three different attorneys and each one of them tells me that the heirs will get the money.

This shows that the proposition made by Mr. Johnson does not cover the case, because the intention of the depositor is that the money shall go to the survivor and not to the heirs.

Now, ten years ago, in order to bridge over this difficulty, our attorneys in Baltimore of all the Savings banks had a consultation on this point, and they devised a form which has been adopted, as far as I know, by all except two of the Savings banks, and which has stood the test of the courts. That is, creating a trust: John Jones, in trust for himself and Mary Jones, subject to the order of either, the balance at the death of either to belong to the survivor. That is a form that I understand will hold in Maryland. Why should not that also hold in other States? The decision of the courts in the State of Maryland have held unanimously that the placing of additional names in a Savings bank book is not a gift, because it can be revoked. It is a gift with a string to it, and in the eyes of the law no gift at all. That is why at the death of either of the parties the money goes to the estate; whereas, by creating a trust, in the manner I have suggested, it is out of the reach of the administrator. That is the practice in Maryland. I believe that would apply to other States. Of course, not being a lawyer, I cannot tell certainly; but it does hold good in Maryland.

Now, coming back to Mr. Paton's proposition, by the Act that he proposes, if it were adopted by the Legislatures of our various States, I see no reason why that should not control, certainly to the satisfaction of the banks, because it would give the banks a complete discharge. According to my opinion it would also comply with the desires of the depositors, because that is what we want. We know from experience that the desire of the depositor is to have his money go to the other depositor named in the bank book, and to avoid the expense and trouble of proceedings in the orphan's court. Besides that it may be a special fund which had been intended for a certain party, as was the fact in the case that came to my notice last Saturday. This woman had boarded the old gentleman for five or six years at about ten dollars a month, and he told her, "I have $3,000 in the Savings bank, and that is deposited in your name with the provision that when I die that money will belong to you." Now, here is a case where under ordinary circumstances we would recognize the fact that that money belonged to that woman, but under the form as proposed here by Mr. Johnson it would go to the estate. It appears to me that the trust account is the only one to overcome the difficulty, if that is good in other States.

The President: I would like to have the gentleman who has just spoken give us the literal words of that declaration, as it is very important that we should know exactly the words used.

Mr. Rother: I can give the exact wording of it: "John Jones, in trust for himself and Mary Jones, joint owners, subject to the order of either, the balance at the death of either to belong to the survivor."

Mr. NIEMEYER: I would like to ask the gentleman a question in the case. Is the administrator in possession of the money?

Mr. ROTHER: The bank has the money.

Mr. NIEMEYER: The bank has not paid it out yet?

Mr. ROTHER: The money is in the bank.

Mr. NIEMEYER: I thought the bank had paid it out.

Mr. ROTHER: No, sir. It was transferred to another account, but it was still in the bank. If the bank had paid it out, there would have been no redress against the bank in Maryland, but as the money was left with the bank in the name of the devisee, it can be traced.

Mr. HANHART: Mr. President, with your kind permission, I will say a few words in relation to accounts opened in Savings banks by one person in trust for another. The committee on two-name accounts in their reports have confined themselves to the question of joint accounts, and have come to the conclusion that, in their opinion, general legislation for such accounts is neither practicable nor desirable, in which opinion I heartily join; although I believe that a general form of declaration to be signed by both parties at the time of opening these accounts could be devised, and successfully adopted by Savings banks in all the States of the Union; but for the present I will confine my remarks to the question of trust accounts as considered in Mr. Paton's communication.

It is with considerable diffidence that I venture to differ with the honorable counsel of this section, and before stating my views I will say that I take off my hat to Lawyer Paton, than whom no better man exists, to clearly and understandingly state the different points relating to any legal question affecting banks. He is an honor to our section and my very good friend.

Mr. ROTHER: If our secretary will permit me to interrupt him, I wish to say that this declaration was made in one instance, and signed by the depositor, and yet the courts decided that it did not hold good. The only way in which it could hold good would be if it had two witnesses, taking the place of a will, and then it would have to go through the orphan's court. A declaration such as you speak of, signed by the depositor, stating, "I desire that at my death this money be paid to Mary Jones," that statement being signed by him, the court said that notwithstanding that, it belonged to the estate.

Mr. HANHART: I am trying to cover this point, if you will have patience with me for just a few moments. Of course, my views are from a banker's standpoint. I am no lawyer. I am only a layman.

In stating my views I desire to say, first, that they are altogether from the banker's standpoint, as I am no lawyer. I am, of course, quite willing to take Mr. Paton's statement of the law itself; but after all, I think that being in business we should do business in a businesslike way, with the sole view of furthering and increasing this business, not forgetting that we are dealing with depositors many of whom are uneducated. We must endeavor to make our transactions with them as plain and easy as is consistent with safety.

The statute proposed by Mr. Paton is very thorough, and it seems to cover the ground entirely; but my first objection to it is that I doubt if such a statute could be universally adopted by the Legislatures of the several States, without being amended here and there, and it would thus lose much of its usefulness. In my opinion it is too particular and too minute.

Apart from this general objection, there are several others that strike me very forcibly. The first and the greatest is that it attempts to make people nominate their beneficiaries by a specified instrument in writing, instead of merely opening an account in the old-fashioned way which for years has been used by hundreds and thousands of depositors in the East, and which I understand is also generally used in the West; and that is, for a depositor when depositing his or her money, to state that it is in trust for a certain beneficiary.

This proposal of nomination would also complicate matters materially, in so far that not only would a nomination in each case have to be signed and witnessed according to a given form, but when made outside of the State it would have to be certified by a person authorized to take acknowledgments relating to real estate. Many deposits are nowadays received by mail, and should the depositor reside without the State it would be an additional expense to him, when opening the account and also whenever he would change his beneficiary.

This proposed, so-called, nomination is copied from the English custom, where it worked very well, but the conditions are very different as between England and the United States. In England, the Government is supreme, and having once adopted this system of nomination it could enforce it without trouble. In this country, I fear that these nominations would frequently be set aside by the courts as clashing with the statute of wills; aside from this consideration why, may I ask, is it necessary to adopt this English system of nomination When a woman deposits $100, stating that she would like to have her son Johnnie's name added to the account, so that at her death it would go to him, why is this not sufficient, or could it not be made sufficient by a short statute legalizing this trust, declaring the account to be a tentative trust, to become legal and valid only at her death?

Similar legislation exists in several States of the Union, amongst others my own State of New York, where the statute permits payment of such accounts in Savings banks to the beneficiary at the death of the trustee. An objection to this, however, seems to be that the statute is merely permissive, and whilst it safeguards the bank in making such payment, it does not declare that the balance on hand at the death of the trustee belongs to the named beneficiary; it merely permits payment to him, but does not settle the ownership.

Taking it altogether, I must say that I am not in favor of such a radical change as the one proposed, and consider that a short form of statute following along the lines that we have always been used to, and merely legalizing this matter, would be more satisfactory to the bank as well as to the depositor.

Savings banks are recognized as among the most conservative forces in our financial system, and should be loath to introduce new systems as long as the old ones are fairly satisfactory, or could be made so by a short enactment.

I now beg leave to offer you the following form of statute, based on a recent decision of the Court of Appeals of the State of New York, and which statute I believe could be adopted in every State of the Union:

"A deposit in a Savings bank by one person of his own money, in his own name, as trustee for another, is a tentative trust only, revocable at will; at the death of the depositor before the beneficiary and without revocation, an absolute trust is then created as to the balance on hand, which shall immediately become the property of the beneficiary, and payable to him by the bank."

Being only a layman, I quite realize that the phraseology of this proposed statute may be considerably improved, and therefore I merely offer it to this convention as a suggestion of what would, I think, thoroughly cover the ground relating to trust accounts, legalize the whole matter, and at the same time make no change whatever in the usual methods of handling these accounts. It would merely confirm what is the general use, and make it plainer, safer, and legal.

A Member: How about the property rights of creditors, under that proposed statute?

Mr. Hanhart: This proposed legislation would put the property rights of the creditor out of the question. It would make it a tentative trust, becoming legal at the death of the trustee, and creditors would have no interest in it. They may have an interest in it until the trustee dies, but at his death it turns the account into a legal and valid trust.

Mr. Rother: Mr. President, is not that an entirely and distinct thing from the proposition of Mr. Paton? Mr. Paton's proposition for an enactment covered accounts that had not been made trust accounts, while Mr. Hanhart's proposition covers accounts that have been made trust accounts. I believe if we want to cover the ground it would be necessary to recommend that both forms of account be recommended to the section for consideration. I would like to have the views of Mr. Paton on that.

Mr. Paton: Mr. Chairman, I beg pardon for appearing twice, but in my former remarks I simply confined myself to joint accounts, as that was the only subject taken up by the committee. In drawing these two forms of laws, one the nomination law, which Mr. Hanhart confines himself to exclusively in his paper, and the other the joint account law, I had in mind the regulation of the two subjects. In the trust law, or nomination law, my object was to make a will to regulate title. In the joint account law my object was simply to protect the bank.

Now, we all know that the numerous forms of deposit, A in trust for B, have been construed differently in the different States. The decisions to which Mr. Hanhart refers, settle the law in the State of New York, and if that law was universal in every State, we would have no further trouble. Under that judicial law in New York you can make a will by putting an account in trust for another. The Court of Appeals declares that it is a tentative trust. It is revocable at will. It is a will or it is not a will; you have it or you do not have it until you die, and then what is left goes absolutely to the beneficiary. That is nothing more nor less than judicial legislation, and if the courts of the other States were to adopt the same view the matter would be regulated; but no later than last July the Court of Chancery of New Jersey had the same kind of a case before it, of a deposit by one person in trust for another, and nothing appearing as to the intention of the depositor. The depositor died and the contest before the court was between the beneficiary and the estate of the depositor. Under the decision of the Court of Appeals of New York, the beneficiary would have been entitled to that. The New Jersey Court of Chancery in a voluminous decision, criticised the Court of Appeals of New York and declared it to be judicial legislation, holding that it is against all established legal principle, that such matter is for the Legislature and not for the courts, and that is the law in New Jersey, that the money under those circumstances belongs to the estate. Now, see the conflict of authority. In New Jersey in order to effectuate the intention of the depositor it is necessary to make a will; because under the law of wills, if property is to go in a different channel from what the law provides on the death of a person, it must be according to the law of wills, with witnesses and all the formalities connected with the making of a will, including the probating of the will.

Now, it is universally recognized that it is desirable, in the interest of the small army of Savings bank depositors, to simplify that matter in the case of small accounts. The amounts might be limited. Therefore it would seem that legislation in this direction is desirable. The courts in their opinions admit that. The question is what form of legislation shall we have. I looked at the English legislation, and saw that there they have a system of nomination by which a person desiring to own their money in the Savings bank as long as they live, but desiring it to go to another specified person upon their death, could by writing in several forms say, "I nominate so-and-so to take the whole or any part of the amount due me by the bank at my decease." That would be in reality a will. The form which our honorable secretary suggests is to enact a statute in conformity with the decision of the New York Court of Appeals, to the effect that when a deposit is made in trust for another, and no other declaration is made, it is a tentative trust, revocable at will, and at the death the balance remaining shall go to the beneficiary. Now, that will be very nice and very simple. Such a form of legislation would cover accounts not intended to be made wills. You know better than I do whether there are not many accounts put in trust for another, where there is no intention of making a will, where there is no intention of the money going to the beneficiary, but for convenience, to evade some rule of the bank, or for some other purpose, where the depositor expects the money will go to his heirs on his decease. Now, such a form of statute as that would confer the title upon the beneficiary contrary to the intention of the depositor, and in reality is not a trust at all. When a man puts money in trust for another, but intending to have it as long as he lives, and to take it out and use it if he likes, it is not a trust. A revocable trust is no trust at all. He does not hold the title in trust, but holds it for himself. It is really the making of a will, and it seems to me that the transaction which conforms most nearly to the actual intention is this one of nomination. That is the way it occurs to me. Others may think differently.

Now, you may punch a lot of holes in this statute. I am not sure myself but what I could improve it. It was drawn just tentatively, to be brought up for discussion. I refer to this nomination statute. It may well be that it ought to be limited in amount. There have been suggestions made that it does not sufficiently provide for the claims of creditors of the deceased, that the money might be paid over to the nominee and the nominee might spend it before the creditor knew that his debtor had died. Well, is not that done now by the trust accounts in New York? Where does the creditor come in in that case? A makes a deposit in trust for B. A dies and B gets the money. It is the same thing. Of course in a regular form of will, the probating of the will is notice to the creditors, and they are protected, but it is otherwise with these trust accounts in New York at the present time under this decision of the Court of Appeals, where the beneficiary gets the money without any such formality or without any such provision for creditors. Very often in a joint account where money goes to the survivor, the survivor gets it under the decisions where it appears that the intention was to give him the money, and it was given during life, and that joint account was created. This nomination statute, as I say, may be subject to criticism, and it may be improved, but it strikes me that the general principle is the right one with reference to the trust accounts.

Now, with reference to the joint accounts, I think that subject has been pretty nearly all covered by what I said before. The gentleman from Baltimore (Mr. Rother) shows us very conclusively why the form of declaration, payable to A or B, or the survivor, would not do for a standard form of declaration for this association. I recall that the Supreme Court of Rhode Island recently had a case where A gave the bank book to B before he died, and the court held that the survivor took the money. There was another case before the same court where A never gave the book to B and B knew nothing about it, and in that case the survivor did not get the money, but it went to the heirs of the estate.

In every State you will find the courts so conflicting in their views as to the effect of the account of A for B or the survivor, or any similar form of account. For that reason it seems to me that some simple form of statute, not regulating property rights, but protecting the bank in paying to the survivor, would cover the case, and the statute itself would make one uniform form.

THE PRESIDENT: Before Mr. Paton takes his seat I should like to have him enlighten us upon one point in the project of Mr. Hanhart. In his draft of a proposed law, as I remember it, the expression is used "a deposit in a Savings bank by one person of his own money." Now, I should like to know whether in your opinion that is a dangerous phrase to introduce, and upon whom the burden of proof would rest of its having been the depositor's own money.

MR. PATON: Would you read that over again.

MR. HANHART: I am no lawyer, and I said the phraseology might be improved. The language I used was:

"A deposit in a Savings bank by one person of his own money, in his own name, as trustee for another, is a tentative trust only, revocable at will; at the death of the depositor before the beneficiary, and without revocation, an absolute trust is then created as to the balance on hand, which shall immediately become the property of the beneficiary, and payable to him by the bank."

MR. PATON: Would a person deposit any except his own money?

THE PRESIDENT: He might deposit the money of a *cestui que trust*. How are we going to know which it is?

MR. PATON: Suppose I go to the bank and deposit money in my name in trust for John Smith, and I do not know John Smith, and I intend that the money shall be mine, but it is done for convenience. Is not that very frequently done?

THE PRESIDENT: Frequently.

MR. PATON: Under that very statute would not that money go to John Smith, instead of going to my heirs?

THE PRESIDENT: But suppose it was your son's money, derived from some other source, for instance from his grandmother, and you wished to put the money in the bank, your son being too young to transact the business, or not a proper person. What would be the effect of that statute in that case?

MR. PATON: It might change the effect, so that instead of his getting it at twenty-one, when he was entitled to it, he would not get it until I died. That might be. I cannot answer these questions offhand, without thought and reflection.

THE PRESIDENT: Would not the bank have to inquire into the question whether it was his own money, under such a statute?

Mr. PATON: I think it would. I think it would be necessary to confine the deposits in that form to money belonging absolutely to the depositor, concerning which he intended to make a will, and would exclude all other classes of deposits, or exclude the use of that form for all other classes of deposits.

Mr. HANHART: I fail to see where the question of a will comes in. If a short statute is adopted, declaring the conditions of certain trusts; that is, for instance, these trust accounts in a Savings bank, why should it clash with the statute of wills? It is a trust. You are not leaving your money by will, but you are starting a trust, which under the statute would be declared a tentative trust only, revocable at will. Also under the statute it is declared that it only becomes a legal and valid trust at the death of the trustee. It seems to me you are making no will, that it does not clash with the statute of wills, and that it is simply a form of regulating a certain kind of trust, and that is this very form of trust in a Savings bank. I admit that they are very peculiar forms, but these accounts have been opened by thousands, and you might say by millions of depositors in the East. They have given a little trouble once in a while. Occasionally there is a contest after the death of the trustee. The legal representatives of the trustee will try to get the money from the bank but if you legalize the way we have always been accustomed to, which is to pay the beneficiary at the death of the trustee, I think you will be rendering a service to thousands of depositors in the Savings banks of this country. You are legalizing these semi-tentative trusts. You are putting them under the protection of the law. The law will declare that they are only tentative, that you can revoke the trust at any time you are alive, but that the very moment you die, the balance on hand goes as a legal and valid trust fund and belongs to and is payable to the beneficiary. We must try not only to protect the banks in these trust accounts. The bank is fairly protected to-day. Under the statutes of many of the States of the North and East, the banks may pay the beneficiary at the death of the trustee. The bank may pay. That is the language of the law; the banks may pay the beneficiary at the death of the trustee; but if it is desirable to regulate the matter, I say that a short form of statute would probably legalize it better and also cover that point which is not covered, as I understand, in any of the statutes now in force, that is the question of the ownership of the funds on the death of the trustee. It is not only that the banks may pay the beneficiary, but the statute will declare that it becomes a legal and valid trust, and that the money belongs to the beneficiary, and therefore that the banks may pay.

Mr. ROTHER: I must apologize for rising again—

THE PRESIDENT: We are very glad to hear from you.

Mr. ROTHER: As Mr. Hanhart proposes to have a law passed regulating the trust declaration, what objection has he to having a similar law passed regulating the joint account? The one is as important as the other, and I do not believe I am at all wrong when I say that there are more Savings bank joint accounts than there are trust accounts. That is my experience of thirty years behind a Savings bank counter, so I believe it is just as important to regulate the one as the other. I heartily approve of the suggestion made by Mr. Hanhart, but I also approve of the suggestion of Mr. Paton that both should be regulated by law, and not give the courts an excuse to say that that is something for the Legislatures to regulate, and not the courts. Our object is to avoid trouble, to create as little trouble as possible for the depositor, and also to protect the banks. Now, how do we arrive at that? By the enactment of these propositions, the one by Mr. Paton and the other by Mr. Hanhart. Perhaps the phraseology should be changed, but undoubtedly that is the clearest way to arrive at that point. How far we will succeed in having it enacted by the various Legislatures, of course is a question to be determined by the future. We cannot prophesy as to that, but I do not think we ought to come back here and simply accept the report of the committee and let the matter stand where it is now. If we do we will be exactly where we were ten years ago. I believe the report of the committee ought to be rejected, and that the propositions of Mr. Paton and Mr. Hanhart ought to be adopted.

Mr. HANHART: The gentleman asks why I believe that the law should not interfere with joint accounts. I think that question can be answered easily. The trust account, legalized by law by a short statute, and carried on in the way we have always done, is all right. The joint account is a very different thing. I do not see how any law will ever decide the question of ownership of joint accounts. That involves property rights that we cannot enter into. In the case of a joint account, on the death of one of the parties, the question is to whom does that money belong, and I do not believe any agreement entered into beforehand will settle the ownership of the deposit. It may relieve the bank of liability in paying, but a joint account is a very different thing to a trust account. It involves property rights that I do not think we can enter into, and I do not believe you will ever get a statute passed to settle the status of a joint account. Neither the bank nor anyone else can determine beforehand the relative rights of the joint depositors. We do not know whose money it is. Does it belong to one man, or does it belong to another, or does it belong jointly? Does half belong to one man and half of it to the other? We can never settle that question. The question of trust accounts is a very much easier one than the question of joint accounts.

Mr. ROTHER: I am not prepared to say whether this can be legally enacted, but if we look at the desire of the depositor we will have it enacted. We know what the depositor wants when he deposits the money. We know that he wants it to go to the survivor, because he tells us so. Why can we not have laws passed to make that good? Of course if it cannot be done; that ends it; but it appears to me that if we can do the one thing we can do the other, and that one is as necessary as the other, and that they can be reached by similar legislation, because the intent of the depositor is exactly the same in each case. We create trust estates, because we advise the depositor to do it. We know that the other will not hold under the law of Maryland, and that is why we advise them to create trust estates. It seems to me we ought to cover both points.

Mr. SMITH, of Washington, D. C.: While you are on this subject I wish to say that at the last meeting of the executive committee there was a suggestion made by Governor Herrick, of Ohio, as to how this matter of joint accounts is handled in the Cleveland Savings Society. He said that whenever an account was opened, a two-name account, that the teller was directed to hand to the depositor a short form, four or five lines of a will, and he was asked whether it was not his intention that after his death this money was to go to the second party absolutely, and if so that he sign the will; and with all their joint accounts practically they have what is in effect a legal will under the laws of the State of Ohio. Under such a method as that of course the bank settles the matter without any necessity for any statute.

Mr. ROTHER: Does this deposit go through the orphan's court or has the Savings bank the right to pay it to the nominee?

Mr. SMITH: They have the right to pay it to the nominee.

Mr. CREER: I beg pardon, the gentleman is in error.

Mr. ROTHER: That would not go in the State of Maryland.

Mr. CREER: It seems to me we are drifting from the original intent of this discussion, and that the Treasurers and Secretaries and Presidents of the various Savings institutions represented here are not so much interested in the form of an enactment as in some method, whether it be by agreement or by statute, which will enable their institutions to pay money upon deposit without entailing any liability thereafter.

I beg to differ with the report of the committee. Such an agreement would not hold in the State of Ohio for a moment. You could drive a six-mule team through it. The will referred to by the gentleman from Washington (Mr. Smith) in the Society for Savings in Cleveland must become a matter of record in our probate court. The law in each State defines certain methods by which property may pass from one to another, and when you come to make legislation for the passage of money you are making legislation for the passage of property from one to another, and there are already basic laws which affect that. Take it for instance in our State, we have an inheritance tax. The passage of any such law as Mr. Hanhart suggests would drive around the law of the inheritance tax. We are also blessed or cursed with a tax inquisition in Ohio. My friend here had a run on his institution a while ago which served as a good advertisement for the strength of the Savings banks.

One man had some money on deposit there, and after loafing around the corridor half the forenoon he was called in the bank and requested to take out his book. The book was taken and he was given the money for his account, and told that thereafter he must deposit his money somewhere else. He went out on the street and thought it was something wonderful that they should call him in and force their money on him. The tax inquisition got hold of it and it cost him $325 for back taxes on his $2,250 that he had on deposit.

Another case in point. The Vice-President of the institution with which I have the honor to be connected was appointed administrator of an estate of a man who was very careful of his personal affairs, who did not even divulge to his wife the amount of his estate. I happened to be one of the appraisers of that estate. He had more than $50,000 on deposit in various Savings banks, besides $50,000 in his commercial account. My friend was very careful to make a settlement with the tax authorities before he filed that inventory, and he was very glad to pay a fee of $5,000 for a receipt in full of all taxes that had not been paid for five years previous.

Now, you can see, gentlemen, what will be the effect of this proposed action. Not so much the effect of legislation, because that would be threshed out, and in some way or other a method will be made clear by which we can pay the money; but such an agreement as is here suggested is one of great peril in a majority of the States. New York is the most liberal in her construction of this law. A recent decision says that the gift of a bank book, the mere turning over of a bank book to another person is an evidence of gift, and that the money belongs to that person. The State of Massachusetts, to which we look for safe and conservative laws, both in banking and in insurance, holds the reverse on that subject, diametrically opposed to that ruling of the New York court. Now, let us out of this matter of agreement and legislation, and find something that will enable us to pay an account without subsequent risk. We realize that if a man draws a check on his commercial account and he dies before that check is presented and knowledge of the fact of his death comes to the bank, the check will not be honored. Now, the man has the money on deposit, he drew the check, he intended that the money should go to the person in whose favor the check was drawn, but the bank pays it out at its peril if it pays the check after notice of the man's death. Now, I cannot conceive that the form of agreement suggested here by our committee can change the law with reference to these trust accounts. I hold that the only safe way is that which Mr. Paton has laid the lines for. It may not be in just the most desirable form. Mr. Hanhart and Mr. Paton are a unit in their intention and the only difference is in the question of phraseology. I think the only safe way is along that line.

Mr. Wilcox: Mr. President, I do not think we can agree upon a form of phraseology which can be made effectual in the same sense in every State. In the first place we should have to agree upon the form of phraseology, and then we should have to make sure that the interpretation of the words we agreed upon would be the same in all the courts of the different States. We see how the courts have construed the ordinary trust account differently in different States. I think the most that can be accomplished is perhaps a resolution that each one shall try to have enacted in his own State exactly what he is advised can be put into effect in that State. I do not think we can get any uniform action. Perhaps in this connection a little experience will elucidate the subject. The Philadelphia Saving Fund Society, chartered in 1819, has to-day 249,000 open accounts on its books. In its charter there is a provision for a book of appointments, which the court has upheld as perfectly valid, and yet to-day it is practically out of use. We have had no occasion to use it. The trust accounts have taken its place. In Pennsylvania an ordinary trust account, A B in trust for C D, is held as a revocable trust during the lifetime of the trustee, and the fund is payable to the *cestui que* trust on the death of the trustee. Of course, that is a very simple matter, but you cannot get the courts in the different States to construe it in the same way. Neither can you get the courts to construe any form of language which may be adopted here so as to meet every requirement of the Savings institutions or of the depositors in the same way in the different States.

As to the joint accounts, of course we have found it advisable in our business to discourage that as much as possible. At the same time we find that it is necessary to use those accounts, and we have used the simplest form that we could find, which is an account in the name of A and B subject to the order of either, that is, either to draw, and to the survivor. The courts have upheld that as being perfectly valid, only in the event of the death of one, while the survivor can withdraw it, it falls upon the court finally to determine the ownership of the fund. The survivor can withdraw it, but he has no right to say that it belongs to him. That must be determined by the court. That protects the bank. Of course, the bank wants to be protected, but we want to accommodate the depositor as much as we can. But that raised the question at least how far we ought to go outside of the ordinary forms of law in trying to accommodate depositors. The first thing is to see that the bank is protected. The second thing is to see that the depositor is accommodated in so far as he can be accommodated without loading down the bank with too much responsibility or surrounding the matter with too much difficulty. I have very grave doubt whether the form suggested by the gentleman from Maryland, Mr. Rother, would be practicable in Pennsylvania, or would be upheld, because that is just a trust which is not a trust. It is a trust fund in the name of somebody or his trustee, subject to the withdrawal of either the *cestui que* trust or the trustee. I do not believe our courts would uphold that for a minute. I do not think it would be either flesh, fish, fowl or good red herring. It would not be anything. So my conclusion from this discussion is that we are surrounded by too many limitations as to the construction that should be placed upon the words that we would adopt, to obtain a uniform form in the different States. I think we must make up our minds to that conclusion.

THE PRESIDENT: This is all instructive, and tends to teach us gradually the methods of protecting ourselves, and what I believe to be of equal importance, the protecting of our depositors, and arranging that upon the death of a depositor, that shall be done with the funds which he wished to have done. We shall be glad to hear from other gentlemen from other parts of the country on this subject.

Mr. MITCHELL, of Richmond, Virginia: I have been trying to ascertain whether the intention of the gentleman who drafted that resolution was to free this deposit from any liability for the debts of the deceased. I listened to the gentleman from Baltimore (Mr. Rother), and I was very much interested in what he said. To some extent the law of Maryland is the same as the law of Virginia, and your distinguished secretary, Mr. Hanhart, has absolutely covered this question when he says that there can be no legislation that will interfere with property rights. You would have to repeal the statutes of Virginia in order to make effective any such nomination as that specified in that form there. It would not be worth the paper on which it was written and while, as was said, in his State you could drive a six-mule team through the law, in Virginia you could drive a twelve-mule team through it. It would upset everything, and it is utterly impossible for you to fix up any form of agreement that would enable you to pay a joint account in the way suggested, without doing so at your own risk. We know very well that where there are millionaires you cannot draw a will that will hold. It seems utterly impossible, in some States at least, to make a valid will where you have anything to will away. Now, in Virginia the law will hold, but it does not hold against your creditors. If you owe a man anything, you may leave what you please to your wife, or your heir, and all your wife or your heir will inherit will be what is left after the creditors get through shooting at it and taking slices out of it.

Now, in Virginia when you have a joint account, the question as to who put the money in the bank is a secondary question. The first question is to whom does the money belong, whose money is it? And then if you can trace the money that was deposited in a bank, to ownership in any person, if you can prove that that money belongs to that person, even though the bank was not so informed, the court of equity will set aside the deposit and pay the money where it belongs, and will give the person who really ought to receive the money the benefit of the deposit.

So I say it is utterly impossible in the State of Virginia to pass such a proposition as that. It is very much like the case which was referred to here by the gentleman who spoke a few moments ago, when he said that if the bank paid a dollar of money it paid it at its own risk, and the heirs would come in, and before the heirs came in the creditors would come in. The creditors are God's chosen people in the State of Virginia. To give you a case in point, I hope you will pardon a little digression. A case occurred where they had a chance to grab after a man's life insurance money. I will tell you how it occurred. In our State the law requires two or more witnesses to a will, provided the person does not write the will himself; but if you can prove by testimony that the entire will is written in the handwriting of the deceased, then it is a legal and valid will, regardless of the legal form and the cumbersome propositions of the attorney. Now here was a case in which there was insurance. You can will your insurance money to any of your heirs and it is free of any encumbrances. I mean to say by that that if you insure your life for $10,000, you may owe a million dollars but not one dollar of that insurance money will go to pay your creditors, unless you should happen to lose your wife to whom you will this money and get a new wife. Then if you attempted to will this insurance policy to your new wife, if you owed any money between the time that you lost your one wife and got a new one, the court would rule that the insurance money in that case would go not to the new wife but to the creditors. They would step in and wipe out your insurance money. Now that is a technical way of ruling, and of course these are legal technicalities; and when I see you business gentlemen staggering around on legal questions, and when I even see lawyers disagreeing on it, it is a source of amusement to me. I suggest that you follow what we have found to be a very safe rule, which we always follow down in our country. That is, when you don't know what to do, do nothing.

Mr. Teter: I suggest that the only thing we can do is to do what our brother from Virginia has suggested, and that is that we do nothing this afternoon on this proposition. We have had a very beneficial discussion on this question, but it seems to me we have too much before us to attempt to settle it to-day, and I was going to suggest, and perhaps I may as well put it in the form of a motion, that we continue this committee, or have a new committee perhaps on broader lines, to go on with this work. I will make the motion that the chairman appoint a committee to continue the work of reaching a satisfactory solution of the trust and joint account questions, and that the principal duty of this committee be to confer with members in the different States in assisting them and in urging them to bring about such legislation in their respective States as will be satisfactory, and to come before this section next year and report the States that have made progress. Let us keep this up until we have it all satisfactorily adjusted. New York seems to be all right, and Philadelphia reports progress. Perhaps some of the rest of us can do something in the next year.

The President: There was a previous motion upon the accepting the report of the committee. Perhaps the more proper motion would be to receive it and place it on file, and then the motion of Mr. Teter would then be in order.

Mr. Creer: I make that motion, to receive it and place it on file.

The motion was agreed to.

Mr. Teter: I now renew my motion.

The President: It has been moved that the chairman appoint a committee of three whose duty it shall be to collect information during the coming year as to practical methods of remedying the defects in existing laws in the different States on this question.

Mr. Rother: I suggest that the committee be composed of five members instead of three.

The President: Is that acceptable to the movers?

Mr. Teter: And is it understood that it includes both trust accounts and joint accounts?

The President: Both trust and joint accounts.

Mr. Teter: A committee of five is satisfactory to me if it is to the seconder of my motion.

The President: Then the question is on the appointing of a committee of five, having within its scope both joint and trust accounts.

Mr. Hanhart: Before adopting this motion I would like to say that a committee of five would probably consist of members from different States at a great distance from each other, which would make the meetings of the committee a difficult proposition to handle. Would it not be wiser to appoint a committee of three? My experience in these matters is that it is very difficult to secure a meeting of a larger committee.

Mr. ROTHER: That is satisfactory to me, and I believe that objection is a valid one.

THE PRESIDENT: Our experience in this organization is that a small committee is more desirable. Of course that is subject to the views of the section.

Mr. TETER: I made the original motion because my experience was in the same direction, but I always defer to the views of others. I now renew my original motion for a committee of three.

THE PRESIDENT: If there be no objection, it will be understood by unanimous consent that the motion is for the appointment of a committee of three. The chair will suggest that it is impracticable to select a committee offhand, and doubtless it will be acceptable that the incoming chairman under whose administration this committee will perform its duties, shall designate the committee. Are you ready for the motion?

The motion was agreed to.

THE PRESIDENT: Another subject which we have on our programme this afternoon is that of Savings Banks Printed Forms. As I have before stated, our secretary has been most industrious and efficient in the collection of these printed forms, and he will make a statement in reference to them.

THE SECRETARY: This collection which you have all seen at our headquarters is not complete by any means. We have received reports from about 350 Savings banks, or less than one-half of our members, but these forms I think may be considered fairly representative in their character. I would ask those of you who have not sent your printed forms to send them to me without delay.

I have tried to get some estimate as to the cost of reproducing these forms, and I find it impracticable to reproduce them because it would cost too much money and probably would not be quite satisfactory in return for the outlay. But I would suggest this to you, that you name a committee to pass upon these forms and to select from them say two or three of each kind relating to each subject matter, and that these selections be then reproduced and printed in a book, and that book be for sale to our members and to others if you choose. In that way I think you will get the best of those forms, by printing two or three or four or five of each kind. The Trust Company Section some five years ago prepared a book of that kind, of forms which they sold to their members, and this publication I think has been very satisfactory. We have a great many more forms than the trust companies had then or even have now. Still, I think after the committee have made their selection the forms which they would select could be printed at a cost that would probably allow us to sell the book to our members for perhaps $12. It is very hard to say exactly what the cost would be, but I think such a price as that ought to cover the cost I have prepared a short form of resolution and perhaps you would like me to submit it to you to bring this matter into concrete form.

Mr. DUFF: I move that this matter be placed in the hands of a committee of three to make a selection from the forms submitted, to select such forms as in their opinion are good ones, and to devise some means of getting them before the members of the section.

Mr. FLACK: I second that motion, and I should like to see Mr. Hanhart, our secretary, made the chairman of that committee.

Mr. DUFF: I would make that a part of the motion, that Mr. Hanhart be made chairman of the committee.

MR. HANHART: I thank the gentlemen very much, but will you permit me to offer my resolution as an amendment or a substitute for this? I will read the resolution as I have written it. Of course you can change it.

RESOLVED, That the matter of reproduction of a selection of the best printed forms for Savings banks, included in the collection now on exhibition at this convention, for sale to our members and others, be referred to the executive committee with power.

If you leave the matter to the executive committee, they will see to the naming of the committee. You see this question of the naming of the committee is a little difficult. You cannot name a committee the members of which are too far apart. The committee has to meet, and if the members reside a thousand miles apart, that will not do. I think the executive committee can handle this matter very satisfactorily, and it will carry out Mr.

Duff's idea if the whole matter is referred to that committee with power. Then they can arrange such details as to ways and means as may be necessary. It will require some thought and consideration on their part.

Mr. DUFF: That motion will be acceptable, except that I thought it might be advisable to have some of the members who are not on the executive committee taken into this matter in order to get the benefit of their views. The executive committee could work with them. I would like to leave it to the sense of the meeting. If they think the executive committee is the proper committee to handle the question, I am perfectly satisfied.

Mr. HANHART: I would also say to Mr. Duff that the executive committee might turn it over to a committee composed of other members as he suggests, the gentlemen who are not members of the committee, but who would be willing to undertake this work. I will tell you frankly that it is a work of considerable magnitude and will require considerable time.

Mr. DUFF: That will be acceptable.

Mr. HANHART: Then my motion covers the question practically, as I understand it.

Mr. DUFF: Yes.

THE PRESIDENT: If Mr. Hanhart's version of the motion is acceptable to the mover and seconder, that will be the question before the house. I have no doubt that the words "with power," being as broad as they are, would include the delegation of power, the appointing of a committee from the general body if that was found convenient. That will be the interpretation of it unless the section desires otherwise. You have heard the motion, which is to refer the matter of the printed forms to the executive committee with power. Are there any other remarks?

Mr. TETER: There is just one disadvantage always in referring matters that come up in a general way to a committee, that those who have to do with the executive committee are deprived possibly of the benefit of so much in the way of suggestions that we might get from other members. At the same time I do think it would be a splendid thing for us to have at least a few words from several of the members with reference to their ideas about these forms. I believe that the collection of forms which has been exhibited here has been one of the most attractive things in connection with this meeting of our section. We hear of it on all sides, and I believe it would be a good thing to hear a few words about these forms, and some suggestions from the different members, as to the best way to handle them.

THE PRESIDENT: That would be perfectly in order and very desirable. Are there any remarks from any of the members present as to these forms which are before you? I would be very glad to hear from every one who desires to speak on the subject.

Mr. FLACK: I wish to say that I have received considerable benefit from an inspection of these forms, and I would like to see them printed, or such of the best ones as the committee may select.

THE PRESIDENT: I would suggest that perhaps Mr. Flack means the most typical forms, because it is very hard to say which are the best. There are so many requirements from the different environments, owing to the difference in laws and so forth, that I should think it would be a better guide for the committee to select those which they consider most typical of the different methods of business. To say which of the forms are best would be rather invidious.

Mr. McKAY: I beg to offer a suggestion, and that is that the excellent work done by our secretary in connection with these general forms might also be extended to the different forms of declarations in the different States, for joint and trust accounts.

THE PRESIDENT: I think we are particularly rich in that matter.

Mr. McKAY: The suggestion was that that collection be placed at the disposal of this committee that is to be appointed, together with such legal information as can be gathered from the several States, regarding the validity of the different forms there used.

THE PRESIDENT: That is an excellent suggestion. I believe our friend from Virginia, Mr. Mitchell, has not filed any declaration. Yet he apparently is in a state of despair as to the situation there in the Old Dominion, where a man's life, his property and even his wife seem to be in great peril from any attempt at legal forms. If he devises a satisfactory form, I hope he will favor us with it, as well as any others. The question is on referring this matter to the executive committee with power. Are you ready for the question?

The motion was agreed to.

THE PRESIDENT: There is another subject on the programme to-day, and that is the question of Monthly Reports of Deposits and Withdrawals by all the Savings banks of our section, it being believed that if all could unite in this, at some little expense, which probably would be cheerfully borne, the results being tabulated by States, but anonymous as to the banks, and no separate amount being given out as to banks, the statistics thus obtained would be a valuable indication of tendencies, throughout the country, which would be important for all the members to possess. I do not say that is so, but that is the opinion of many members of the association. In canvassing the matter we did not receive by any means unanimous support for the project. The question is whether that project shall be taken up for discussion, whether it shall be put into effect in some partial and experimental form, or whether we shall decide that the time is not yet ripe and that we will await further developments. That question is before you for any motion, and by unanimous consent for any remarks if no motion is made. It would be appropriate to hear first from those gentlemen who favor this plan and who can state some of the advantages of it. Perhaps Mr. Hanhart will state to us more precisely than I have stated what in general the plan is, as it has not been discussed in the open section.

MR. HANHART: I do not want to detain you, gentlemen; but if you will give me a few minutes I will tell you what the proposition consists of. We propose to call for reports of cash deposits received, and cash withdrawals made each month, these reports to be sent to the secretary, who is to collate them, not giving the amounts for any one bank, but merely tabulating the total. This is to be sent back before the tenth of each month to every member of this association, so that in this way we can watch the trend of prosperity or otherwise in the United States. It involves an enormous amount of work every month. The secretary will receive some fifteen hundred reports, collate them and send them forward. This proposal if carried into effect will necessitate a great deal of work. I am sorry that the proposer is not here, but he was unable to come. He seems to think very highly of the plan. There is no question but that it is advisable, that it be done in some shape.

Regarding the value of statistics, I would like to tell you of an incident that happened a few years ago in my own city. At the time our worthy and beloved Executive, Theodore Roosevelt, was Commissioner of Police in New York he made a strong attempt to enforce the Sunday closing law relating to saloons; this attempt was successfully carried out for a limited period.

At about that time a reporter called on the President of a large Savings bank and asked him if he had not observed an increase in the deposits on Monday mornings since the enforcement of the closing law. The President, who is a very bright and observant man, replied, "No, I have not remarked anything of the kind"; the reporter, however, insisted and asked him to make a comparison with the amount of Monday deposits as compared with the other Mondays previous to this period. The President, therefore, had a statement made up making such comparison, and found that ever since the enforcement of the Sunday closing law, the deposits on Monday morning—a large proportion of these being from the wage-earning classes—had shown a very decided increase as compared with the previous Mondays, fairly good proof that many of the wage-earners deposited that part of their wages which otherwise would have been spent in the saloons and drinking shops.

I think there is often a lesson to be learned from statistics, and I believe that if some man should come to you and would say, "What will you give me if I supply you on the tenth of every month with accurate figures as to the total receipts and withdrawals in all the Savings banks of the United States for the last month," I think you would give some of your good money for it. The matter is before you, gentlemen, if you would like to try it. Or you might, for instance, collate on the first of January next the total receipts and withdrawals for the past year and send them to us, and we might try it for one year. To-day we have no accurate knowledge as to how much money is deposited in the Savings banks in the United States during the year. You get it occasionally in a few States, but you do not know how much is deposited in all the United States.

Mr. WOODRUFF: Can you tell me what proportion of the Savings banks of the United States are represented in this section?

Mr. HANHART: The Comptroller of the Currency estimates the total savings in the United States at a little over three thousand million dollars. I have computed the total deposits in the banks that are members of our section, and I make the amount within two million, I think, of $2,250,000,000. Therefore, we may say that we represent about seventy per cent. of the total deposits.

A MEMBER: When you sent out your circular on this question, how general a response did you receive? What proportion of the membership seemed willing to furnish these reports?

Mr. HANHART: The proportion was about two-thirds who were in favor of it and a third who were either not in favor of it, or a few actually opposed to it. One banker told me that the counsel of his bank told him they had no right to give these figures except to the Bank Superintendent. As long as this thing is not unanimous here, we cannot carry it out. The reports should be from all of them.

The cost of this would not be great. It would amount practically only to the postage, or only a few hundred dollars.

Mr. HAMMOND: Is it not true that there is a constantly increasing proportion of Savings bank deposits in the United States which are going into trust companies, and into the savings departments of the National banks, which would not be reached by any such inquiry?

Mr. HANHART: We have in our membership 153 banks that are trust companies and Savings banks also, and they would report to us only their savings deposits in those banks. I would ask them to give the figures of the savings department only, and not of their general commercial business.

Mr. HAMMOND: In Michigan a great many National banks are putting in savings departments, and we would get no report of that.

Mr. McKAY: Inasmuch as two-thirds of the members of the section seem to have expressed an interest in this matter, I move that the secretary be instructed to put this plan into operation in an experimental way, and that if after the experiment has been tried to a reasonable extent it does not seem to be successful, that it then be dropped.

Mr. FLACK: I would like to second that motion.

THE PRESIDENT: I would like to have the gentleman supply one blank in his proposition. Is this experiment which is proposed, to be monthly, or quarterly, or annually?

Mr. McKAY: My idea was for monthly reports. I have been considering whether the quarterly reports might not answer the requirements fairly well. Still, I am inclined to think monthly reports would be better.

THE PRESIDENT: Of course the information would be fresher.

Mr. PARKER: It seems to me it would be well, if the project is carried out, that you should go back and include the deposits and withdrawals for the past year, month by month. I can see that the statistics would be of value in this regard, that they would prove the movement of money in and out of Savings banks during years of prosperity and in the time of financial crises, and in years subsequent to a monetary revulsion. Our panics are more frequent, expensive and disastrous than those in any other country under the sun, and these statistics would prove at least to some extent the cost to the small depositor, then out of work, and also prove the accumulation under prosperous conditions.

Mr. CREER: In order to make the tabulated statement as valuable as possible, I wish to suggest that there be included in it not only the deposits and the withdrawals by the month, but the total deposits of the institution at that time, and the number of accounts, that giving us the amount deposited, the amount withdrawn, the total amount on deposit at that time and the number of depositors, and therefore giving us the amount deposited per capita in each of the States.

THE PRESIDENT: This suggestion will doubtless be utilized by the committee which has the project in charge.

Mr. FOWLER: I do not think you will find very many people who will doubt the value of these statistics. When we stop to consider the great amount of money that the Government expends in getting up weather reports and crop reports and various statistics of this kind, it is certainly more essential that we should know the condition of things that produces the crops and how they grow. In reference to the time when these reports should be published, it might be wise to start out with quarterly reports, and then if members contribute liberally to the support of the project, and if the information is found to be thoroughly desirable, then there could be monthly reports. It would be more in the nature of an experiment, the first three months possibly, and then it might be made monthly afterwards.

Mr. LATIMER: I offer the following:

Resolved, That the secretary be instructed to forward to each member of the section in December next, a printed blank form asking for the following information from their bank: Total deposits and total withdrawals for the years 1903, 1904 and 1905; amount of deposits held by the bank on December 31 of these years; rate of interest paid depositors, and such other information as the executive committee may deem appropriate; these figures to be collected by the secretary in totals for each State, groups of States, and total for the United States, and forwarded to the members for their information. The executive committee to have power to require such statements at intervals, as they may deem advisable.

Mr. CREER: Are we to understand that the motion of Mr. Latimer is a substitute?

THE PRESIDENT: It is a motion in the nature of an amendment.

Mr. HAMMOND: Is this to be confined to members of this section?

THE PRESIDENT: I think the understanding is that it is to be confined to them, that the information is to be communicated to them.

Mr. HAMMOND: Would it not be better to ask for information from other Savings banks, or from trust companies that receive savings deposits, and from National banks that receive savings deposits?

THE PRESIDENT: If they are members of this section, they will be reached and they will receive the information; but if they have not interest enough to do that, then we doubt whether we could ever interest them in this project. No doubt some of them will join for the very purpose of getting these statistics, and that will be desirable.

Mr. WOODRUFF: Several institutions have been spoken of which are both Savings banks and trust companies. I should like to inquire whether those are to be included, or whether those only are included which have straight savings accounts.

THE PRESIDENT: I think that would be left to the discretion of the institution to decide what proportion of their accounts were bona-fide savings accounts.

Mr. TAYLOR: In some States a bank can be organized under the trust company laws, to do a Savings bank business also, and in that case the savings accounts are savings accounts pure and simple and have nothing to do with the trust company accounts, being kept entirely separate.

THE PRESIDENT: The question is on the substitute offered by Mr. Latimer.

The substitute was agreed to.

THE PRESIDENT: The question now is on adopting the resolution which has been substituted, or in other words on the proposition as amended.

The motion, as amended by the substitute of Mr. Latimer, was agreed to.

THE PRESIDENT: Is there any other business to come before the section previous to the election of officers?

Mr. BURNS: I offer the following:

Resolved, That the thanks of this convention be extended to the officers of the section for the efficient and faithful way in which they have discharged their duties.

THE PRESIDENT: Will Mr. Burns please put that motion?

The motion was seconded, and the question being put by Mr. Burns, it was unanimously agreed to.

Mr. TAYLOR: I offer the following:

Resolved, That the thanks of this convention be tendered to the Washington bankers for their very courteous reception and entertainment.

The motion was unanimously agreed to.

Mr. HOYT: Mr. President, I offer the following nominations for the ensuing year:

For chairman, Edward E. Duff, Vice-President People's Savings Bank, Pittsburg, Pennsylvania; for vice-chairman, G. Byron Latimer, Secretary Irving Savings Institution, New York; for three members of executive committee to serve three years: C. Colesbury Purves, President Philadelphia Saving Fund Society, Philadelphia, Pennsylvania; John F. Flack, President City Savings Bank, Omaha, Nebraska; J. H. Johnson, Cashier Peninsular Savings Bank, Detroit, Michigan.

THE PRESIDENT: You have heard these nominations. The newspaper reporters have heard that there was going to be a fierce contest for the offices of this association. I will explain the absence of the name of your present chairman from the list by saying it is simply because he could not be elected. It is not because of any lack of ambition or desire on his part. Our constitution makes your present chairman ineligible as a candidate, and I beg to thank you for the provision of the constitution which relieves me from the cares of this office for the following year. What is your pleasure as to these nominations? Shall the nominations be closed and a ballot be taken?

Mr. HULBERT: I move that the secretary be instructed to cast one ballot for the officers nominated.

THE PRESIDENT: That motion requires a unanimous vote. One negative vote will make it necessary to take a ballot.

The motion was unanimously agreed to, and the secretary cast the ballot as directed.

THE PRESIDENT: Gentlemen, I take pleasure in introducing to you Mr. Duff, your president-elect, who I am sure will fill the office with great credit to himself and benefit to the section.

PRESIDENT DUFF: Members of the Savings Bank Section—I am not going to make a speech. I simply want to thank you for the honor conferred upon me, which I consider a very great one. Although I have a good many gray hairs, I think that an older member of the association in point of years should have been honored with the office. I will, however, endeavor to perform the duties of the office to the best of my ability with the assistance of the other members, and our able secretary. Is there any other business to come before the association? Mr. Secretary, have you any other business to present?

THE SECRETARY: No, Mr. President, the secretary knows of no other business to present.

THE PRESIDENT: We have been requested to pose for a photograph of the members of this section immediately after its adjournment. If there is no other business we are ready for a motion to adjourn.

On motion, at 4.15 p. m., the Savings Bank Section adjourned.

JOHN L. HAMILTON, President.
Vice-President Hamilton & Cunningham, Hoopeston, Ill.

G. S. WHITSON, Vice-President.
Vice-President National City Bank, New York.

JAMES R. BRANCH, Secretary.

W. G. FITZWILSON, Assistant Secretary.

OFFICERS AMERICAN BANKERS' ASSOCIATION.

NEW MEMBERS OF THE EXECUTIVE COUNCIL.

NOTE.—Portraits of all the newly-elected members of the executive council were requested for presentation in this issue of the MAGAZINE, but a few were not received in time.

J. D. POWERS, Chairman Executive Council.
President U. S. Trust Co., Louisville, Ky.

JOS. G. BROWN,
President Citizens' National Bank, Raleigh, N. C.

GEO. M. REYNOLDS,
Vice-President Continental National Bank, Chicago.

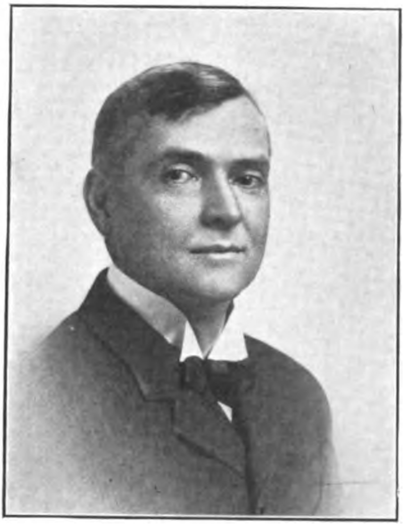
A. G. LUPTON,
Cashier Blackford County Bank, Hartford City, Ind.

LEWIS E. PIERSON,
President New York National Exchange Bank, New York.

EDWIN A. POTTER,
President American Trust and Savings Bank, Chicago.

MILTON E. AILES,
Vice-President Riggs National Bank, Washington, D. C.

J. J. SULLIVAN,
President Central National Bank, Cleveland.



H. P. HILLIARD,
Vice-President Mechanics American National Bank, St. Louis.

J. L. EDWARDS,
President Merchants' National Bank, Burlington, Iowa.

H. B. WILCOX,
Cashier First National Bank, Baltimore, Md.

ALFRED H. CURTIS,
President National Bank of North America, New York.

CLARK WILLIAMS, Chairman.
(Columbia Trust Company, New York.)

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FESTUS J. WADE, Vice-Chairman.
(President Mercantile Trust Co., St. Louis.)

OFFICERS TRUST COMPANY SECTION.

EDWARD E. DUFF,
Chairman Savings Bank Section.

G. BYRON LATIMER,
Vice-Chairman Savings Bank Section.

OFFICERS SAVINGS BANK SECTION.

LIST OF DELEGATES AND OTHERS ATTENDING THE CONVENTION.

ALABAMA.

B. B. Barnes, President First National Bank, Eutaw (wife).
S. S. Broadus, Cashier Merchants' Bank, Florence.
E. J. Buck, President City Bank & Trust Co., Mobile.
J. B. Cobbs, President Citizens' Savings Bank, Birmingham (wife and daughter).
J. T. Cochrane, President Aliceville Bank & Trust Co., Aliceville (wife).
J. H. Cranford, President First National Bank, Jasper.
W. W. Crawford, President American Trust & Savings Bank, Birmingham.
E. F. Ensden, Cashier Jefferson County Savings Bank, Birmingham (wife).
L. B. Farley, Cashier Merchants & Planters' Farley National Bank, Montgomery.
J. H. Fitts, President City National Bank, Tuscaloosa.
C. E. Frost, Cashier First National Bank, Athens.
H. B. Gray, President People's Savings Bank & Trust Co., Birmingham.
H. S. Hammond, Jr., First National Bank, Talladega.
W. P. Harding, President First National Bank, Birmingham.
Hogan Jackson, President Bank of Albertville and Farmers & Merchants' Bank, Boaz.
T. E. Kirby, President City National Bank, Anniston.
T. S. Kyle, Vice-President First National Bank, Gadsden (wife).
H. W. Leinkauf, President Leinkauf Banking Co., Mobile.
E. C. Melvin, President Selma National Bank, Selma.
Louis McLain, Vice-President Bessemer National Bank, Bessemer (wife).
M. B. Wellborn, President First National Bank, Anniston (wife).
Charles D. Willoughby, Cashier First National Bank, Mobile.

ARIZONA.

Morris Goldwater, Vice-President Prescott National Bank, Prescott.
J. N. Robinson, Cashier Bank of Safford (wife).

ARKANSAS.

J. M. Barker, Jr., Cashier Bank of Atkins, Atkins (wife).
R. D. Duncan, Vice-President State National Bank, Little Rock.
W. M. Duncan, President Citizens' Bank, Eureka Springs.
John G. Fletcher, President German National Bank, Little Rock (daughter).
C. H. Hogan, Cashier Independence County Bank & Trust Co., Batesville (wife).
R. M. Quigley, President Bank of Mena, Mena (wife).
C. C. Waller, President Durham Bank & Trust Co., Fort Smith.

CALIFORNIA.

P. E. Bowles, President American National Bank, San Francisco (wife).
A. E. H. Cramer, Cashier Union Savings Bank, Oakland.
J. C. Drake, President Los Angeles Trust Co., Los Angeles.
J. B. Heartwell, President First National Bank, Long Beach (wife).
H. P. Lincoln, Cashier First National Bank, Santa Barbara.
A. J. Lowenberg, President City & County Bank, San Francisco.
Ernest H. May, President First National Bank, Corona.
G. W. Peltier, Manager California State Bank, Sacramento (wife).
J. W. A. Off, Cashier State Bank & Trust Co., Los Angeles.
J. P. Overton, President Savings Bank of Santa Rosa, Santa Rosa (wife).
J. D. Radford, President First National Bank, San Jose.
J. K. Wilson, President San Francisco National Bank, San Francisco (daughter).

COLORADO.

W. H. Allison, Cashier First National Bank, Boulder (wife, with friends).
T. E. Brown, Cashier First National Bank, Telluride.
W. E. Faris, Assistant Cashier Colorado State Bank, Durango (wife).
F. B. Gibson, Vice-President International Trust Co., Denver.
C. C. Parks, Cashier First National Bank, Glenwood Springs.
F. W. Stehr, Treasurer Colorado Title & Trust Co., Colorado Springs.
H. H. Stockham, President First National Bank, Delta.
Geo. H. Williams, President Mercantile National Bank, Pueblo.

CONNECTICUT.

W. E. Attwood, President Mechanics' National Bank, New Britain.
C. C. Barlow, Cashier Yale National Bank, New Haven.
G. F. Bearse, Treasurer South Norwalk Savings Bank, South Norwalk (wife and Mrs. L. F. Littlefield).
Frank F. Benham, Cashier Bridgeport National Bank, Bridgeport.
B. S. Bryan, President Fourth National Bank, Waterbury (wife).
I. W. Brooks, President Brooks' National Bank, Torrington.
R. A. Brown, Treasurer New Haven Savings Bank, New Haven (wife).
W. H. Burrows, Cashier Middletown National Bank, Middletown.
E. N. Butler, President Guilford Savings Bank, Guilford.
A. Chamberlain, President Home National Bank, Meriden.
R. S. Demarest, Secretary and Treasurer Southport Trust Co., Southport.
W. F. Fields, President National Tradesmen's Bank, New Haven (wife).
F. P. Furlong, Cashier Hartford National Bank, Hartford.
Charles W. Gales, Cashier Thames National Bank, Norwich.
F. Gildersleeve, President First National Bank, Portland.
R. H. Golden, President South Norwalk Trust Co., South Norwalk.
E. S. Greely, Director Yale National Bank, New Haven.
Chas. Griswold, Cashier Guilford National Bank, Guilford.

C. E. Harwood, Cashier Rockville National Bank, Rockville (wife).
E. J. Hill, Vice-President National Bank of Norwalk, Norwalk.
C. E. Hoyt, Secretary and Treasurer South Norwalk Trust Co., South Norwalk.
A. E. Judson, Treasurer Bridgeport Trust Co., Bridgeport.
J. H. King, President American National Bank, Hartford (wife).
G. A. Lewis, President Naugatuck National Bank, Naugatuck (wife).
C. F. Mitchell, Cashier Manufacturers' National Bank, Waterbury.
H. C. Mygatt, Cashier First National Bank, New Milford.
Edward L. Nettleton, represent New Haven County National Bank, New Britain.
W. H. Newton, Cashier First National Bank, Wallingford.
E. N. Peck, Cashier National Bank of New England, East Haddam.
H. P. Price, Cashier National Bank of Norwalk, Norwalk (wife).
N. D. Prince, Cashier Windham County National Bank, Danielson.
C. L. Rockwell, President First National Bank, Meriden.
J. H. Sage, President Freestone Savings Bank, Portland.
A. J. Sloper, President New Britain National Bank, New Britain (wife).
Alfred Spencer, Jr., President Aetna National Bank, Hartford (wife).
H. B. Stedman, Stedman & Redfield, Hartford.
H. W. Stevens, President Hartford National Bank, Hartford (wife).
J. T. Taylor, President Charter Oak Bank, Hartford (wife).
A. C. Tuttle, Treasurer Naugatuck Savings Bank, Naugatuck (wife).
L. N. Van Keuren, Treasurer Colonial Trust Co., Waterbury (wife).
H. V. Whipple, Assistant Cashier Merchants' National Bank, New Haven (wife).

DELAWARE.

E. V. Baker, Cashier Selbyville National Bank, Selbyville.
Dr. R. H. Burton, Director Lewes National Bank, Lewes.
J. S. Collins, Cashier First National Bank, Dover.
C. Cooper, Assistant Cashier, Farmers' Bank, Wilmington.
John H. Danby, Vice-President Union National Bank, Wilmington (wife).
H. Clay Davis, Director People's National Bank, Laurel.
R. D. Kemp, Secretary and Treasurer Artisans' Savings Bank, Wilmington (wife).
J. T. Lank, Cashier Lewes National Bank, Lewes (Mr. W. A. B. Dodd).
Preston Lea, President Union National Bank, Wilmington.
Francis McIntire, Cashier Delaware City National Bank, Delaware City.
Otho Nowland, President Equitable Guarantee & Trust Co., Wilmington.
R. Reese, Treasurer Equitable Guarantee & Trust Co., Wilmington.
John Richardson, Jr., President National Bank of Delaware, Wilmington.
C. M. Sheward, Vice-President and Cashier National Bank of W. & B., Wilmington.
H. W. Viven, Vice-President Baltimore Trust Co., Bridgeville (wife).

DISTRICT OF COLUMBIA.

Thomas Bradley, real estate officer Washington Loan & Trust Co., Washington.
Arthur T. Brice, Cashier Riggs National Bank, Washington.
S. Thomas Brown, President Farmers & Mechanics' National Bank, Georgetown.
A. S. Chapham, Cashier Merchants & Mechanics' Savings Bank, Washington (W. A. Hill).
Francis R. Dooley, Cashier People's Savings Bank, Washington.
A. B. Duff, Cashier Central National Bank, Washington.
A. F. Fox, President Columbia National Bank.
G. C. Henning, President Traders' National Bank.
W. B. Hibbs, W. B. Hibbs & Co.
J. B. Kinnear, Secretary and Treasurer People's Savings Bank.
Otto Luebkert, President and Manager American Audit Co.
Henry A. McKee, Cashier National Capital Bank.
B. J. Moses, Vice-President Home Savings Bank.
C. J. Rixey, Vice-President Traders' National Bank.
E. Q. Smith, Second Vice-President Union Savings Bank.
Mrs. F. W. Stone, Assistant Treasurer National S. D. Savings & Trust Co.
Geo. W. White, Cashier Commercial National Bank.
J. B. Wilson, President Lincoln National Bank.
Simon Wolf, Director Second National Bank.

FLORIDA.

Wm. A. Blount, Attorney and Director First National Bank, Pensacola.
C. C. Chollar, Cashier First National Bank, Arcadia.
R. F. E. Cooke, Assistant Cashier Budd & Cooke, Leesburg.
J. T. Dismukes, President First National Bank, St. Augustine (wife and daughter).
F. W. Hoyt, President First National Bank, Fernandina.
E. W. Lane, President Atlantic National Bank, Jacksonville.
G. E. Lewis, Assistant Cashier First National Bank, Tallahassee (daughters).
W. S. McClelland, President McClelland, Hubbs & Insted, Eustis.
M. W. Monroe, President Quincy State Bank, Quincy.
H. Robinson, President Commercial Bank, Jacksonville (wife).
J. P. Warlow, Director State Bank, Orlando (wife).

GEORGIA.

J. Bashinski, Jr., Cashier Tennille Banking Co., Tennille.
M. S. Bell, Vice-President & Cashier Milledgeville Banking Co. (wife).
C. B. Bidwell, Manager American Audit Co., Atlanta.
G. T. Brown, Cashier First National Bank, Toccoa (wife).
W. V. Davis, Secretary and Treasurer Savannah Trust Co., Savannah (wife).
G. W. Deen, Vice-President First National Bank, Waycross.
T. S. Gray, Cashier Union Savings Bank, Augusta.

D. P. Hale, Vice-President Sandersville Bank, Sandersville.
F. T. Hardwick, President C. L. Hardwick & Co., Dalton (wife and daughter).
Jos. W. Hefferman, Assistant Cashier Southern Bank of State of Georgia, Savannah.
L. P. Hillyer, Vice-President & Cashier American National Bank, Macon.
C. J. Hood, Cashier Northeastern Banking Co., Commerce (wife).
J. M. Hogan, Cashier German Bank, Savannah.
Wm. W. Hunt, Assistant Cashier National Bank of Columbus, Columbus.
G. Gunby Jordan, President Third National Bank, Columbus.
M. B. Lane, President Citizens' Bank, Savannah.
Robert J. Lowry, President Lowry National Bank, Atlanta (wife).
R. F. Maddox, Vice-President Maddox-Rucker Banking Co., Atlanta.
W. F. McCauley, Vice-President Savannah Bank & Trust Co., Savannah.
W. F. Manry, Cashier Neal Bank, Atlanta.
H. Meyers, President National Bank of Savannah, Savannah (niece).
J. F. Neal, Cashier Bank of Thomson, Thomson.
T. B. Paine, President Thomas B. Paine & Co., Atlanta (wife).
C. C. Sanders, President State Banking Co., Gainesville (wife).
A. Sessions, President First National Bank, Waycross.
W. B. Slade, President Home Savings Bank and National Bank of Columbia, Columbia (wife).
Frank Spain, Jr., Cashier Bank of Quitman, Quitman.
G. W. Tiederman, Vice-President German Bank, Savannah.
H. H. Tift, President Bank of Tifton, Tifton.
J. D. Walker, President First National Bank, Sparta (wife).
E. D. Walter, Cashier National Bank of Brunswick, Brunswick.
E. Woodruff, President Trust Company of Georgia, Atlanta.

IDAHO.

F. R. Coffin, President Bank of Commerce, Boise (wife).
M. J. Flohr, Cashier First National Bank, Wallace.
C. M. Hemphill, Cashier First National Bank, Shoshone.

ILLINOIS.

F. W. Anderson, President First National Bank, Taylorsville.
E. E. Black, N. W. Harris & Co., Chicago (wife).
F. F. Blossom, Cashier Central National Bank, Peoria (wife).
August Blum, Manager First National Bank, Chicago.
L. A. Buchner, President Farmers' Deposit Bank, Middleton (wife).
I. D. Buck, President Illinois National Bank, Peoria (wife, son and daughter).
Robert H. Campbell, Cashier Carroll County Bank, Mount Carroll.
T. D. Catlin, President National City Bank, Ottawa (wife).
H. L. Chapman, Vice-President People's Savings Bank & Trust Co., Moline.
P. T. Chapman, President First National Bank, Vienna (wife).
S. Nelson Chesney, Cashier Stock Yards Bank, National Stockyards, Chicago.
L. B. Clarke, Vice-President Hibernian Banking Association, Chicago.
E. A. Cole, Cashier Commercial German-National Bank, Peoria.
J. A. Corbett, Cashier First National Bank, Philo (wife).
E. E. Crabtree, partner F. G. Farrell & Co., Jacksonville (wife).
W. C. Cummings, Assistant Cashier Drovers' Trust & Savings Bank, Chicago.
W. H. Doe, Cashier Home National Bank, Elgin.
E. D. Durham, Manager Onarga Bank, Onarga.
Wm. H. Eagan, President Jackson Trust & Savings Bank, Chicago.
J. C. Eisenmayer, Cashier Trenton Bank, Trenton.
L. L. Emmerson, Cashier Third National Bank, Mount Vernon.
C. L. Farrell, Vice-President Fort Dearborn National Bank, Chicago.
W. T. Fenton, Vice-President National Bank of the Republic, Chicago.
J. Fischer, President Savings Bank of Kewanee, Kewanee (wife).
Charles W. Folds, Manager Hathaway & Co., Chicago (wife).
C. L. Furey, Vice-President American Guaranty Co., Chicago (wife).
William George, President Old Second National Bank, Aurora.
E. F. Goodell, Cashier John Stewart & Co., St. Charles.
N. H. Greene, Manager Greene & Greene, Tallula (wife).
M. H. Greenebaum, Cashier Illinois State Bank, Pontiac (wife).
E. A. Heald, Cashier Canton National Bank, Canton (B. F. Eyerly, President).
W. A. Heath, Vice-President Hibernia Banking Association, Chicago.
H. S. Henschen, Assistant Cashier State Bank, Chicago.
E. W. Hersh, President First National Bank, Newton.
B. R. Hieronymus, Cashier Illinois National Bank, Springfield.
E. W. Hight, Cashier Illinois State Bank, Assumption.
W. G. Hoag, Cashier State Bank, Evanston.
A. L. Hoblit, Cashier Carlinville National Bank, Carlinville (wife and two daughters).
R. I. Hunt, President Citizens' National Bank, Decatur (wife).
S. R. Hyman, President National Live Stock Bank, Chicago.
E. H. Keeley, Vice-President Forest City National Bank, Rockford.
F. W. Kellar, Cashier First National Bank, Lawrenceville.
E. D. Keys, Cashier Farmers' National Bank, Springfield (wife and son).
P. E. Kuhl, Cashier Lincoln National Bank, Lincoln (wife).
Lewis L. Lehman, President First National Bank, Mattoon.
E. L. Lobdell, E. L. Lobdell & Co., Chicago (wife).
N. R. Losch, Cashier Commercial National Bank, Forrest (wife).
E. F. Mack, Vice-President Royal Trust Co., Chicago.
F. P. Martin, Cashier Citizens' State Bank, Watseka (wife).
H. W. McCoy, MacDonald, McCoy & Co., Chicago (wife).
A. D. Madden, President First National Bank, Batavia.

J. V. McDowell, Cashier First National Bank, Forest (wife).
W. B. McKeard, W. B. McKeard & Co., Chicago (wife).
B. O. McReynolds, Cashier National Bank of Decatur, Decatur.
J. S. Miles, Cashier First National Bank, Mount Carroll.
F. S. Nelson, Assistant Cashier Merchants' Loan & Trust Co., Chicago.
E. J. Parker, Cashier State Savings Loan & Trust Co., Quincy.
C. B. Pike, President Hamilton National Bank, Chicago (wife).
L. W. Pitcher, Secretary American Guaranty Co., Chicago.
J. F. Quigg, Cashier Minier Bank, Minier (daughter).
G. M. Reynolds, Vice-President Continental National Bank, Chicago (wife).
W. H. Rhodes, Cashier Lewiston National Bank, Lewiston.
L. P. Scoville, Vice-President and Cashier Ravenswood Exchange Bank, Chicago (wife).
H. D. Sexton, President Southern Illinois National Bank, East St. Louis.
L. D. Snow, Cashier Bank of Sheldon, Sheldon (wife).
Geo. C. Spafford, Cashier Third National Bank, Rockford.
G. M. Stimson, Cashier A. G. Danforth & Co., Washington (wife).
Lucius Teter, Cashier Chicago Savings Bank, Chicago.
N. F. Thompson, President Manufacturers' National Bank, Rockford (wife).
R. Van Vechten, Second Vice-President Commercial National Bank, Chicago (wife).
T. C. Van Riper, President Illinois State Trust Co., East St. Louis (wife).
L. A. Walton, Vice-President Equitable Trust Co., Chicago.
Robert R. Ward, Vice-President Benton State Bank, Benton.
J. B. Waterman, President Forest City National Bank, Rockford (wife).
A. J. Williford, Cashier Nokomis National Bank, Nokomis.
F. B. Woodland, Cashier Prairie State Bank, Chicago (wife).
J. H. Young, Assistant Cashier Bank of Rushville, Rushville (wife).
A. E. Ziehme, President Ravenswood Exchange Bank, Chicago (wife).
C. B. Zinser, Assistant Cashier First National Bank, Chillicothe.

INDIANA.

J. M. Andrew, President Second National Bank, New Albany.
W. R. Baker, Treasurer Citizens' Loan, Trust & Savings Bank, South Bend (daughter).
V. P. Bozeman, President Bozeman & Waters, Poseyville (wife).
J. V. Bright, Cashier Bank of Flora, Flora.
Myron Campbell, Cashier South Bend National Bank, South Bend.
Mord Carter, President First National Bank, Danville.
C. H. Church, Cashier Delaware County National Bank, Muncie (wife).
Geo. H. Cooper, Cashier Citizens' Bank, Greenfield.
W. D. Dickey, Assistant Cashier Columbia National Bank, Indianapolis.
M. A. Dilts, Vice-President Citizens' Bank, Winamac (wife).
John Flanagan, President Fairmount State Bank, Fairmount (wife).
S. M. Foster, President German-American Bank, Fort Wayne (wife).
O. N. Frenzel, Cashier Merchants' National Bank, Indianapolis.
W. H. Gardner, Cashier Farmers' National Bank, Valparaiso (wife and daughter).
W. F. C. Golt, Cashier Columbia National Bank, Indianapolis.
W. F. Hadley, Cashier Farmers' Bank, Mooresville (wife).
Lucian Harris, Cashier Rising Sun Deposit Bank, Rising Sun (wife).
Jane Hawkins, Bank of Earl Park, Earl Park (daughter).
J. H. Holliday, President Union Trust Co., Indianapolis.
W. J. Irwin, Cashier Irwin's Bank, Columbus.
C. T. Lindsey, President Citizens' Loan, Trust & Savings Co., South Bend.
A. G. Lupton, Cashier Blackford County Bank, Hartford City (wife).
Frank Martin, Treasurer Indiana Trust Co., Indianapolis.
J. F. McCulloch, President New Albany National Bank, New Albany.
Sol. Meyer, Meyer & Kiser, Indianapolis (wife).
J. E. Neff, Secretary American Trust Co., South Bend.
R. E. Niven, Cashier State Bank, Thorntown.
M. A. O. Packard, President First National Bank of Marshall County, Plymouth.
John Perrin, President American National Bank, Indianapolis.
H. K. Scott, Cashier Steuben County Bank, Angola (wife).
J. C. Shirk, President National Brookville Bank, Brookville (wife).
Andrew Smith, Vice-President Capital National Bank, Indianapolis (wife).
L. G. Tong, Cashier St. Joseph County Savings Bank, South Bend (Miss Elinor E. Tong).
J. F. Wild, President J. F. Wild & Co., Indianapolis (wife).
W. G. Windle, Vice-President Farmers' National Bank, Valparaiso.
C. H. Worden, Vice-President and Manager First National Bank, Ft. Wayne (wife).

INDIAN TERRITORY.

W. B. Kane, President City National Bank, Wagoner (wife).
A. C. Trumbo, Vice-President and Cashier Bank of Muskogee and Vice-President First National Bank of Boynton.

IOWA.

E. S. Baker, President Keokuk National Bank, Keokuk (wife).
A. F. Balch, President Marshalltown State Bank, Marshalltown.
Geo. M. Barnett, Cashier Centerville National Bank, Centerville.
J. L. Bevel, Jr., Assistant Cashier Citizens' National Bank, Cedar Rapids.
J. W. Bowdish, Director Citizens' National Bank, Cedar Rapids.
J. A. Bradley, Cashier First National Bank, Centerville.
J. E. Burmeister, Cashier Iowa National Bank, Davenport.

Fred. Conklin, German Savings Bank, Chester (wife).
H. D. Copeland, President Burlington Savings Bank, Burlington (wife).
W. C. Cawley, President Delaware County State Bank, Manchester.
E. J. Curtin, President Citizens' Savings Bank, Decorah (wife).
D. T. Denmead, President City National Bank, Marshalltown.
J. L. Edward, President Merchants' National Bank, Burlington (daughter).
G. D. Ellyson, President Marquardt Savings Bank, Des Moines (wife).
T. J. Fletcher, Cashier First National Bank, Marshalltown.
J. T. Hackworth, Vice-President Ottumwa National Bank, Ottumwa.
J. E. Hamilton, Cashier Merchants' National Bank, Cedar Rapids (wife).
J. H. Hass, Cashier Scott County State Bank, Davenport.
D. L. Heinsheimer, President Mills County National Bank, Glenwood (wife).
H. J. Howe, Cashier Fidelity Savings Bank, Marshalltown.
E. D. Huxford, Cashier Cherokee National Bank, Cherokee (wife).
J. H. Ingerwersen, Cashier Cedar Rapids National Bank, Cedar Rapids.
E. L. Johnson, Vice-President Leavitt & Johnson Trust Company, Waterloo.
Henry Kasemaier, Cashier First National Bank, Waverly.
D. H. McKee, Cashier Citizens' State Bank, Mediapolis.
J. Fred Matteof, Assistant Cashier First National Bank, Sibley.
C. B. Mills, Cashier People's Trust & Savings Bank, Clinton.
G. E. Pearsall, Cashier Citizens' National Bank, Des Moines.
L. F. Potter, President First National Bank, Harlan.
E. M. Scott, Cashier Security Savings Bank, Cedar Rapids (wife and J. W. Bowdish, Cashier American Trust & Savings Bank), Hamilton.
Chas. Shade, President First National Bank, Rock Rapids.
L. E. Stevens, Cashier Ottumwa National Bank, Ottumwa (wife).
John Wilson, Cashier Bank of Reinbeck (wife).

KANSAS.

M. W. Baker, Cashier White City State Bank, White City.
F. E. Bodley, President First National Bank, Le Roy (wife and son).
C. C. Bodley, President People's State Bank, Richmond.
W. W. Bowman, Cashier First National Bank, Concordia (wife).
J. H. Cohen, Cashier First National Bank, Seneca.
H. J. Cooper, Cashier Farmers & Merchants' Bank, Scandia (wife).
J. S. Corley, President State Savings Bank, Wichita.
Giffen Culbertson, President Commercial State Bank, Long City.
A. Dobson, President State Bank of Ottawa, Ottawa (wife).
G. T. Guernsey, President Commercial National Bank, Independence (wife).
William C. Henrici, Cashier Interstate National Bank, Kansas City (wife).
Grant Hornaday, President First National Bank, Fort Scott.
P. O. Herold, Teller Citizens' National Bank, Anthony.
Arthur K. Lanyon, Cashier National Bank of Pittsburg, Pittsburg.
J. R. Lindburg, President First National Bank, Pittsburg.
Ed. S. McAnany, Director Commercial National Bank, Kansas City (wife).
E. R. Moses, President Citizens' National Bank, Great Bend (wife and daughter).
J. R. Mulvane, President Bank of Topeka, Topeka (wife).
W. C. Robinson, President First National Bank, Winfield (wife).
Charles M. Sawyer, President First National Bank, Norton.
Peter Shiras, Vice-President People's National Bank, Ottawa (wife).
A. W. Shulthic, Cashier Citizens' National Bank, Independence (wife).
W. H. Slaughter, Cashier Parker National Bank, Parker.
Sam L. Smith, Cashier First National Bank, Anthony (Fred Nashbon).
E. B. Stevens, Vice-President and Cashier First National Bank, Parsons (wife).

KENTUCKY.

M. H. Beard, Cashier Bank of Hardensburg.
L. O. Cox, President Union National Bank, Louisville.
Chas. E. Dallan, Cashier Henderson National Bank, Henderson.
J. R. Downing, Cashier Bank of Georgetown (wife).
James S. Escott, President Southern National Bank, Louisville.
F. C. Jackson, Assistant Cashier Citizens' National Bank, Lebanon.
J. N. Kehoe, Cashier Mitchell, Finch & Co.'s Bank, Maysville.
J. M. Knott, Cashier Marion National Bank, Lebanon (wife).
E. S. Lee, Cashier First National Bank, Covington.
H. R. Lindsey, Director Citizens' Savings Bank, Paducah.
J. M. Knott, Cashier Marion National Bank, Lebanon (wife).
Clint. C. McClarty, President First National Bank, Louisville.
Geo. G. Perkins, Director First National Bank, Covington.
W. W. Pierson, President State Bank, Sturgis.
T. Eldred Pruyn, Cashier Corinth National Bank, Corinth.
J. C. Revill, Cashier Boon County Deposit Bank, Burlington.
R. Rudy, Cashier Citizens' Savings Bank, Paducah.
Alfred N. Struck, Director German Insurance Bank, Louisville.
O. Tyler, President Third National Bank, Louisville, Raleigh.
H. C. Walbeck, Cashier German Insurance Bank, Louisville.
P. T. Watkins, Cashier First National Bank, Owensboro.

LOUISIANA.

William Adler, President State National Bank, New Orleans.
L. O. Broussard, Cashier and Manager Bank of Abbeville, Abbeville.
Lynn H. Dinkins, Assistant Cashier Bank of Jefferson, Gretna (Mrs. L. H. Dinkins, Mrs. J. B. Kemp and Miss Maggie Sargent).
L. H. Dinkins, Vice-President Interstate Trust and Building Co., New Orleans.

E. B. Dubuisson, President Opelousas National Bank, Opelousas.
W. A. Guillemet, Cashier Lake Charles National Bank, Lake Charles (wife and family).
Henry Hansmann, Vice-President Bank of Paterson, Paterson.
Sam. Henderson, Jr., Vice-President Interstate Trust and Banking Co., New Orleans.
A. S. Klempe, Assistant Cashier First National Bank, Patterson.
P. L. Lawrence, Cashier First National Bank, Crowley.
S. McC. Lawrason, President Bank of West Feliciana, St. Francisville (lady).
B. M. Morrison, Vice-President Hammond State Bank, Hammond.
J. G. Neelis, Cashier Bank of Gueydair (wife).
N. E. North, Cashier First National Bank, Lake Charles.
J. M. Pagaud, Cashier Whitney-Central National, New Orleans.
L. M. Pool, Assistant Cashier Hibernia Bank and Trust Co., New Orleans (R. M. Gannon).
W. B. Redmond, Stockholder Bank of Delhi.
F. B. Williams, Vice-President Whitney-Central National Bank, New Orleans.
R. J. Wood, President Inter-State Trust and Banking Co., New Orleans.
H. H. Youree, Vice-President Commercial National Bank, Shreveport (wife).

MAINE.

Charles G. Allen, Cashier Portland National Bank, Portland.
F. E. Allen, President Union Safe Deposit and Trust Co., Portland.
C. L. Bachelder, Cashier Saco National Bank, Saco (wife).
G. K. Boutelle, President Ticonic National Bank, Waterville.
Harry Butler, President Portland Trust Co., Portland.
Joseph Dane, Treasurer Kennebunk Savings Bank, Kennebunk (Joseph D. Bragdon).
H. C. Day, Cashier First National Bank, Auburn (wife).
H. S. Hall, Cashier Ticonic National Bank, Waterville.
F. D. Hill, Cashier Bath National Bank, Bath (wife).
E. G. Hyman, Cashier First National Bank, Bangor.
F. H. Low, Cashier Lincoln National Bank, Bath.
C. A. Moody, President First National Bank, Biddeford (wife).
S. C. Parcher, Cashier York National Bank, Saco (wife).
E. L. Smith, Cashier National Shoe & Leather Bank, Auburn (wife).
J. H. Thompson, Cashier First National Bank, Farmington (wife).

MARYLAND.

H. F. Adams, Cashier Second National Bank, Bel Air.
Daniel Annan, President Second National Bank, Cumberland.
N. H. Baile, Cashier First National Bank, New Windsor (wife, son and daughter).
F. V. Baldwin, Assistant Cashier Commercial & Farmers' National Bank, Baltimore.
Summerfield Baldwin, President National Exchange Bank, Baltimore.
Philip Bernstein, proprietor Home Bank, Baltimore.
F. G. Boyce, Jr., Partner Townsend, Scott & Son, Baltimore.
W. H. Buck, Jr., Cashier National Bank of Cockeysville, Cockeysville.
Wm. Walter Chapman, Cashier Chestertown Bank, Chestertown.
W. M. Chipley, Cashier Sykesville Bank, Sykesville (wife).
W. W. Cloud, Treasurer Maryland Savings Bank, Baltimore (wife).
Harvey L. Cooper, President Denton National Bank, Denton.
W. B. Copper, Cashier Second National Bank, Chestertown (wife).
W. C. Crawford, Manager W. A. Read & Co., Baltimore.
A. B. Crouch, Assistant Cashier Third National Bank, Baltimore.
J. H. Cunningham, Cashier Farmers & Mechanic's National Bank, Westminster (wife).
C. B. Delaney, Treasurer Border State Savings Bank, Baltimore.
Wm. J. Devon, Representative Owen, Daly & Co. (brokers), Baltimore.
Robert B. Dixon, President Easton National Bank of Maryland, Easton (lady).
F. A. Dolfield, Assistant Cashier National Howard Bank, Baltimore.
Chas. W. Dorsey, Vice-President National Exchange Bank, Baltimore.
F. C. Dreyer, Treasurer Continental Trust Co., Baltimore.
R. A. Driggs, Cashier National Union Bank of Maryland, Baltimore.
J. R. Edmonds, Vice-President Bank of Commerce, Baltimore.
R. A. Frey, Cashier Home Bank, Baltimore.
G. R. Gehr, Cashier First National Bank, Westminster.
J. W. H. Geiger, Cashier Canton National Bank, Baltimore (wife).
A. D. Graham, Assistant Cashier Citizens' National Bank, Baltimore.
Sam'l A. Graham, Cashier Farmers & Merchants' Bank, Salisbury.
Richard Gwinn, Second Vice-President Calvert Bank, Baltimore.
H. H. Haines, President National Bank of Rising Sun, Rising Sun (wife).
F. S. Hambleton, Partner Hambleton & Co., Baltimore.
Harold Hardinger, Cashier Patapsco National Bank, Ellicott City (wife).
Charles C. Homer, President Second National Bank, Baltimore.
J. W. Hook, President Old Town National Bank, Baltimore.
Wilbur W. Hubbard, Director Second National Bank, Chestertown.
E. B. Hunting, Director National Mechanics' Bank, Baltimore.
Wm. Ingle, Cashier Merchants' National Bank, Baltimore.
J. J. Jeanneret, of Owen, Daly & Co. (brokers' bankers), Baltimore.
H. S. King, President Security Storage & Traction Co., Baltimore (wife).
A. Kummer, partner Kummer & Becker, Baltimore.
P. D. Laird, Secretary Farmers' Bank & Trust Co., Rockville.
J. T. Laughlin, President City National Bank, Westernport (R. H. Gordon).
J. M. Littig, President National Marine Bank, Baltimore.
Wm. Marriott, Cashier Western National Bank, Baltimore.
H. M. Mason, Cashier Commercial & Farmers' National Bank, Baltimore.

J. Wm. Middendorf, Middendorf, Williams & Co., Baltimore.
Charles S. Miller, Cashier Drovers & Mechanics' National Bank, Baltimore.
Shirley C. Morgan, Manager Bond Department, Baltimore.
W. C. Page, President Calvert Bank, Baltimore.
Gordon F. Paine, of Paine & Wilson, Baltimore.
Yates Penniman, Cashier National Marine Bank, Baltimore.
Conrad C. Rabbe, Treasurer St. James Savings Bank, Baltimore (wife).
J. B. Ramsay, President National Mechanics' Bank, Baltimore (wife).
J. W. Randall, President Farmers' National Bank, Annapolis.
N. O. Redue, Cashier Old Town National Bank, Baltimore.
Samuel Roop, President First National Bank, Westminster.
S. C. Rowland, Chairman Executive Committee International Trust Co., Baltimore.
Wm. Schnauffer, Treasurer Savings Bank of Brunswick.
Townsend Scott, Partner Townsend, Scott & Son, Baltimore.
W. C. Seddon of W. C. Seddon & Co., Baltimore.
Robert Shriver, President First National Bank, Cumberland.
J. F. Sippel, Cashier Third National Bank, Baltimore (wife).
R. E. Sliger, Cashier First National Bank, Oakland (wife).
David Sloan, President Lonaconing Savings Bank, Lonaconing (daughter).
W. B. Spiva, Cashier Bank of Somerset, Princess Anne (wife).
C. C. Strickland, Assistant Cashier National Bank of Elkton, Elkton (wife).
J. F. Supple, Assistant President United States Fidelity & Guaranty Co., Baltimore.
John L. Swope, Assistant Cashier Western National Bank, Baltimore.
Wm. B. Thomas, President Farmers & Mechanics' National Bank, Westminster.
Chas. B. Trail, President Farmers & Mechanics' National Bank, Frederick.
R. K. Vanneman, Cashier First National Bank, Havre de Grace.
Geo. L. Wallace, People's National Bank, Denton.
J. C. Wands, Assistant Cashier Merchants' National Bank, Baltimore.
S. Davis Warfield, President Continental Trust Co., Baltimore.
August Weber, President German Bank, Baltimore.
J. R. Wheeler, President Commonwealth Bank, Baltimore.
H. B. Wilcox, Cashier First National Bank, Baltimore.
L. E. Williams, President Farmers & Merchants' Bank, Salisbury.
Lycurgus Winchester of Winchester Bros. & Co., Baltimore.
Marshall Winchester of Winchester Bros. & Co., Baltimore.

MASSACHUSETTS.

H. M. Batchelder, President Merchants' National Bank, Salem (Mrs. Hunt).
Thomas P. Beal, President Second National Bank, Boston.
Roger W. Babson, Gloucester Safe Deposit & Trust Co., Gloucester.
H. J. Bardwell, Cashier Hadley Falls National Bank, Holyoke.
Frank P. Bennett, Director American National Bank, Boston.
Frederic S. Boutwell, Treasurer Andover Savings Bank, Andover.
C. H. Churchill, Cashier Second National Bank, Springfield.
F. L. Claflin, Cashier First National Bank, Marlboro.
C. B. Cook, Cashier Metacomet National Bank, Fall River.
W. G. Corey, Cashier Wachusett National Bank, Fitchburg.
C. E. Dunaven, Bookkeeper National Shawmut Bank, Boston.
L. B. Fay, President Athol Savings Bank, Athol.
Chas. B. Fiske, Cashier Palmer National Bank, Palmer (wife).
Lewis A. Forge, Treasurer Lawrence Savings Bank, Lawrence (wife).
Joseph L. Forster, Cashier Webster & Atlas National Bank, Boston.
J. E. Gendron, Cashier Somerville National Bank, Somerville.
H. T. Goodnow, Cashier South End National Bank, Boston.
John Gott, President First National Bank, Gloucester.
H. K. Hallett, President Atlantic National Bank, Boston.
Edward Hatch, President First National Bank, West Newton.
A. F. Hitchcock, Cashier City National Bank, Holyoke.
G. H. Holden, Treasurer South Adams Savings Bank.
W. N. Homer, Cashier Fourth National Bank, Boston.
W. W. Johnson, Treasurer Essex Trust Co., Lynn (wife).
Wm. D. Lucy, President Worcester Trust Co., Worcester.
F. F. Partridge, Cashier Home National Bank, Holyoke (wife).
Francis Murdock, President Newton National Bank, Newton (wife, Mrs. J. H. Bacon and Miss L. J. Fuller).
J. F. Pennell, Vice-President Lechmere National Bank, East Cambridge (daughter).
H. A. Rhoades, Cashier People's National Bank of Roxbury, Boston (wife).
F. W. Rugg, Cashier National Rockland Bank, Boston (wife).
George F. Sayles, Cashier First National Bank, Adams.
I. B. Sayles, National Bank Examiner, Millbury.
H. F. Smith, Assistant Cashier National Shawmut Bank, Boston.
P. E. Swift, Cashier Millers River National Bank, Athol.
T. D. Taylor, President Boston Banking Co., Boston (wife).
Daniel W. Tenney, President National Bank of Methuen.
Wm. G. Twing, Cashier Holyoke National Bank, Holyoke.
J. Walter Farrell, Chas. Weil & Co., Boston.

MICHIGAN.

L. A. Babbit, Cashier Northville State Savings Bank, Northville.
George H. Barber, Director Union Trust Co., Detroit.
George H. Barber, Director People's Savings Bank, Detroit.
Geo. H. Barbour, Vice-President Dime Savings Bank, Detroit.

V. T. Barker, President Home Savings Bank, Kalamazoo.
A. D. Bennett, President Commercial Bank, Port Huron (Mrs. A. D. Bennett).
Arthur G. Bishop, Cashier Genesee County Savings Bank, Flint (wife).
G. A. Blesch, Cashier First National Bank, Menominee (wife).
J. F. Boynton, Treasurer People's Savings Bank, Saginaw (wife and two daughters).
L. H. Bridgman, Assistant Cashier Union Trust & Savings Bank, Flint.
H. W. Cavanagh, Attorney Calhoun State Bank, Homer.
R. Childs, Treasurer Childs, Hulswit & Co., Grand Rapids.
T. J. Cobbs, President Cadillac State Bank, Cadillac (wife).
Charles F. Collins, President Wayne County Savings Bank, Detroit (Miss A. C. Collins, Miss Katharine E. Collins).
W. S. Culver, President Culver State Bank, Brooklyn (Mrs. S. Culver).
Herman Dey, Assistant Cashier American Exchange National Bank, Detroit.
John M. Ealy, Cashier State Savings Bank, Caro.
Oliver Evans, Cashier Commercial Bank, Iron Mountain.
F. G. Evans, Cashier Central National Bank, Battle Creek.
J. S. Farrand, Jr., Director Commercial Bank, Detroit.
Scott Field, Vice-President Merchants' Savings Bank, Battle Creek.
Julius H. Haass, Cashier Home Savings Bank, Detroit, (wife).
T. E. Hammond, Cashier Muskegon Savings Bank, Muskegon.
W. L. Hammond, Cashier First National Bank, Ludington.
H. J. Hollister, Vice-President Old National Bank, Grand Rapids.
J. H. Johnson, Cashier Peninsular Savings Bank, Detroit (wife).
O. O. Jordan, Cashier Union Banking Co., St. Joseph (wife).
F. G. Hulswit, President Childs, Hulswit & Co., Grand Rapids.
Reuben Kempf, President Farmers & Mechanics' Bank, Ann Arbor (wife).
Geo. H. Kirchner, Cashier German-American Bank, Detroit.
D. P. Lapham, President D. P. Lapham Bank, Dearborn (wife), J. B. Chase.
W. Livingstone, President Dime Savings Bank, Detroit (wife and daughter).
W. E. Marsh, Cashier Lowell State Bank, Lowell.
Daniel McCoy and wife, President State Bank of Michigan, Grand Rapids.
Wm. B. McLaughlin, Cashier Houghton National Bank, Houghton.
Chester Messer, President Hastings City Bank, Hastings.
A. M. Minty and Scott Field, President and Vice-President Merchants' Savings Bank, Battle Creek.
R. M. Montgomery, Director Lansing State Savings Bank, Lansing.
Chas. Moore, Secretary Union Trust Co., Detroit.
W. E. Moss, W. E. Moss & Co., Detroit.
H. W. Noble, Banker, H. W. Noble & Co., Detroit (wife).
E. H. Pinney, President Exchange Bank, Cass City (wife and Mrs. L. L. Wixson).
J. T. Shaw, Vice-President First National Bank, Detroit.
Geo. A. Skinner, Cashier Mt. Clemens Savings Bank, Mt. Clemens (Mrs. Geo. A. Skinner).
S. C. Smith, Cashier Boyne City State Bank, Boyne City.
T. P. Steadman, Campbell & Steadman, Elsie.
W. P. Steadman, Campbell & Steadman, Elsie.
J. W. Thompson, Director Kalamazoo National Bank, Kalamazoo.
W. B. Thompson, President Thompson Savings Bank, Hudson.
I. B. Unger, Assistant Cashier Old Detroit National Bank, Detroit.
C. C. Wakefield, President Wakefield State Bank, Morenci (wife).
Chas. S. Whitney, Auditor Adrian State Savings Bank, Adrian (wife).
A. E. Wing, Assistant Secretary State Savings Bank, Detroit.
Theo. E. Wood, Cashier Chelsea Savings Bank, Chelsea (wife and two friends).
James R. Wylie, President National City Bank, Grand Rapids.

MINNESOTA.

J. W. Booth, Cashier First National Bank, Winona.
F. A. Chamberlain, President Security Bank of Minnesota, Minneapolis.
J. Chapman, Cashier Northwestern National Bank, Minneapolis.
Kenneth Clark, President Merchants' National Bank, St. Paul (family).
D. S. Culver, Cashier National German-American Bank, St. Paul.
J. M. Dickson, President First National Bank, Fulda (wife).
C. D. Griffith, President First National Bank, Sleepy Eye.
Heyden S. Coler, Vice-President and Counsel Northwestern Trust Co., St. Paul.
M. H. Hegerle, Cashier State Bank of St. Bonifacius, St. Bonifacius.
W. D. Kirk, President Capital Bank, St. Paul (wife).
Chas. G. Lawrence, Treasurer State Savings Bank, St. Paul.
F. D. Monfort, Vice-President Second National Bank, St. Paul.
E. F. Moore, President First National Bank, St. Cloud.
Geo. H. Newbert, Cashier First National Bank, Mora (wife).
Geo. F. Orde, Cashier First National Bank, Minneapolis.
Geo. Pfefferkorn, Vice-President Citizens' State Bank, St. Charles (wife).
W. H. Putnam, Cashier Bank Pierce, Simmons & Co., Red Wing (wife).
A. D. Stephens, Cashier Merchants' National Bank, Crookston (wife).
F. C. Thornton, Cashier First National Bank, Benson.

MISSISSIPPI.

E. F. Ballard, Cashier Bank of Waynesboro.
W. H. Buck, Cashier Bank of Biloxi, Biloxi.
A. G. Campbell, President First Natchez Bank, Natchez (wife).
E. E. Conners, Director National Bank of Commerce, Hattiesburg.
Z. D. Davis, President Capital National Bank, Jackson.
E. A. Durham, Vice-President First National Bank, Gulfport.
I. N. Ellis, Cashier Merchants & Planters' Bank, Hazlehurst.

A. C. Jones, President Mississippi Bank & Trust Co., Jackson (wife).
J. E. Reed, Vice-President Citizens' National Bank, Meridan.
Phil. A. Rush, President Tate County Bank, Senatobia (Mrs. Phil. A. Rush).
R. L. Saunders, President Bank of Wesson, Wesson.
A. F. Thomasson, Cashier First National Bank, Hattiesburg.
A. A. Tomlinson, Cashier Bank of Commerce, Gulfport.
C. W. Troy, Cashier Bank of Tupelo, Tupelo.
E. A. Weaver, Vice-President Columbus Ins. & Banking Co., Columbus.
R. E. Wilburn, President Bank of Lexington, Lexington.
E. V. Yates, Cashier Merchants & Farmers' Bank, Macon.
E. V. Yates, Vice-President Bank of Shuqualah, Shuqualah.

MISSOURI.

J. E. Brock, Secretary Mississippi Valley Trust Co., St. Louis.
C. M. Buckner, Vice-President Paris National Bank, Paris.
J. A. Chase, President Mountain Grove Bank, Mountain Grove.
W. S. Clunn, Cashier Webb City Bank, Webb City (wife).
A. H. Coffee, President Central National Bank, Carthage (wife).
John C. Dawson, President Citizens' Bank, Grant City (wife).
C. M. Donavan, Assistant Cashier Citizens' Exchange Bank, Orrick.
Chas. C. Evans, Secretary and Treasurer Sedalia Trust Co., Sedalia (wife).
G. B. Galbreath, Cashier Third National Bank, St. Louis.
E. J. Ganz, Superintendent Standard Adding Machine Co., St. Louis.
F. M. Gardner, Jr., Mechanics-American National Bank, St. Louis.
Gerhard W. Garrels, President Franklin Bank, St. Louis (Mrs. G. W. Garrels).
E. H. Harris, Jr., Cashier Pilot Grove Bank, Pilot Grove.
Walker Hill, President Mechanics-American National Bank, St. Louis (wife).
Frank W. Hixon, Assistant Cashier Hannibal National Bank, Hannibal.
J. P. Huston, Cashier Wood & Huston Bank, Marshall.
W. B. Kane, Cashier First National Bank, Cartersville (wife).
Henry Krug, Jr., Vice-President German-American Bank, St. Joseph (Mrs. Krug).
W. G. Lackey, Bond Officer Mississippi Valley Trust Co., St. Louis.
J. A. Leavell, Cashier Home Savings Bank, Fulton (wife).
J. A. Lewis, Cashier National Bank of Commerce, St. Louis.
W. J. Miller, President C. H. Brown Banking Co., Lamar (wife).
S. R. Nelson, Vice-President Bank of Chillicothe (wife).
Chas. Pasche, President St. Joseph Stock Yards Bank, St. Joseph (wife).
W. H. Shough, Assistant Cashier, Farmers' Bank, Westboro, Westboro.
J. H. Spencer, Cashier Miners' Bank, Joplin.
E. F. Swinney, President First National Bank, Kansas City.
W. E. Schweppe, Manager Bankers' Department American Credit Ind. Co., St. Louis.
J. B. Thomas, Cashier Bank of Albany, Albany (wife).
F. W. Webb, Cashier Crawford County Farmers' Bank, Steelville (wife).

MONTANA.

A. B. Clements, Cashier Aetna Banking & Trust Co., Butte.
P. B. Moss, President First National Bank, Billings (wife).
George L. Ramsey, President Union Bank & Trust Co., Helena (wife).
Austin W. Warr, Assistant Cashier Bank of Fergus County, Lewistown.

NEBRASKA.

G. B. Bell, Cashier Grand Island Banking Company, Grand Island.
D. V. Blatter, Cashier Albion National Bank, Albion (son).
S. H. Burnham, President First National Bank, Lincoln (wife).
A. L. Clarke, President First National Bank, Hastings.
E. R. Gurley, Vice-President Fremont Trust & Savings Bank, Fremont (wife).
H. A. Cheney, President Security Bank, Creighton (wife).
W. L. Mote, President Bank of Plainview, Plainview (wife).
C. A. Voorhees, Cashier Clay County State Bank, Edgar.
E. Williams, Cashier City National Bank, David City (wife).
H. D. Wilson, Cashier Nebraska City National City (wife).

NEW HAMPSHIRE.

A. L. Mansfield, Cashier First National Bank, Hillsboro Bridge.

NEW JERSEY.

J. A. Bachman, Cashier Phillipsburg National Bank, Phillipsburg (wife).
W. R. Buzby, President Haddonfield National Bank, Haddonfield (wife and daughter).
John A. Campbell, President Trenton Banking Co., Trenton.
A. W. Conklin, Cashier Union National Bank, Newark.
Theo. B. Dawes, Cashier First National Bank, Blairstown (wife).
E. A. Faulks, Cashier City Bank, Elizabeth (wife).
Wm. J. Field, Secretary-Treasurer Commercial Trust Co. of New Jersey, Jersey City.
J. Warren Fleming, First National Bank, Pennington.
Samuel Freeman, President Morristown Trust Co., Morristown (wife).
J. F. Graham, Cashier First National Bank, Woodbury (wife).
Nathan Haines, President Mechanics' National Bank, Burlington (wife).
George Hires, President Salem National Banking Co., Salem (wife).
C. H. K. Halsey, President Union County Trust Co., Elizabeth.
Edw. H. Holmes, Cashier Bank of Montclair (wife).
F. M. Hough, President Newton Trust Co., Newton.
A. S. Leigh, President First National Bank, Princeton (David M. Flynn. Cashier).
B. V. Leigh, Cashier Clinton National Bank, Clinton.

John W. Lushear, President North Ward National Bank, Newark (wife).
Jesse Minot, Assistant Cashier Asbury Park & Ocean Grove Bank, Asbury Park.
James S. Newkirk, Treasurer Provident Institute for Savings, Jersey City.
Henry G. Parker, Cashier National Bank of New Jersey, New Brunswick (wife).
F. A. Phillips, Assistant Cashier Lambertsville National Bank, Lambertsville (Sam. A. Burns, Director).
H. M. Rumsey, Cashier Salem National Banking Co., Salem (wife).
Frank M. Riley, Cashier Cumberland National Bank, Bridgeton.
Walter Robb, Treasurer Burlingham Savings Institution, Burlingham.
W. F. Rose, Cashier National State Bank, Camden.
T. E. Schauck, Cashier People's National Bank, New Brunswick (wife).
J. C. Sherman, Secretary and Treasurer Passaic Trust & Safe Deposit Co., Passaic (wife).
Wm. H. Taylor, Cashier First National Bank, Somerville.
J. B. Thompson, President Chelsea National Bank, Atlantic City (wife).
S. L. Tomlinson, Cashier Union National Bank, Mount Holly (Wm. H. Bishop, President; Edw. B. Jones, Director).
James W. Trenchard, President Bridgeton National Bank, Bridgeton (wife).
M. Weinmann, Vice-President Marine Trust Co., Atlantic City (Joseph A. McNamee).

NEW YORK.

Geo. W. Adams, Cashier Oriental Bank, New York city (wife).
Chas. Adsit, President First National Bank, Hornellsville (wife).
Lynn J. Arnold, President First National Bank, Cooperstown (wife).
Chas. T. Beach, Cashier Sandy Hill National Bank, Sandy Hill.
A. D. Bissell, President People's Bank, Buffalo.
Henry C. Brewster, President Traders' National Bank, Rochester (wife).
Henry Burden, Second President Cazenovia National, Cazenovia.
A. W. Burnett, George W. Stern Co., 25 Broad street, New York city.
W. F. Burns, Cashier Williamsburg Savings Bank, Brooklyn (wife).
Chas. Burhans, Treasurer Kingston Savings Bank, Kingston.
Alex. D. Cambell, Assistant Cashier Hanover National, New York city.
Homer A. Canfield, Merchants' Bank of Rochester, Rochester.
George S. Carr, Cashier Colonial Bank, New York city.
Henry Chapin, Jr., Vice-President National Bank of North America, New York city.
C. A. Cheney, President People's National Bank, Hoosick Falls.
John A. Clark, President Sidney National Bank, Sidney (wife).
L. J. Clark, President Pulaski National Bank, Pulaski (wife).
Ledyard Cogswell, President New York State National Bank, Albany.
Sam'l S. Conover, Vice-President Irving National Bank, New York city.
H. B. Coombe, Malcolm & Coombe, New York city.
R. L. Condon, Vice-President People's Savings Bank, Yonkers.
H. L. Crandell, Vice-President Bank of Long Island, Borough of Queens, New York city.
W. H. Crandall, President University Bank, Alfred.
D. Cromwell, President First National Bank, White Plains (wife).
A. H. Curtis, President National Bank of North America, New York city (wife).
R. C. Dahlander, Representative C. V. Burns Co., New York city.
D. C. Dow, Cashier First National Bank, Cobleskill; Vice-President First National Bank, Middleburgh.
Nathaniel M. Drake, Financial Manager New York Times, New York city.
W. L. Douglass, Cashier Garfield National Bank, New York city.
George T. Dunham, Cashier Chenango National Bank, Norwich.
B. C. Durland, Cashier Chester National Bank, Chester (Jesse Bull, Director).
E. O. Eldredge, Cashier Owego National Bank, Owego (wife).
Theo. Elixman, President Corinth National Bank, Corinth.
P. J. Elting, President Westchester Trust Co., Yonkers (E. J. Elting).
John Farson, Jr., of Farson, Leach & Co., New York city.
J. S. Fearon, Vice-President International Banking Corporation, New York city.
Chas. E. Finlay, President Aetna National Bank, New York city.
E. D. Fisher, Secretary Flatbush Trust Co., Brooklyn (wife).
John Flynn, Director Union National Bank, Troy.
H. B. Fonda, Assistant Cashier National of Commerce, New York city.
Clarence Foote, Cashier Greenwich Bank, New York city.
Charles E. Gardner, Director People's National Bank, Troy.
C. W. Gay, Cashier First National Bank, Ithaca (wife).
John M. Gesner, Cashier Nyack National Bank, Nyack.
Herman Gifford, of Wm. Salomon & Co., New York city.
Edwin Goodall, Vice-President Bank of Discount, New York city.
W. S. Hall, Cashier Freeport Bank, Freeport (wife and friend).
George D. Hallock, Baring, Magoun & Co., New York city.
F. Hammond, President Union Savings Bank, Patchogue (wife).
Wm. Hanhart, Secretary Savings Bank Section American Bankers' Association, New York city (wife).
Orlando H. Harriman, Assistant Cashier First National Bank, New York city.
A. M. Harris, Cashier N. W. Harris & Co., New York city.
G. N. Hartmann, Knickerbocker Trust Co., New York city.
Chas. Haskins, Cashier Cayuga County National Bank, Auburn.
E. H. Hatch, Cashier N. W. Halsey & Co., New York city.
Charles W. Herrick, Vice-President Bank of Jamestown, Jamestown.
Frank L. Hilton, Assistant Secretary Trust Co. of America, New York city.
Alex. M. Holden, President Bank of Honeove Falls, Honeove Falls (wife, also Mr. and Mrs. D. G. Martin).

F. E. Howe, Cashier Manufacturers' National Bank, Troy.
David Hoyt, Secretary and Treasurer Monroe County Savings Bank, New York city.
Thomas Hunter, President First National Bank, Fulton.
Henry E. Hutchinson, President Brooklyn Bank, Brooklyn.
Fred. W. Hyde, Cashier Chatauqua County Trust Co., Jamestown.
John T. Ijams, Fisk & Robinson, New York city.
G. M. Jarvis, Cashier Second National Bank, Cooperstown (wife).
Wm. C. Jayne (senior member) Jayne & Mason, Webster.
F. M. Johnston, President Fallkill National Bank, Poughkeepsie (wife and two daughters).
R. W. Jones, Jr., President Oriental Bank, New York city.
W. O. Jones, Assistant Cashier National Park Bank, New York city.
Rob't. D. Kent, Vice-President Stapleton National Bank, Stapleton.
F. P. Knapp, Cashier Binghamton Trust Co., Binghamton.
R. W. Kirby, Cashier First National Bank, Bainbridge (wife).
E. Klein, Assistant Cashier Mercantile National Bank, New York city.
Francis A. Kleine, Cashier First National Bank, Port Jefferson.
A. A. Knowles, Vice-President Mechanics' National Bank, New York city.
W. F. H. Koelsch, Treasurer Mutual Alliance Trust Co., New York city.
A. F. Kountze, Kountze Bros., New York city.
Percival Kuhne, Banker, New York city (F. Sayer).
F. W. Lafrentz, Comptroller American Surety Co., New York city (wife).
Percy L. Lang, Cashier First National Bank, Waverly.
G. Byron Latimer, Secretary Irving Saving Institution, New York city (wife).
W. A. Lamson, Commercial Paper, 60 Wall street, New York city (wife).
Clarence R. Leach (Bondman), Millett, Roe & Hagen, Bank of Rockville Centre, L. I.
Wm. C. Le Gendre, Assistant Manager Brown Bros. & Co., New York city.
G. E. Lewis, Cashier Gallatin National Bank.
Wm. F. Lewis, Manager Harlem Branch Knickerbocker Trust Co., New York city.
E. A. de Lima, President Battery Park National Bank, New York city.
A. A. Lisman, Vice-President Coal & Iron National Bank, New York city; Vice-President Mt. Vernon Trust Co., Mt. Vernon (wife).
J. T. Lockwood, Vice-President Home Savings Bank, White Plains (wife).
Malcom & Coombe, Foote & Sherrill, Managers, Gilbert F. Foote, Poughkeepsie.
W. B. Manny, Vice-President Larchmont National, Larchmont (wife).
F. E. Marshall, President Phenix National Bank, New York city.
N. M. Marshall, President People's National Bank, Malone.
Courtland Massie, W. Brenton Welling, Bankers, City.
Geo. B. Massey, President Jefferson County National, Watertown.
A. Eugene Mason, Cashier Glens Falls Trust Co., Glens Falls.
Harry D. Matteson, Teller Utica Trust & Deposit Co., Utica.
A. J. McGrath, Second Vice-President National Shoe & Leather Bank, New York city.
J. N. Merchant, President National Bank of Stamford.
R. C. Miller, of N. W. Halsey & Co., New York city.
E. L. Milmine, Cashier Mohawk National Bank, Schenectady.
Jas. Moffett, President, Ridgewood Bank, Brooklyn.
C. S. Mott, Cashier Bank of Northport, Northport.
H. S. Mott, President Bank of Northport, Northport (wife).
W. L. Moyer, President National Shoe & Leather Bank, New York city.
John F. Munger, Banker Private, Rensselaer (wife).
C. D. Narvin, A. M. Kidder Co., Bankers, New York city; S. G. Nelson, Vice-President Seaboard National Bank, New York city.
Jas. C. Newcomb, New York city (wife).
Miles M. O'Brien, Vice-President Mercantile National Bank, New York city.
Willis S. Paine, President Consolidated National Bank, New York city.
A. R. Palmer, Cashier Exchange National Bank, Seneca Falls.
Geo. W. Pancoast, Cashier Astor National Bank, New York city (wife.)
A. J. Parsons, Cashier First National Bank, Binghamton.
C. H. Patterson, Cashier Fourth National Bank, New York city (wife).
Charles A. Peck, Cashier First National Bank, Mexico.
F. R. Pemberson, Banker, F. R. Pemberson Co., 15 Wall street, New York city.
H. G. Phelps, Cashier, The Cazenovia National Bank, Cazenovia.
Brewer D. Phillips, President Bank of Jamestown, Jamestown.
L. E. Pierson, President New York National Exchange Bank, New York city (wife).
Thomas W. Pollard, Cashier State Bank of Seneca Falls.
R. W. Poor, President Garfield National Bank, New York city.
H. H. Powell, Cashier Importers & Traders' National Bank, New York city.
R. W. Pressprich, Salesman, Wm. A. Read & Co., New York city.
F. Eldred Pruyn, Cashier Corinth National Bank, Corinth.
C. A. Pugsley, President Westchester County National Bank, Peekskill.
C. H. Purcell, Director Nassau Trust Co., Brooklyn.
T. Francis Quick, Assistant Secretary Broadway Trust Co., New York city (wife).
D. S. Ramsay, President East River Savings Institution, New York city.
Forrest Raynor, of Hathaway & Co., New York city.
E. R. Redhead, President Citizens' National Bank, Fulton.
Chas. H. Rickert, Stockholder Aetna National Bank, New York city.
C. H. Rickert, Director Aetna National Bank, New York city.
B. J. Robertson, Representative Redmond & Co., New York city.
C. L. Robinson, Vice-President Guardian Trust Co., New York city.

John D. Rohan, N. W. Halsey & Co., New York city.
O. J. C. Rose, Director Geneva National Bank, Geneva.
C. H. Russell, Mechanics' Bank, Brooklyn.
Arthur Sachs, Goldman, Sachs & Co., New York city.
C. A. Sackett, Vice-President Mutual Bank, New York city.
M. S. Sandford, Vice-President Geneva National Bank, Geneva (Miss Sanford).
J. H. Seaman, Wm. O. Read & Co., New York city.
Edwin S. Schenck, President Citizens' Central National, New York city.
F. S. Sexton, Cashier Fulton County National Bank, Gloversville.
F. S. Sheldon, Director Farmers' National Bank, Granville.
A. E. Sheridan, Auditor American Surety Co., New York city.
H. R. Smith, President Bank of Rockville Center, Rockville Center (wife).
S. R. Smith, President Bank of Long Island, Borough of Queens, New York city.
C. E. Sprague, Chairman Savings Bank Section, Union Dime Savings Bank, New York city (wife).
E. J. Stalker, Cashier Chase National Bank, New York city (Mr. N. E. Purdy).
C. D. Steurer, "American Banker," New York city.
R. H. Swartwout, Babcock, Swartwout & Co., New York city.
W. I. Taber, Cashier Herkimer National Bank, Herkimer (Mrs. E. A. Taber).
J. F. Thompson, Vice-President Bankers' Trust Co., New York city.
Robert C. Turnbull, Assistant Cashier Bank of Campbell, Campbell.
Will C. Turner, Private Banker, New York city.
T. I. Van Antwerp, Vice-President Union Trust Co., Albany.
John R. Van Wagenen, President First National Bank, Oxford.
C. E. Warren, Cashier Lincoln National Bank, New York city (wife).
Herbert P. Wenig, Auditor Windsor Trust Co., New York city.
F. E. Willits, Vice-President Glen Cove Bank, Glen Cove.
W. E. Williams, Assistant Cashier Corn Exchange Bank, New York city (N. L. Wood).
G. S. Whitson, Vice-President National City Bank, New York city.
A. K. Wood, Secretary Van Norden Trust Co., New York city.

NORTH CAROLINA.

R. G. Allen, President First National Bank, Louisburg (wife).
Wm. Bailey, President Farmers & Merchants' Bank, Louisburg.
J. G. Brown, President Citizens' National Bank, Raleigh.
W. H. S. Burgwyn, President First National Bank, Weldon.
T. J. Byerly, Cashier Bank of Davie, Mocksville.
L. S. Covington, Cashier Bank of Hamlet, Hamlet (Miss E. Covington and Mrs. S. P. Enhusth).
W. S. Dilling, Cashier Kings Mountain Bank, Kings Mountain (O. G. Falls, Director).
J. O. Ellington, Vice-President Bank of Fayetteville (J. F. Homison).
Col. F. H. Fries, President Wachovia Loan & Trust Co., Winston-Salem (wife, daughter and friend).
Thos. J. Gill, Cashier First National Bank, Laurenburg (wife).
W. E. Grigg, Cashier Bank of Lincolnton, Lincolnton.
G. W. F. Harper, President Bank of Lenoir, Lenoir.
L. W. Norman, Cashier Hertford Banking Co., Hertford.
W. T. Old, President Savings Bank & Trust Co., Elizabeth City.
W. T. Old, Cashier First National Bank, Elizabeth City.
Claude Ramsaur, Cashier First National Bank, Lincolnton.
J. O. Ragsdale, Cashier Bank of Madison, Madison.
Erucin Sluder, Cashier Blue Ridge National Bank, Asheville.
A. K. Smith, President Bank of Smithfield, Smithfield.
W. R. Smith, Cashier Bank of Weldon, Weldon.
C. B. Townsend, Cashier Bank of Lumberton, Lumberton (wife).
W. H. White, Cashier First National Bank, Salisbury.
J. F. Wily, Cashier Fidelity Bank, Durham.
W. H. Wood, Treasurer Southern State Trust Co.

NORTH DAKOTA.

W. S. Birch, Cashier First National Bank, Fessenden.
W. F. Murphy, President State Bank of Reynolds, Reynolds (wife).

OHIO.

W. L. Allendorf, Cashier Commercial National, Sandusky.
E. L. Barber, President Bank of Wauseon, Wauseon.
H. H. Blythe, Cashier Citizens' National Bank, East Liverpool.
A. C. Bogniard, Assistant Cashier First National Bank, Ashland (wife).
Geo. H. Bohrer, President German National Bank, Cincinnati.
O. S. Bond, President Merchants & Clerks' Savings Bank, Toledo.
G. W. Bright, President Ohio Trust Co., Columbus.
R. B. Crane, Cashier National Bank of Toledo (wife).
W. R. Craven, Secretary Dayton Savings & Trust Co., Dayton (wife).
C. J. Daoust, Cashier Defiance City Bank, Defiance (wife).
W. H. Evans, Secretary and Treasurer Dime Savings Bank, Akron (wife and daughter).
T. H. Fisher, Assistant Cashier First National Bank, East Liverpool.
S. D. Fitton, President First National Bank, Hamilton.
W. B. Gebhart, Vice-President City National Bank, Dayton.
Geo. Guckenberger, President Atlas National Bank, Cincinnati (wife).
H. T. Hall, Cashier Dollar Savings Bank Co., East Liverpool.
H. E. Hayes, W. J. Hayes & Sons, Cleveland (wife).
B. Hendrickson, Cashier Medina County National Bank, Medina.
B. D. Herron, Assistant Cashier Knox County Savings Bank, Mt. Vernon.

L. H. Houston, President Citizens' Bank, South Charleston.
E. H. Miller, President Highland County Bank, Greenfield.
Geo. March, President Chagrin Falls Banking Co., Chagrin Falls.
H. B. Nicholson, Cashier People's National, Wellsville.
C. E. Niles, President First National Bank, Findlay.
E. P. Norris, Cashier National Bank of Barnesville.
C. J. Oller, Cashier Commercial Bank & Savings Co., Findlay.
C. W. Paine, Cashier Central National Bank, Cleveland.
R. W. Patterson, Cashier Potter National Bank, East Liverpool.
C. H. Pauck, Cashier First National Bank, St. Mary.
Geo. W. Plantz, Cashier First National Bank, Pomeroy (wife).
C. A. Post, President Dime Savings Bank, Cleveland.
R. B. Powers, Assistant Cashier First National Bank, Delaware.
Jno. J. Puriton, Secretary Potter's Building & Savings Co., East Liverpool.
S. B. Rankin, President Bank of South Charleston, South Charleston (with friend).
Jos. Rawson, Vice-President First National Bank, Cincinnati.
W. H. H. Reeder, President Dime Savings Bank Co., Toledo.
J. G. Russell, Cashier Mt. Gilead National Bank, Mt. Gilead.
E. W. Savage, Cashier Marine National Bank, Ashtabula (wife).
O. A. Schenck, Cashier Market Exchange Bank, Columbus.
J. M. Schreiber, Cashier Fourth National Bank, Cadiz.
C. H. Schlabach, Treasurer Canton Savings & Trust Co., Canton (wife).
R. H. Scribner, Treasurer Security Savings Bank & Trust Co., Toledo (wife).
W. P. Sharer, Cashier First National Bank, Zanesville (wife).
E. R. Sharp, President State Savings Banking Investment Co., Columbus (W. K. Field).
Geo. N. Sherwin, Assistant Cashier First National Bank, Cleveland.
H. J. Shore, Director First National Bank, Dresden.
W. F. Smith, Vice-President Dollar Savings Bank, Painesville.
Wm. Snider, President Somerset Bank, Somerset.
G. P. Sohnger, President Hamilton Dime Savings Bank, Hamilton.
H. A. Stahl, Assistant Secretary Reserve Trust Co., Cleveland (L. J. Moffett).
Edgar Stack, Trust Officer Union Savings Bank & Trust Co., Cincinnati.
E. L. Stallkamp, Cashier National Bank of Delphos.
M. P. Stamm, Assistant Cashier Merchants' National Bank, Cincinnati.
H. W. Stecker, Secretary and Treasurer Pearl Street Savings & Trust Co., Cleveland (D. E. McLean).
A. S. Stratton, Cashier Exchange Bank of Madison, Madison (wife).
L. M. Studevant, Secretary People's Savings & Loan Association, Sidney.
J. J. Sullivan, President Central National Bank, Cleveland.
E. A. Sutton, Cashier Home Savings and Banking Co., Chicago (wife).
W. A. Thomas, President First National Bank, Niles.
John C. Thompson, First National Bank, East Liverpool.
M. G. Vollmayer, Cashier Market Savings Bank Co., Toledo.
Charles E. Waite, Cashier The Omaha National Bank, Omaha.
W. A. Walker, President South Cleveland Banking Co., Cleveland (wife).
Harry E. Weil, President Weil, Roth & Co., Cincinnati.
Wm. Wendt, Assistant Cashier First National Bank, Kenton.
M. M. White, President Fourth National Bank, Cincinnati (wife and daughter).
E. Wiebenson, Secretary and Treasurer United Banking & Savings Co., Cleveland.
A. J. Wilson, President First National Bank, Utica.
John Wilson, Cashier Bank of Reinbeck.
John C. Wick, President Wick National Bank, Youngstown.
Geo. W. Winger, Cashier First National Bank, Springfield.
J. Warren Wood, Cashier Citizens' National Bank, Lebanon.
J. H. Young, Cashier Piqua National Bank, Piqua (wife).

OKLAHOMA.

E. B. Cockrell, Cashier, First National Bank, Hennessey (wife).
J. M. Morrison, President Bank of Independence, Independence (wife).
O. A. Shuttee, Vice-President Citizens' National Bank, El Reno (wife).

OREGON.

B. J. Cohen, President Portland Trust Co., Portland.
W. C. Morris, Cashier Oregon Savings Bank, Portland (wife).

PENNSYLVANIA.

C. F. Allis, Vice-President Second National Bank, Erie.
E. L. Ambler, Cashier Christiana National Bank, Christiana.
F. M. Arnold, Cashier First National Bank of Clarion, Clarion (Mrs. Arnold).
J. D. Ayers, Assistant Cashier Bank of Pittsburg, Pittsburg.
C. B. Aylesworth, Treasurer Oakland Savings & Trust Co., Pittsburg (wife and daughter).
J. W. Baille, Vice-President First National Bank, McKeesport.
H. Baker, Vice-President Merchants' National Bank, Philadelphia (Mrs. Baker and two ladies).
R. M. Baldridge, Cashier Union National Bank, McKeesport.
Jos. E. Barnett, Cashier Citizens' National Bank, Latrobe.
J. Baumgarten, Manager Western National Bank, Philadelphia.
Paul J. Beck, Cashier First National Bank, Glen Rock.
J. C. Beecher, Cashier First National Bank, Ford City.
J. C. Bell, Cashier Wilkesbarre Deposit & Savings Bank, Wilkesbarre (Mrs. J. C. Bell).
A. S. Beymer, Cashier Keystone National Bank of Pittsburg, Pittsburg (Mrs. A. S. Beymer).
Wm. H. Bilgin, Chairman of Board Northwestern Trust Co., Philadelphia.
H. F. Bigler, Investor the County Na-

tional Bank of Clearfield, Clearfield (Mrs. H. F. Bigler and Miss Marion Bigler).
W. P. Billings, Assistant Cashier Second National Bank, Wilkesbarre (wife).
A. H. Bloom, Treasurer Luzerne County Trust Co., Wilkesbarre (wife, F. J. Weckesser, Director, and wife).
G. W. M. Booth, Cashier First National Bank, Chester.
G. W. Bowman, Treasurer Royersford Trust Co., Royersford (daughter).
James Brady, Cashier First National Bank, Harrisburg (Mrs. Brady).
T. J. Budd, Cashier Third National Bank of Philadelphia, Philadelphia (wife).
G. C. Burgwin, President Marine National Bank, Pittsburg (W. E. Von Bounhost, Director).
J. H. Brosius, Cashier National Bank of Avondale, Avondale (Samuel Wickersham).
W. S. Calderwood, Cashier First National Bank, Kane (Mrs. Calderwood).
C. S. Calwell, Cashier Corn Exchange National Bank, Philadelphia (wife).
Wm. H. Carpenter, President Union National Bank, Philadelphia (Wm. T. Tilden).
P. M. Chandler, Banker, Chandler Bros. & Co., Philadelphia.
E. P. Coffin, Cashier First National Bank, Sewickly.
J. J. Collier, Treasurer Investment Co. of Philadelphia, Philadelphia (wife).
Chas. P. Cooke, Cashier Eighth National Bank, Philadelphia.
W. D. Cotterel, Treasurer Union Deposit & Trust Co., Waynesburg (Mrs. W. D. Cotterel).
J. K. Cuming, President Tenth National Bank, Philadelphia (wife and daughter).
C. F. Dean, Cashier Union National Bank of Pittsburg, Pittsburg.
H. A. Doan, President West End Trust Co., Philadelphia.
H. T. Dennison, Cashier First National Bank, Falls Creek.
E. C. Doty, Cashier First National Bank, Mifflintown (Wm. Hertzler).
Edw. E. Duff, Vice-President People's Savings Bank, Pittsburg.
F. H. Emmett, Julius Christensen & Co., Philadelphia.
J. J. Farincorn, Assistant Cashier New First National Bank, Meadville.
John A. Fox, Secretary and Treasurer Safe Deposit & Title Guaranty Co., Kittanning.
B. D. Freas, Cashier Berwick Savings & Trust Co., Berwick.
E. S. Gardner, Vice-President Ridge Avenue Bank, Philadelphia.
H. W. Gleffer, Treasurer Union Trust Co. of Pittsburg, Pittsburg (Mrs. Gleffer).
Wm. L. Gorgas, Cashier Harrisburg National Bank, Harrisburg.
J. W. Grove, President Monongahela National Bank, Pittsburg (wife).
W. L. Guckert, Vice-President First National Bank, Allegheny.
J. E. Haines, Assistant Cashier Federal National Bank, Pittsburg (wife).
Jesse Hancock, Cashier People's National Bank, Monessen.
C. N. Hanna, Vice-President Iron City Trust Co., Pittsburg.
C. J. Harrison, President Somerset County National Bank, Somerset (wife).
L. B. Harvey, Secretary Tradesmen's Trust Co., Philadelphia.
M. S. Harvey, Cashier First National Bank, Coudersport (son).
O. L. Haverly, Cashier Farmers' National Bank of Athens, Athens (Mrs. O. L. Haverly).
J. W. Hawley, President First National Bank, Media (Mrs. J. W. Hawley).
Jos. C. Head, Cashier First National Bank, Latrobe (Mrs. Jos. C. Head).
G. Hersh, President York National Bank, York.
Chas. W. Hendel, Director Reading National Bank, Reading.
Thos. Hewett, Cashier First National Bank, Pen Argyl.
Chas. C. Highley, Cashier National Bank of Malvern.
John W. Hollenback, President People's Bank, Wilkesbarre.
Wm. H. Honeborn, Vice-President Tacony Trust Co., Philadelphia.
F. M. Horn, Cashier National Bank of Catasauqua, Catasauqua (wife).
Wm. C. Husted, Cashier First National Bank, West Chester (wife).
H. B. Ireland, Bondman, Brown & Co., Philadelphia.
James M. Irwin, Winber National Bank, Winber.
O. H. Irwin, Cashier First National Bank, Huntingdon (wife).
H. M. Ives, Cashier People's Bank, Scranton (wife).
A. A. Jackson, Vice-President Guardian Trust Co., Philadelphia.
C. H. James, Cashier First National Bank, Philadelphia (Mrs. James).
C. C. Johnson, Secretary and Treasurer Citizens' Trust Co., Canonsburg (wife).
A. M. Johnson, Cashier Freeport Bank, Freeport.
C. M. W. Keck, Cashier Allentown National Bank, Allentown (Mrs. C. M. W. Keck).
Hy. T. Kent, President First National Bank of Clifton Heights.
H. J. Keser, Cashier Philadelphia National Bank, Philadelphia.
Wm. F. Kling, Second Vice-President Commonwealth Title Insurance & Trust Co., Philadelphia.
D. S. Kloss, Cashier First National Bank, Tyrone (Mrs. D. S. Kloss).
Thos. C. Knowles, President Yardley National Bank, Yardley.
Chas. T. Kolb, Jr., Cashier Textile National Bank, Philadelphia (wife).
E. S. Kromer, Cashier National Bank of Northern Liberties, Philadelphia (wife).
C. A. Kunkel, Cashier Mechanics' Bank, Harrisburg.
T. Forry Lancks, Director York County National Bank, York.
Wm. A. Law, Cashier Merchants' National Bank, Philadelphia.
James T. Lawson, Cashier Williamsport National Bank, Williamsport.
Fred. B. Learned, Representative N. W. Noble & Co., Philadelphia.
S. A. Leith, Vice-President Columbia Avenue Trust Co., Philadelphia (wife).
W. H. Lerch, representing Graham & Co., Philadelphia.
Howard W. Lewis, President Farmers & Mechants' National, Philadelphia.
D. McK. Lloyd, President Safe Deposit & Trust Co. of Pittsburg, Pittsburg (wife).

Geo. L. Low, Assistant Cashier First National Bank, Bloomsburg.
W. A. Marvin, President People's National Bank, Tarentum.
R. J. Mattern, Cashier Union National Bank, Huntington (wife).
Jno. H. Matzberger, Cashier Keystone National Bank, Reading (wife and daughter).
Chas. J. Mayer, Vice-President United States National Bank, Johnstown
J. R. McAllister, President Franklin Trust Co., Philadelphia.
W. L. McClure, Cashier First National Bank, Danville (wife).
M. B. McHenry, Assistant Cashier National Bank of West Grove, West Grove.
L. A. McLadden, Cashier First National Bank, Canton (wife).
R. H. MacMichael, Diamond Savings Bank, Pittsburg.
D. B. Miller, President Lewisburg National Bank, Lewisburg (daughter Amanda S. Miller).
J. D. Miller, Cashier City Deposit Bank, Pittsburg.
W. W. Miller, Vice-President and Cashier First National Bank, Wellsboro (Mrs. Miller).
H. G. Mitchell, Cashier People's National Bank, Langhorne (wife).
W. E. Mohr, Cashier Citizens' National Bank, Muncy (wife).
Arthur V. Morten, Treasurer Pennsylvania Co., Philadelphia (J. F. Sterrett).
C. D. Moser, Cashier Pennsylvania National Bank, Reading.
J. J. Nissley, President Hummelstown National Bank, Hummelstown.
H. M. Nichols, President Citizens' Banking Co., Oil City (Mrs. H. M. Nichols).
R. C. North, Assistant Cashier First National Bank, Selins Grove (wife).
J. M. Painter, Cashier Merchants' National Bank of Kittanning, Kittanning.
of Pittsburg, National Association. Pittsburg.
F. L. Phillips, Vice-President and Treasurer Guarantee, Title & Trust Co., Pittsburg.
F. K. Ployer, Cashier Group No. 5. Pennsylvania Bankers' Association, Mechanicsburg (daughter, Miss E. M. Ployer).
M. A. Pownall, Cashier National Bank of Coatesville, Coatesville (wife).
G. C. Purves, President Philadelphia Saving Fund Society, Philadelphia.
W. W. Ramsey, Cashier German National Bank, Pittsburg (Mrs. W. W. Ramsey).
E. S. Randols, Cashier Union National Bank and Group No. 2, Bankers' Association, Mahanoy City (wife).
F. B. Reynolds, Cashier Ohio Valley Bank, Allegheny.
D. H. Rhodes, Cashier National Bank of McKeesport, McKeesport.
D. G. Romback, representing Graham & Co., Philadelphia.
L. L. Rue, Vice-President Philadelphia National Bank, Philadelphia.
Wm. H. Sandford, President First National Bank, Pallon.
C. O. Schantz, Cashier Merchants' National Bank, Allentown (wife).
S. H. Seeds, Cashier Chester National Bank, Chester (wife).
Wm. Sharpless, President Chester County Trust Co., West Chester (Mrs. Sharpless).
H. G. Siegfried, Cashier Easton National Bank, Easton.
I. Y. Sprang, Cashier Reading National Bank, Reading (wife), also Mr. C. W. Herdel and wife.
W. F. Stauffer, Cashier Scottdale Bank, Scottdale.
James M. Staver, Vice-President First National Bank, Bloomsburg.
A. A. Sterling, Cashier People's Bank of Wilkesbarre, Wilkesbarre.
R. J. Stoney, Sr., R. J. Stoney, Jr., Pittsburg, (Mrs. Stoney).
W. Stuart, Secretary and Treasurer Farmers' Trust Co., Carlisle.
J. F. Swinney, President First National Bank, Easton.
H. P. Taylor, member of firm of H. P. Taylor & Co., bankers, Pittsburg.
H. S. Thayer, President Elk County National Bank, Ridgway.
J. S. Thayer, Cashier Citizens' National Bank, Tunkhannock (wife).
E. Thomas, President National Bank, Catasauqua (wife).
James G. Thompson, Cashier First National Bank, Middleburg (friend).
K. Warne, Cashier First National Bank, Philadelphia (Mrs. Warne).
P. M. Washabaugh, Vice-President Cambridge Trust Co., Chester.
Thomas W. Welsh Jr., Vice-President Second National Bank, Pittsburg (wife and daughter).
C. F. White, President Lansdowne & Darby Savings Fund & Trust Co., Lansdowne (wife).
W. Williams, Cashier National Bank of Germantown, Philadelphia.
D. C. Wills, Cashier Diamond National Bank, Pittsburg (T. B. Reynolds).
C. E. Willock, Treasurer Fidelity Title & Trust Co. of Pittsburg (wife).
C. E. Witmer, Cashier First National Bank, Greenville.
H. S. Zimmerman, Assistant Cashier Mellon National Bank, Pittsburg (A. W. McEldowney, Assistant Cashier).

RHODE ISLAND.

E. P. Metcalf, President Old National Bank, Providence (wife).
Edw. T. Moulton, representing W. Brenton Wheeling, Providence.
Arthur L. Perry, Treasurer Washington Trust Co., Westerly (C. E. Sherman).

SOUTH CAROLINA.

W. P. Anderson, President Peden & Anderson Banking Co., Westminster.
E. E. Child, Cashier First National Bank, Greenwood.
William Coleman, President First National Bank, Whitmere.
T. A. Dillon, President People's Bank, Dillon.
W. K. McDowell, Cashier Exchange Bank & Trust Co., Charleston (wife).
I. B. Dunlap, Cashier National Union Bank, Rock Hill.
W. G. Godfrey Harvey, President Enterprise Bank, Charleston (wife).
E. R. Hamer, Cashier People's Bank, Dillon.
C. D. Jones, President First National Bank, Lancaster.
J. P. Matthews, Secretary and Treasurer Palmetto Bank & Trust Co., Columbus.
W. J. Raddey, President National Union Bank, Rock Hill.

J. B. Reeves, President State Savings Bank, Charleston (wife).
W. E. Richardson, Cashier Bank of Hampton, Hampton.
J. W. Simpson Cashier First National Bank and Fidelity Loan & Trust Co., Spartanburg.
A. N. Wood, President Merchants & Planters' Bank, Gaffney (wife and son).

SOUTH DAKOTA.

F. M. Brooder, Cashier Black Hills Trust & Savings Bank, Deadwood.
H. R. Dennis, President Sioux Falls Savings Bank, Sioux Falls (wife).
H. J. Meidell, Cashier Beresford State Bank, Beresford.
J. C. Self, Cashier Bank of Greenwood, Greenwood.
G. S. Stebbins, Assistant Cashier Bank of Spearfish, Spearfish (wife).

TENNESSEE.

C. M. Cooley, Cashier Third National Bank, Knoxville.
Wesley Drane, Cashier First National Bank, Clarksville (wife).
H. E. Jones, President Dominion National Bank, Bristol (E. N. Good).
J. R. Mitchell, Cashier Bank of Crossville, Crossville.
W. T. Monfield, Cashier City National Bank, Knoxville.
James Nathan, Cashier Manhattan Savings Bank & Trust Co., Memphis.
C. M. Preston, Cashier Hamilton Trust & Savings Bank, Chattanooga.
H. S. Probasco, President American National Bank, Chattanooga (wife).
Theo. Read, Director Union & Planters' Bank, Memphis.
D. W. Shopner, Cashier Bank of Mt. Pleasant, Mt. Pleasant.
F. O. Watts, President First National Bank, Nashville.
T. W. Wrenne, President Thomas W. Wrenne & Co., Nashville.

TEXAS.

J. G. Burleson, President First National Bank, Lockhart.
G. H. Colvin, Cashier American National Bank, Fort Worth (wife)
L. L. Jester, President Jester National Bank, Tyler (wife).
N. H. Rivers, President Bank of Elgin, Elgin.
J. W. Spencer, President Farmers & Mechanics' National Bank, Fort Worth.
E. D. Tenison, President City National Bank, Dallas (wife).
D. E. Waggoner, Vice-President Gaston National Bank, Dallas.

UTAH.

M. S. Browning, Director First National Bank, Ogden.
A. R. Heywood, Cashier Commercial National Bank, Ogden (wife).
Joseph Nelson, Cashier Utah National Bank, Salt Lake City.
W. W. Riter, President Deseret Savings Bank, Salt Lake (wife and daughter).

VERMONT.

William S. Boynton, Treasurer Passumsic Savings Bank, St. Johnsbury.
F. G. Holland, Treasurer Barre Savings Bank & Trust Co., Barre.

F. G. Howland, Cashier National Bank of Barre, Barre.
H. F. Robbins, Teller National Bank of Newport, Newport.

VIRGINIA.

J. D. Abbitt, Cashier Merchants & Farmers' Bank, Franklin.
W. D. Blanks, President Planters' Bank, Clarksville (wife).
S. R. Barton, President Farmers & Mechanics' National Bank, Winchester.
R. F. Bopes, President American National Bank, Lynchburg (wife).
William R. Buck, Assistant Cashier Front Royal National Bank, Front Royal.
J. T. Burke, Burke & Herbert, bankers, Alexandria.
J. B. Fishburn, President National Exchange Bank, Roanoke.
T. M. Fry, Cashier Purceville National Bank, Purceville.
H. D. Fuller, Cashier Farmers & Merchants' National Bank, Winchester.
T. W. Goodwin, Secretary and Treasurer Southwest Virginia Trust Co., Roanoke.
T. B. Gordon, Cashier Traders & Truckers' Bank, Norfolk (wife).
W. T. Hardings, Assistant Cashier Greenville Bank, Emporia (wife).
J. W. Hunter, President Virginia Savings Bank & Trust Co., Norfolk (two daughters).
W. Hutchinson, Cashier National Bank of Manassas (J. P. Leachman).
H. M. Kerr, Cashier National Bank of Commerce, Norfolk.
A. E. Krise, President Atlantic Trust & Deposit Co., Norfolk.
H. H. Kimperty, Cashier First National Bank, Hampton.
Henry S. Hutzler, Banker, H. S. Hutzler & Co., Richmond.
J. J. Lawson, Cashier Bank of South Boston.
J. J. Lawson, President Bank of Virginia.
R. S. Marshall, Assistant Cashier Merchants & Planters' Bank, Berkley.
R. C. Marshall, Director and Counsel Merchants & Farmers' Bank, Portsmouth.
Thom. B. McAdams, Assistant Cashier Merchants' National Bank, Richmond.
W. H. McConihay, Cashier Citizens' National Bank, Covington.
T. Meadows, Cashier First National Bank, Roanoke.
M. Miller, Jr., Vice-President and Cashier First National Bank, Richmond.
John Mitchell, Jr., Mechanics' Savings Bank, Richmond.
Andrew Moreland, Assistant Cashier American National Bank, Richmond.
W. W. Moss, President Citizens' Bank, Norfolk (wife).
E. D. Newman, President Shenandoah National Bank, Woodstock.
H. T. Nicholas, Cashier National Exchange Bank, Lynchburg.
C. Parksdale, Assistant Cashier First National Bank, South Boston (wife).
F. S. Pennybecker, Vice-President People's Bank, Mt. Jackson.
T. P. Peyton, Cashier Jefferson National Bank, Charlottesville.
H. N. Phillips, Cashier Peninsular Bank, Williamsburg (wife).
E. H. Plumer, Receiving Teller First National Bank, Newport News.

P. M. Pollard, Cashier Petersburg Savings and Insurance Co., Petersburg (wife).
J. S. Price, Cashier First National Bank, Luray.
J. D. Puller, Cashier Bank of Norfolk, Norfolk (wife).
T. K. Sands, Vice President Bank of Richmond, Richmond.
L. M. Von Schillings, Cashier Merchants' National Bank, Hampton.
G. Schmelz, Assistant Cashier Schmelz Bros., Bankers, Newport News.
Henry L. Schmelz, Bank of Hampton, Hampton.
W. L. Sharing, President Commercial Guarantee Co., Richmond.
T. C. Smith, Cashier Alexandria National Bank, Alexandria (friend).
E. B. Spencer, Cashier People's National Bank, Roanoke.
Joseph Stebbins, President Bank of South Boston, South Boston.
J. B. Stringfellow, Cashier Second National Bank, Culpeper.
Thos. H. Sim, Director National Bank of Manassas, Manassas.
T. M. Fry, Cashier Purcellville National Bank, Purcellville.
J. D. Tucker, Vice-President First National Bank, South Boston (wife).
Col. C. C. Vaughan, Jr., Cashier Vaughan & Co., Bankers, Franklin (wife).
V. S. Vaughan, Jr., Cashier Vaughan & Co., Franklin.
W. P. Venable, Assistant Cashier Planters' Bank, Farmville.
W. H. Wales, Jr., Merchants & Mechanics' Savings Bank, Norfolk.
W. L. Waring, President Commercial Guarantee Company, Richmond.
V. G. Weaver, Cashier Bank of Middlesex, Urbana.
J. A. Willett, First National Bank, Newport News.
C. N. Williams member of firm of Williams & Goode, Boydton.
Jno. S. Williams, President Bank of Richmond.
L. M. Williams, of John L. Williams & Sons, Richmond.
A. Woolford, Cashier Bank of Suffolk.

WASHINGTON.

Jno. S. Baker, Vice-President Fidelity Trust Co., Tacoma.
W. E. Bliven, Cashier Pacific National Bank, Tacoma.
J. W. Clise, President Washington Trust Co., Seattle (wife).
M. W. Peterson, Cashier Dexter Horton & Co., bankers, Seattle (wife).
D. W. Twohy, President Old National Bank, Spokane.

WEST VIRGINIA.

U. B. McCandlish, Cashier Davis National Bank, Piedmont (wife).
H. C. Getzenanner, Cashier National Citizens' Bank, Charlestown (Col. B. D. Gibson).
H. C. Harvey, Cashier American Bank and Trust Co., Huntington (wife and daughter).
C. T. Hiteshew, Cashier Farmers' and Mechanics' National Bank, Parkersburg (Herbert Mayne).
H. C. Jackson, Vice-President and Cashier First National Bank, Sistersville.
H. H. Jones, Cashier Citizens' National Bank, Belington.
H. B. Lewis, Cashier Kanawha Banking and Trust Company, Charleston.
Mason Mathews, Assistant Cashier Bank of Lewisburg, Lewisburg (wife).
J. H. McDonald, Cashier Bank of Ohio Valley, Wheeling (wife).
Walton Miller, Cashier Bank of Fairmont, Fairmont.
J. K. Oney, Cashier Huntington National Bank, Huntington (wife).
R. L. Ruddell, President Glenville Banking and Trust Company, Glenville (wife).
L. E. Sands, Vice-President National Exchange Bank, Wheeling.
J. R. Sweeney, Cashier Farmers' and Producers' National Bank, Sistersville (wife).

WISCONSIN.

O. D. Ballschmider, Assistant Cashier German Bank, Sheboygan Falls (wife).
G. D. Bartlett, Cashier Citizens' State Bank, Stanley (wife).
W. B. Banks, President First National Bank, Superior (wife).
Wm. Bladon, Cashier Merchants and Mechanics' Savings Bank, Janesville (wife).
H. J. Brown, Cashier Stephenson National Bank, Stephenson (wife).
W. K. Coffin, President Eau Claire National Bank, Eau Claire (wife).
W. J. Davis, Cashier First National Bank, Marinetta (wife).
G. L. Field, President First National Bank, Ripon (wife).
J. L. Fieweger, Cashier Bank of Menasha, Menasha (daughter).
A. J. Frame, President Waukesha National Bank, Waukesha (H. J. Frame, and wife).
O. C. Fuller, President Wisconsin Trust Company, Milwaukee (wife).
A. W. Greenwood, Cashier Greenwood State Bank, Lake Mills (wife).
G. E. Greenwood, Assistant Cashier, Greenwood State Bank, Lake Mills (wife).
James K. Ilsley, Vice-President Marshall- Ilsley Bank, Milwaukee.
Fred Kasten, Vice-President Wisconsin National Bank, Milwaukee (wife).
Julius Kroos, Cashier Bank of Sheboygan, Sheboygan (wife).
G. S. Marsh, President Citizens' State Bank, Whitewater.
A. S. Parish, Assistant Cashier Citizens' Bank, Delavan.
John A. Pratt, Cashier Citizens' State Bank, Menomonee Falls.
Edw. W. Rappo, Teller Manufacturers' National Bank, Racine.
C. A. Radquist, Assistant Cashier Ashland National Bank, Ashland.
Louis Schelber, Assistant Cashier Old National Bank, Oshkosh.
A. G. S. Schultz, Cashier Germania National Bank, Milwaukee (wife).
H. E. Smith, Assistant Cashier First National Bank, Wausau (wife).
Geo. W. Strohmeyer, President Milwaukee National Bank, Milwaukee (wife).
W. H. Webb, President New York and Superior Insurance Company, Superior (wife).
G. Zillmann, Director People's National Bank, Thorp (wife).

ONTARIO, CANADA.

T. L. MacGachen, Manager Merchants' Bank of Canada, Medford.

BANKING AND FINANCIAL NEWS.

NEW YORK CITY.

—The Guaranty Trust Company has issued An Index to the Mortgage Tax Law, which furnishes a convenient synopsis of the new statute.

—J. P. Morgan, Jr., has been elected a director of the Northern Pacific Railway to fill the unexpired term of the late Daniel S. Lamont.

—At the annual meeting of the New York Clearing-House Association, October 31, the following were elected members of the clearing-house committee: William H. Porter, President Chemical National Bank; Valentine P. Snyder, President National Bank of Commerce; James Stillman, President National City Bank; J. Edward Simmons, President Fourth National Bank; Richard Delafield, President National Park Bank.

Clearing for the past year amounted to $302,234,599.89—the largest total ever reported.

Wm. A. Nash, President of the Corn Exchange Bank, offered the following resolution, which was unanimously adopted:

"Resolved, That the clearing-house committee be required to consider the relations of the clearing-house and the trust companies to the end that harmonious relations may be renewed on a basis that will insure their right to the clearing-house either as members or through representative banks."

MIDDLE STATES.

Buffalo, N. Y.—The Union Stock Yards Bank, which opened for business November 10, 1904, with $150,000 capital, has been remarkably successful, deposits increasing from $187,784 on March 1, 1905, to $518,420 on July 1, and continuing to increase largely since the last-named date.

The bank is located in the Live Stock Exchange Building, in the heart of Buffalo's live stock market, and was organized for the benefit of the live stock commission merchants, manufacturing and business houses in the live stock section. Results show that the location was well chosen.

The office furnishings and vault equipment are up to the best modern standards. Officers of the bank are: President, Hiram Waltz; Vice-Presidents, Alonzo C. Mather and George Bingham; Vice-President and Cashier, Irving E. Waters.

WESTERN STATES.

Peoria, Ill.—About the first of next year the Dime Savings and Trust Co. will move into its new building, next door to the bank's present location. The new building is reported as being one of the finest in the State, outside of Chicago.

Dwight, Ill.—The First National Bank, successor to the Bank of Frank L. Smith, will open January 1 in its new building, now in course of construction. The new structure is of Bedford stone, and the building and the equipment are in the best modern style.

Paris, Ill.—The First National Bank, established in 1865, recently increased its capital from $108,000 to $150,000. A special dividend of 125 per cent. was declared, which after the increase in stock still leaves $90,000 surplus and profits. For twenty years the annual dividend rate has been ten per cent. A. J. Baber is President; Wm. J. Hunter, Vice-President; R. G. Sutherland, Cashier, and A. H. Cline, Assistant Cashier.

—On November 1 the Edgar County National Bank moved into its new building, which has just been completed. The building is of imposing appearance, being built of Bedford stone. It will be occupied exclusively by the bank. The fixtures are of mahogany and bronze, and the banking room is made attractive by tile floor and ornamented glass ceiling, all of original design by the officers of the bank.

Chicago.—A novel form of bank advertising is shown in a booklet recently issued by the Royal Trust Company Bank, entitled "Animals That Save." It teaches the lesson of saving through the medium of a pleasing and scientifically correct lesson in natural history. Both the illustrations and the descriptive matter are interesting and instructive.

—Isaac N. Perry, formerly President of the National Bank of North America, is at the head of the New Federal National Bank, which commenced business October 16 with $500,000 capital, which will later be increased to $1,000,000. An eligible location has been secured at Madison and La Salle streets, formerly occupied by the Metropolitan Trust and Savings Bank.

Mr. Perry will be President of the Federal National Bank, and J. L. Kressman, Cashier.

—On October 9 the new Citizens' Trust and Savings Bank opened for business at Garfield Boulevard and State street, with $50,000 capital and $5,000 surplus. The new bank's quarters are well fitted up with the best of furniture and equipment, including a burglar-proof vault. Officers of the bank are: President, Oliver F. Smith; Vice-Presidents, Frank J. Willoughby and Jos. W. Kobbe; Cashier, Walter D. Rathje. They are well known as men of wide experience in business and banking.

—The new Mutual Bank, which commenced business on October 2, received 1,000 accounts the first week. It is the intention of the bank to pay three per cent. on savings deposits, and two per cent. on commercial deposits. After these payments stockholders will be entitled to three per cent., and any additional earnings will be divided equally between stockholders and depositors. Lawrence Heyworth is President, F. H. Gausberger, Secretary, and Edgar F. Olson, second Vice-President and Cashier. Mr. Olson was with the First National Bank of Englewood for twelve years. The directors include a number of well-known and successful business men of Chicago.

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.

Applications to Organize National Banks Approved.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, Livermore Cal., by W. G. Palmanteer, et al.
First National Bank, Opp, Ala., by W. H. Holloway, et al.
First National Bank, Artesia, Cal., by W. H. Holliday, et al.
First National Bank, Armour, S. D., by H. H. Smith, et al.
Casey National Bank, Casey, Ill., by Doit Young, et al.
First National Bank, Colbert, I. T., by James R. McKinney, et al.
First National Bank, Foraker, Okla., by C. M. Cade, et al.
Clifton National Bank, Clifton, Texas, by J. W. Butler, et al.
First National Bank, Hayneville, Ala., by G. E. McGehee, et al.
Stratford National Bank, Stratford, Texas, by R. G. Dye, et al.
Dalhart National Bank, Dalhart, Texas, by Edwin C. Williams, et al.
First National Bank, Lindsay, Cal., by S. Mitchell, et al.
Logan County National Bank, Sterling, Colo., by E. M. Gillette, et al.
First National Bank, Webbers Falls, I. T., by N. D. Blackstone, et al.
First National Bank, Beuna Vista, Ga., by J. W. McCrary, et al.
First National Bank, Forest Grove, Ore., by R. M. Dooly, et al.
Ladysmith National Bank, Ladysmith, Wis., by John L. Jorgenson, et al.
National Bank of Rochester, Rochester, N. Y., by Eugene Satterlee, et al.
First National Bank, Rupert, Idaho, by Chas. M. Hemphill, et al.
First National Bank, Royal, Iowa, by O. B. Scott, et al.
Citizens' National Bank, Boswell, I. T., by O. A. Simmons, et al.
American National Bank, Mill Creek, I. T., by W. C. Stevens, et al.
First National Bank, Herman, Minn., by Ernest E. Peck, et al.
First National Bank, Azusa, Cal., by W. S. Bridges, et al.
Citizens' National Bank, Arthur, Ill., by C. E. Davis, et al.
First National Bank, Pedricktown, N. J., by Wm. F. Hunt, et al.
First National Bank, Jonesboro, Ark., by W. E. Talley, et al.
National Bank of Quitman, Quitman, Ga., by Frank Spain, Jr., et al.
First National Bank, Mounds, Ill., by C. J. Boswell, et al.
Shoshone National Bank, Cody, Wyo., by S. C. Parks, Jr., et al.

Application for Conversion to National Banks Approved.

Kramer State Bank, Kramer, N. D., into First National Bank.
Bank of Summers, Hinton, W. Va., into National Bank of Summers, Hinton.

National Banks Organized.

7922—McKeen National Bank, Terre Haute, Ind.; capital, $500,000; Pres., William R. McKeen; Vice-Pres., Frank McKeen; Cashier, Samuel C. McKeen; Asst. Cashier, Charles Paddock.
7923—First National Bank, Cottonwood, Idaho; capital, $25,000; Pres., F. C. Holbert; Vice-Pres., W. L. Brown; Cashier, E. M. Ehrhardt.
7924—Comal National Bank, New Braunfels, Texas; capital, $35,000; Pres., John Dowell; Vice-Pres., Theo. Eggeling; Cashier, Arlon B. Davis.
7925—First National Bank, Overton, Neb.; capital, $25,000; Pres., A. U. Dunn; Vice-Pres., N. J. Paul; Cashier, E. R. Green.
7926—Federal National Bank, Chicago, Ill.; capital, $500,000; Pres., I. N. Perry; Cashier, J. L. Kressmann.
7927—First National Bank, Hominy, Okla.; capital, $25,000; Pres., Prentiss Price; Vice-Pres., Frederick Drummond; Cashier, Howard M. Maher.
7928—First National Bank, Carthage, Tenn.; capital, $25,000; Pres., J. W. Williams; Vice-Pres., A. Oliver and D. A. Duke; Cashier, F. C. Stratton.
7929—National Deposit Bank, Philadelphia, Pa.; capital, $200,000; Pres., John F. Finney; Cashier, Wm. B. Vrooman.
7930—First National Bank, Warren, Ind.; capital, $25,000; Pres., David H. Griffith; Cashier, J. W. Cunningham.
7931—Danielsville National Bank, Danielsville, Pa.; capital, $25,000; Pres., F. M. Hower; Vice-Pres., S. J. Drumheller; Cashier, H. H. Hower.
7932—Houston National Bank, Dothan, Ala.; capital, $50,000; Pres., J. R. G. Howell; Vice-President., R. B. Forrester; Cashier, John Saunders; Asst. Cashier, K. L. Forrester.
7933—First National Bank, Foley, Minn.; capital, $25,000; Pres., John Foley; Vice-Pres., Charles Keith; Cashier, John F. Hall.
7934—First National Bank, Sandersville, Ga.; capital, $42,000; Pres., L. B. Holt; Vice-Pres., D. P. Hale;

Cashier, S. M. Hitchcock; Asst. Cashier, Battle Sparks.
7935—First National Bank of Benson, Hollsopple, P. O., Pa.; capital, $25,000; Pres., A. E. Cassler; Vice-Pres., Jacob I. Kaufman.
7936—National City Bank, Washington, D. C.; capital, $300,000; Pres., P. A. Drury; Cashier, A. G. Clapham.
7937—First National Bank, Christiansburg, Va.; capital, $35,000; Pres., M. H. Tompkins; Vice-Pres., C. W. Surface; Cashier, Chas. R. Calhoun; Asst. Cashier, Geo. W. Walters.
7938—Third National Bank, Dothan, Ala.; capital, $50,000; Pres., T. E. Williams; Vice-Pres., J. T. Thrasher; Cashier, R. C. Williams.
7939—Bayside National Bank, Bayside, N. Y.; capital, $25,000; Pres., Frederic Storm, Vice-Pres., G. Waldo Smith; Cashier, Geo. S. Roe; Asst. Cashier, E. M. Boynton.
7940—Slocomb National Bank, Slocomb, Ala.; capital, $35,000; Pres., J. R. Faircloth; Vice-Pres., C. E. Segrest; Cashier, S. D. McGee.
7941—First National Bank, Freeburg, Ill.; capital, $25,000; Pres., R. A. Youngblood; Vice-Pres., W. J. Reichert; Cashier, J. C. Becker.
7942—Island City National Bank, Key West, Fla.; capital, $100,000; Pres., Geo. S. Waite; Vice-Pres., Charles R. Pierce; Cashier, E. M. Martin.
7943—First National Bank, Kensal, N. D.; capital, $25,000; Pres., C. H. Ross; Vice-Pres., C. H. Davidson, Jr.; Cashier, Geo. C. Jewett.
7944—Commercial National Bank, Abilene, Texas; capital, $75,000; Pres., W. M. Lacy; Vice-Pres., J. M. Radford; Cashier, J. C. Russell; Asst. Cashier, W. E. Norton.
7945—First National Bank, Cape May C. H., N. J.; capital, $25,000; Pres., William H. Bright; Vice-Pres., Wm. J. Tyler; Cashier, Wadsworth Cresse.
7946—Shelby National Bank, Shelbyville, Ind.; capital, $100,000; Pres., Thomas W. Fleming; Vice-Pres., Burton F. Swain; Cashier, Frank R. Wilson.
7947—Monroe National Bank, Monroe, Ohio; capital, $25,000; Pres., J. E. Compton; Vice-Pres., W. M. Stewart and J. W. Kitchen; Cashier, Austin Smith.
7948—First National Bank, Enfield, Ill.; capital, $25,000; Pres., James E. Willis; Vice-Pres. and Cashier, James M. Jordan.
7949—First National Bank, Shelby, Neb.; capital, $25,000; Pres., A. P. Anderson; Vice-Pres., Chas. Krumbach; Cashier, E. L. Anderson.
7950—First National Bank, Sterrett, I. T.; capital, $25,000; Pres., Thomas Kenton; Vice-Pres., J. C. Jones; Cashier, J. C. Kenton; Asst. Cashier, M. K. Kenton.
7951—First National Bank, Attalla, Ala.; capital, $30,000; Pres., L. M. Dyke; Vice-Pres., A. Brown; Cashier, W. R. Lawley.
7952—National Bank of Fayetteville, Fayetteville, Ark.; capital, $60,000; Pres., J. R. Harris; Vice-Pres., J. J. Baggett; Cashier, A. L. Trent; Asst. Cashier, Urie D. Harris.
7953—First National Bank, Knox City, Texas; capital, $25,000; Pres., J. L. Jones; Vice-Pres., W. M. Sandifer; Cashier, C. A. Benedict.
7954—First National Bank, Metcalf, Ill.; capital, $25,000; Pres., Geo. W. Meyers; Vice-Pres., C. S. Stanfield; Cashier, C. M. Smith; Asst. Cashier, Mabel Stanfield.
7955—First National Bank, Towner, N. D.; capital, $25,000; Pres., D. N. Tallman; Vice-Pres., S. B. Quale and R. A. Fox; Asst. Cashier, Fred A. Larson.
7956—First National Bank, Lindale, Texas; capital, $25,000; Pres., W. E. Stewart; Vice-Pres., Jno. S. Ogburn; Cashier, Paul Cooper.
7957—Edgartown National Bank; Edgartown, Mass.; capital, $25,000; Pres., Beriah T. Hillman; Vice-Pres., Henry A. Pease; Cashier, H. L. Wimpenny, 2d.
7958—First National Bank of W. Minneapolis, Hopkins, Minn.; capital, $25,000; Pres., J. G. Lund; Vice-Pres., Frederick Souba; Cashier, F. E. Dix.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Ashland—Clay County Bank; capital, $25,000; Pres., W. E. Holloway; Vice-Pres., E. J. Garrison; Cashier, H. L. Wynn.
Butler—Choctaw Bank; capital, $12,500; Pres., E. F. Ballard; Vice-Pres., P. M. Smith; Cashier, C. B. Liddell.
Ozark—Dale County Bank; capital, $50,000; Pres., W. L. Casey; Vice-Pres., N. F. Cheairs; Cashier, P. C. Steagall.
Pollard—Bank of Pollard; capital, $15,000; Pres., M. Lindsey; Vice-Pres., H. D. Friday; Cashier, C. H. Edwards, Jr.

ALASKA.

Valdez—Valdez Bank & Mercantile Co. (successor to Bank of Valdez); capital, $55,000; Pres., S. A. Hemple; Vice-Pres., T. E. Dougherty; Cashier, J. G. McCracken.

ARIZONA.

Flagstaff—Citizens' Bank (successor to Gosney & Perkins Bank); capital, $25,000; Pres., J. C. Powers; Cashier, M. I. Powers.
Lowell—Branch of Bank of Bisbee.

ARKANSAS.

Almyra—Bank of Almyra; capital, $5,000; Pres., C. F. Edwards; Vice-Pres., Jos. Vas; Cashier, W. M. Wells.
Centerton—Bank of Centerton; capital, $12,500; Pres., W. T. Mitchell; Vice-Pres., R. O. Chambers; Cashier, J. N. Covey; Asst. Cashier, C. L. Fields.
Dover—Bank of Dover; capital, $5,000; Pres., W. A. Baird; Vice-Pres., W. H. Poynter; Cashier, Pope McAdams.
Gillett—Bank of Gillett; capital, $5,000; Pres., J. H. Martin; Vice-Pres., A. M. Lowell; Cashier, O. P. Maxwell.
Gillham—Bank of Gillham; capital, $5,000; Pres., B. E. Hendy; Vice-Pres., W. S. Johnson; Cashier, D. C. Goff; Asst. Cashier, J. J. Roberson.

Griffithville—First Bank; capital, $3,000; Pres., A. J. Smith; Vice-Pres., J. A. Neavill.
Houston—First Bank; capital, $4,000; Pres., J. J. Paschall; Vice-Pres., E. G. Sevier; Cashier, E. K. Ware.
Mena—Farmers & Merchants' Bank; capital, $100,000; Pres., J. H. Cox; Vice-Pres., R. P. Harris; Cashier, E. W. Hutchinson; Asst. Cashier, S. H. Allen.
Swifton—Swifton Bank; capital, $10,-000; Pres., R. C. Jones; Vice-Pres., E. B. Gillim; Cashier, F. B. Dowell.
Washington—Bank of Washington; capital, $5,000; Pres., J. T. Lynn; Vice-Pres., C. J. Key; Cashier, J. M. Key.

CALIFORNIA.

Ben Lomond—Ben Lomond Savings Bank; capital, $3,000; President, C. P. Davis; Cashier, W. F. Stock; Assistant Cashier, M. A. Duffey.
Chico—Butte County Savings Bank; capital, $50,000; President, N. D. Rideout; Vice-Pres., J. R. Robinson; Cashier, E. T. Williamson.
Livermore—Livermore Bank of Savings; capital, $15,000; President, A. J. Treat; Cashier, F. Mathiesen.

COLORADO.

Cortez—First Bank of Montezuma Valley; capital, $10,000; President, Herman Te Poel; Vice-President, W. H. Ostenburg; Cashier, C. J. Harrison; Assistant Cashier, G. O. Harrison.
Trinidad—Commercial Savings Bank; capital, $50,000; President, L. H. Turner; Vice-President, J. C. Coulson; Cashier, J. H. Drury.

GEORGIA.

Bishop—Bishop Banking Co.; capital, $15,000; President, W. P. Wallace; Vice-President, W. T. Haygood; Cashier, S. D. Farnbrough.
Cordele—Exchange Bank; capital, $5,-000; President, J. J. Williams; Vice-President, B. B. Pennell; Cashier, S. A. Royal.
Crawford—Bank of Crawford; capital, $15,000; President, Jno. F. Holden; Vice-President, J. A. Roland; Cashier, O. N. Epps.
Dudley—Bank of Dudley; capital, $15,-000; President, J. A. Hogan; Vice-President, W. T. Haskins.
Fairmount—Bank of Fairmount; capital, $15,000; President, W. F. Dew; Vice-President, H. B. Worlick; Cashier, W. W. Edwards.
Georgetown—Farmers & Merchants' Bank; capital, $15,000; President, J. T. Gibson; Vice-President, J. J. Lewis; Cashier, L. G. Brannon.
Gordon—People's Bank; capital, $15,-000; President, W. A. Jones; Vice-President, J. W. Brooks; Cashier, J. E. Bell.
Millen—Citizens' Bank; capital, $25,-000; President, T. Z. Daniel; Vice-President, J. A. Rodgers; Cashier, W. R. Turner.
Tifton—Merchants & Farmers' Bank; capital, $30,000; President, L. O. Benton; Vice-President, W. H. Hendricks; Cashier, J. L. Brooks.

IDAHO.

Peck—Ranchers' State Savings Bank; capital, $10,000; President, A. J. Dryden; Vice-President, William Depew; Cashier, Geo. K. Force.
Fenderay—First Bank; capital, $10,-000; President, J. H. Ehlers; Vice-President, D. W. Casseday; Cashier, S. B. Phillips.
Rupert—Rupert State Bank; capital, $10,000; President, A. F. Beymer; Vice-President, Jno. F. Vincent; Cashier, J. S. McQuiston.

ILLINOIS.

Baylis—Farmers' Bank (successor to Baylis Exchange Bank); capital, $10,000; President, Sam Grammer; Vice-President, R. Y. Barnes; Cashier, J. L. Stauffer; Assistant Cashier, Sam Grammer.
Blandinsville—Huston Banking Co.; capital, $21,000; President, John Huston; Vice-President, Geo. B. Huston; Cashier, Guy Huston.
Burnt Prairie—Burnt Prairie Bank; capital, $10,000; President, John G. Powell; Vice-President, Joseph Hunsinger; Cashier, G. H. Brown.
Holder—Bank of Holder; capital, $10,-000; President, Crom. Lacock; Vice-President, J. A. Murray; Cashier, Fred W. Boston.
Morton Park—Lincoln Bank; capital, $84,000; President, J. F. McCormack; Vice-President, William J. Atkinson; Cashier, Frances M. Flagler.
Mount Vernon—Jefferson State Bank; capital, $50,000; President, John H. Rockaway; Vice-President, W. H. Green; Cashier, J. T. Howard.
Raymond — Farmers & Merchants' Bank; President, Wm. H. Cass; Vice-President, Fred Moundhink; Cashier, C. W. Scherer; Secretary, J. H. Cass.
Rock Island—State Bank (successor to Mitchell & Lynde); capital, $200,-000; President, Phil Mitchell; Vice-Pres., C. F. Lynde; Cashier, C. R. Chamberlin, Assistant Cashier, K. T. Anderson.
Springfield—First Trust & Savings Bank; capital, $100,000; President, H. K. Weber; Vice-President, Frank E. Tracy; Secretary, Pascal E. Hatch.
Table Grove—Lance, Cornell & Co.; capital, $10,000; President, A. A. Cornell; Cashier, J. W. Lance; Assistant Cashier, W. E. Lance.
Wilmette—Wilmette Exchange Bank; President, Clinton C. Collins; Vice-President, N. Prussing; Cashier, C. H. Rush.

INDIANA.

Borden—Borden Bank; President, S. H. Karnes; Vice-President, S. M. Johnson; Cashier, Murray S. Wilson.
Moores Hill—Moores Hill State Bank; capital, $25,000; President, J. H. Martin; Vice-President, H. D. Moore; Cashier, O. E. Faulkner.

INDIAN TERRITORY.

Ashland—Bank of Ashland; capital, $5,000; President, R. H. Hall; Vice-President, C. A. Birge; Cashier, H. G. Rowley.
Coalgate—International Bank; capital, $30,000; President, James McGennis; Vice-President., L. A. Conner; Cashier, L. Elzey.
Cornish—Bank of Cornish; capital, $25,000; President, M. Bradshaw; Vice-President, D. W. Woods; Cashier, J. A. Cummins.
Foyil—Foyil State Bank; capital, $10,-400; President, C. L. Ward; Cashier, O. A. Johnson.

Hanna—Bank of Commerce; capital, $5,000; President, D. M. Crawford; Cashier, D. M. Crawford.

Wyandotte—Bank of Wyandotte; capital, $5,000; President, I. G. Conkling; Cashier, J. W. Howard.

IOWA.

Alexander—Alexander Savings Bank (successor to Bank of Alexander); capital, $16,000; President, W. L. Robinson; Vice-President, G. A. Robinson; Cashier, James Cook; Assistant Cashier, Otto C. Krag.

Arispe—Arispe Bank; President, I. N. Epperson; Vice-President, Frank Hudson; Cashier, R. B. Barnum; Assistant Cashier, L. W. McLennan.

Atlantic—Atlantic Brokers' Bank.

Buck Grove—Buck Grove Bank; capital, $10,000; Cashier, D. Hemphill.

Derby—Derby State Bank; capital, $35,000; President, J. Herbert Park; Vice-President, James M. Grimes; Cashier, U. G. Penick.

Ellston—Farmers' Bank; capital, $10,000; Cashier, Frank Shaughnessy; Assistant Cashier, F. B. Christy.

Grant—Farmers' Savings Bank (successor to Bank of Grant); capital, $15,000; President, E. S. Harlan; Vice-President, H. F. Porter; Cashier, L. D. Foote.

Webster City—Security Title & Trust Co.; capital, $10,000; President, J. L. Kamrar; Vice-President, W. G. Bonner; Treasurer, P. J. Braidrup; Secretary, J. A. Berggren; Assistant Secretary, F. J. Lund.

Williamsburg — Citizens' Savings Bank; capital, $25,000; President, James Nicholas; Vice-President, T. E. Gittins; Cashier, D. E. Evans.

KANSAS.

Cedar Bluffs—First State Bank; capital, $10,000; President., I. J. Peck; Vice-President, Harry S. Kennedy; Cashier, R. A. Green; Assistant Cashier, J. N. Greene.

Chapman—People's State Bank; capital, $12,000; President, A. L. Hallinger; Vice-President, J. W. Shepherd; Cashier, Arthur Williams.

Damar—State Bank; capital, $10,000; President, C. G. Cochran; Vice-President, T. C. Cochran; Cashier, R. L. Ordway.

Downs—Farmers' State Bank; capital, $10,000; President, W. A. Hopper; Vice-President, F. M. Wells; Cashier, W. H. Bowghner.

Florence—Florence State Bank; capital, $15,000; President, W. H. Sellers; Vice-President, W. F. Aves; Cashier, B. T. Robinson.

KENTUCKY.

Hopkinsville—Commercial & Savings Bank; capital, $50,000; President, James West; Cashier, Gus T. Brannon.

LOUISIANA.

Hackley—Hackley State Bank; President, H. D. Bickham; Vice-President, J. I. Warren; Cashier, J. S. Brock, Jr.

MAINE.

Portland—United States Trust Co.; capital, $10,000; President, James W. Parker; Vice-President and Treasurer, Morrill N. Drew; Secretary, Theodore S. Johnson.

MICHIGAN.

Allegan—First State Bank; capital, $50,000; President, B. D. Pritchard; Vice-President, M. L. B. McAlpine; Cashier, H. D. Pritchard.

Leonard—Leonard Bank; capital, $30,000; President, S. B. Robb; Vice-President, F. J. Varran; Cashier, Lee Hagle; Assistant Cashier, Fisk R. McGregor.

Sand Lake—Exchange Bank; Cashier, F. A. Phelps.

Snover—Snover Bank; capital, $10,000; Cashier, O. A. Munn.

MINNESOTA.

Faribault—Chase State Bank; capital, $25,000; President, K. D. Chase; Vice-President; A. S. Chase; Cashier, K. S. Chase.

Garvin—Lyon County Bank; President, A. J. Rush; Vice-President, N. H. Olson; Cashier, F. D. Pinckney.

Two Harbors—First State Bank (successor to First National Bank); capital, $25,000; President, James H. Lunz; Vice-President, C. M. Floathe; Cashier, James D. Anderson; Assistant Cashier, Jno. A. Barton.

MISSISSIPPI.

Biloxi—Harrison County Bank; capital, $12,500; President, D. J. Gray; Vice-President, G. W. Grayson; Cashier, M. C. Vaughan; Assistant Cashier, E. G. Bond.

Collins—Merchants & Planters' Bank; capital, $25,000; President, A. C. Jones.

Lauderdale — Bank of Lauderdale (branch of Bank of Waynesboro); M. G. McNair, Manager.

Sandersville—Bank of Sandersville (branch of Bank of Poplarville); H. Hamilton Mitchell, Manager.

McCool—Bank of McCool (branch of Granada Bank); Manager, J. L. McCracken.

New Albany—Citizens' Bank & Trust Co.; capital, $50,000; President, W. P. Wiseman; Vice-President, H. D. Stephens; Cashier, R. L. Smallwood; Assistant Cashier, J. A. Smallwood.

Sumrall—Sumrall Bank; capital, $25,000; President, F. W. Foote; Vice-President, R. Watts; Cashier, Jno. C. Stevens.

Vaiden—Merchants & Farmers' Bank; capital, $50,000; President, John E. McClurg; Vice-President, W. R. Briscoe; Cashier, S. E. McConnico, Jr.

MISSOURI.

Bolckow—Union State Bank (successor to Bolckow Savings Bank & Farmers' Bank); capital, $20,000; President, R. F. Richardson; Vice-President, W. E. West; Cashier, F. I. Dunn; Assistant Cashier, W. W. Craig.

Crocker—Farmers & Merchants' Bank; capital, $10,000; President, J. L. Hoops; Vice-President, Martin Nelson; Cashier, Charles Ousley.

Essex—Farmers' Bank; capital, $7,500; President, A. R. Emory; Cashier, Geo. B. Cox.

Ewing—Farmers' Bank; capital, $10,000; President, A. F. Sedelmeier; Vice-President, Jos. Adams; Cashier, W. K. Marchand.

Hayti—Citizens' Bank; capital, $10,000; President, A. J. Dorris; Vice-President, A. C. Tindle; Cashier, C. J. Provine.

Kansas City—Bankers' Trust Co.; capital, $300,000; President, G. A. Rogers; Vice-President, J. W. Orr and C. H. Pattison; Secretary and Treasurer, Jno. C. Hughes.

Marston—Bank of Marston; capital, $10,000; President, Seth S. Barnes; Cashier, E. F. Sharp.

Napton—Napton Stock Bank; capital, $15,000; President, H. D. Adkisson; Vice-President, Thomas A. Smith; Cashier, O. J. Watts.

Newark—Farmers' Bank; capital, $10,000; President, J. V. McKim; Cashier, D. S. Nelson; Assistant Cashier, R. R. Nelson.

Seligman—Bank of Seligman; capital, $10,000; President, J. C. Fawver; Vice-President, J. M. Fawver; Cashier, C. C. Fawver; Assistant Cashier, J. W. Northcutt.

Steffenville — Bank of Steffenville; capital, $6,500; President, Adam Steffen; Vice-President, Jno. M. Turner; Cashier, E. E. Collier.

Stewartsville — Stewartsville State Bank; capital, $10,000; President, J. H. Wylie; Vice-President, A. W. Lewis; Cashier, Roscoe L. Terry.

MONTANA.

Moore—Citizens' Bank; capital, $25,000; President, M. L. Woodman; Vice-President, Patrick Nihill; Cashier, Gordon O. Shafer.—State Bank; capital, $25,000; President, John C. Hauck; Vice-President, C. P. Tooley; Cashier, C. W. Thurston.

NEBRASKA.

Cotesfield—First State Bank; capital, $10,000; President, Geo. W. Mickelwait; Vice-President, R. E. Mickelwait; Cashier, T. B. Brush.

Heartwell—Heartwell State Bank; capital, $5,000; President, Jacob Bernhard; Vice-President, C. A. Robinson; Cashier, V. L. Johnson.

Holmesville—State Bank; capital, $10,000; President, J. H. Steinmeyer; Cashier, G. W. Steinmeyer.

Merna—Home Bank; capital, $10,000; President, M. P. Eddy; Vice-President, J. S. Francis; Cashier, R. R. Duncan.

NEVADA.

Rhyolite—Jno. S. Cook & Co. (branch of Goldfield).

NEW YORK.

Brooklyn—Home Bank; capital, $100,000; President, Wm. C. Damron; Vice-President, Gilbert Elliott and Henry B. Hill; Cashier, J. W. Waller. —Citizens' Trust Co.; capital, $500,000; President, Nathan S. Jonas; Vice-President, Thomas F. Magner and Julius Strauss; Scretary James H. Conroy; Assistant Secretary, Charles M. Mott.

New York—United States Exchange Bank; capital, $100,000; President, J. J. Gibbons; Vice-President, Walter E. Kittel; Cashier, J. J. O'Shaughnessy.

NORTH CAROLINA.

Creedmoor—Citizens' Bank; capital, $7,500; President, Z. E. Lyons; Vice-President, B. G. Rogers; Cashier, I. E. Harris.

Danbury—Bank of Stokes County; capital, $10,000; President, J. H. Prather; Vice-President, W. J. Byerly; Cashier, Eugene Pepper; Assistant Cashier, R. R. Rogers.

Spring Hope—Farmers & Merchants' Bank; capital, $10,000; President, W. H. Griffin; Vice-President, C. B. Brantley; Cashier, G. F. Crocker.

Trenton—Bank of Jones; capital, $5,000; President, Thomas D. Warren; Vice-President, Jno. C. Parker; Cashier, S. H. Hayward.

NORTH DAKOTA.

Alexander—Alexander State Bank; capital, $15,000; President, J. J. DeLaney; Cashier, H. C. DeLaney; Assistant Cashier, Charles Hurd.

Antler—State Bank; capital, $15,000; President, D. N. Tallman; Vice-President, S. B. Quale; Cashier, D. A. Ruihl; Assistant Cashier, Wm. Ryder.

Berlin—State Bank; capital, $10,000; President, Herman Goehl; Vice-President, John Young; Cashier, F. F. McGuire.

Clyde—Clyde State Bank; capital, $10,000; President, David H. Beecher; Vice-President, F. H. Wellcome; Cashier, H. C. Fox.

Dickey—Dickey State Bank; capital, $10,000; President, R. H. Owen; Vice-President, J. A. May; Cashier, A. T. Christ.

Flora—Flora State Bank; capital, $10,000; President, C. H. Ross; Vice-President, C. H. Davidson, Jr.; Cashier, I. J. Grandsen.

Gardena—Gardena State Bank; capital, $10,000; President, E. J. Fairfield; Vice-President, R. H. Fairfield; Cashier, C. S. Fairfield.

Gladstone—Gladstone State Bank; capital, $10,000; President, L. A. Simpson; Vice-President, W. L. Richards; Cashier, C. C. Turner.

Lucca—First State Bank; capital, $1,000; President, R. C. Kittel; Vice-President, F. L. Williams; Cashier, L. C. Carver.

Maxbass—State Bank; capital, $7,500; President, D. N. Tallman; Vice-President, S. B. Quale; Cashier, R. A. Brayne; Assistant Cashier, Jacob Nelson.—Maxbass Security Bank; capital, $15,000; President, H. N. Stabeck; Vice-President, F. O. Gold; Cashier, C. J. Smith; Assistant Cashier, M. C. Tillotson.

Overly—Farmers' Bank; capital, $10,000; President, John Birkholz; Vice-President, M. E. Hayes; Cashier, M. E. Williams; Assistant Cashier, O. C. Helgerson.—First State Bank; capital, $10,000; President, H. H. Ames; Vice-President, F. A. Richardson; Cashier, Jesse D. Smith.

Thorne—State Bank; capital, $10,000; President, D. N. Tallman; Vice-President, S. B. Quale; Cashier, R. H. Harkens.

Tioga—Tioga State Bank; capital, $10,000; President, W. D. McClintock; Vice-President, E. R. Reitsch; Cashier, W. C. McClintock.

Tolley—Tolley State Bank; capital, $10,000; President, E. C. Tolley; Vice-President, F. J. Murphy; Cashier, A. B. Olsen; Assistant Cashier, W. B. Lester.

Upham—Security State Bank; capital, $10,000; President, T. T. Risteigen; Vice-President, Samuel Torgerson; Cashier, C. M. Tjosvold.

Wales—Citizens' State Bank; capital, $10,000; President, W. J. Mooney;

Vice-President, C. A. Thayer; Cashier, Geo. H. Johnston; Assistant Cashier, C. E. Johnston.

Wolford—Security State Bank; capital, $10,000; President, C. M. Herrig; Vice-President, E. T. Herrig; Cashier, A. L. Herrig; Assistant Cashier, J. U. Lynch.

OHIO.

Bettsville—Bettsville Banking Co.; capital, $13,750; President, Geo. I. Gaines; Vice-President, Elijah Voorhies; Cashier, M. R. Mench; Assistant Cashier, L. K. Mowrey.

Castalia—Castalia Banking Co.; capital, $12,500; President, J. F. Laning; Vice-President, G. G. Bennett; Cashier, John J. Laning.

Columbus—Northern Savings Bank Co.; capital, $25,000; President, C. L. Dickey; Vice-President, J. H. Zinn; Cashier, Frank E. Robinson.

Dennison—Twin City State Bank (successor to Twin City National Bank); capital, $25,000; President, Theodore Laning; Vice-President, G. D. Hoos; Cashier, W. W. Ritter.

Lowellville—Lowellville Bank; President, H. A. Wilkison; Vice-President, Adolph Green; Treasurer, John F. Taylor; Secretary, J. S. Taylor.

Utica—Utica Savings Bank; capital, $50,000; President, D. R. Campbell; Vice-President, G. W. Garrison; Assistant Cashier, W. W. Byrnes.

Whitehouse—Merchants' Bank; President, F. E. Shaffmaster; Vice-President, R. Campbell; Cashier, Geo. R. Campbell.

OKLAHOMA.

Dill—Dill State Bank; capital, $10,000; President, J. C. Thurmond; Vice-President, A. L. Thurmond; Cashier, S. E. Brown.

Hinton—Bank of Hinton; capital, $10,000; President, S. Ockerman; Vice-President, A. D. Canon; Cashier, F. W. Hukill.

Pawhuska—Bank of Commerce; capital, $25,000; President, J. D. Scarborough.

Perth—Citizens' State Bank; capital, $10,000; President, W. L. Helton; Vice-President, M. L. Helton; Cashier, R. I. Helton.

Taloga—Bank of Taloga; capital, $10,000; President, W. H. Abling; Vice-President, J. H. Antrobius; Cashier, I. M. Willey.

Texmo—Texmo State Bank; capital, $1,000; President, J. C. Thurmond; Vice-President, J. H. Morton; Cashier, F. H. Crow.

OREGON.

Aurora—Aurora State Bank; capital, $25,000; President, Henry L. Bents; Vice-President, H. A. Snyder; Cashier, C. B. Clement.

Estacada—Bank of Estacada; capital, $6,000; F. L. Heylman, owner; Cashier, W. A. Heylman.

Glendale—Glendale State Bank; capital, $25,000; President, H. G. Sonnemann; Vice-President, L. K. Page; Cashier, H. N. Pratt.

PENNSYLVANIA.

Allentown—Citizens' Deposit & Trust Co.; capital, $125,000; President, L. D. Krause; Vice-President, J. B. Mauser; Secretary and Treasurer, F. H. Lichtenwalner.

Carlisle—Carlisle Trust Co. (successor to Mutual Savings Bank); capital, $125,000; President, Harry Heitzler; Vice-President, E. J. Gardner; Treasurer, Merkel Landis.

Erie—People's Bank; President, John W. Little; Vice-President, Byron A. Walker; Second Vice-President and Cashier, Glen C. Page.

Johnstown—Dollar Deposit Bank; capital, $75,000; President, J. M. Shumaker; Vice-President, E. L. Vinton; Cashier, Wm. T. Vinton.

Lemoyne—Cumberland Valley Bank; capital, $15,000; President, Robert L. Myers; Vice-President, John B. Eichelberger; Cashier, G. C. Hall.

Pittsburg—Scully, Painter & Beech.—Lawrence Barnum & Co.

Taylor—Taylor Discount & Deposit Bank; capital, $50,000; President, J. J. Jermyn; Vice-President, Willard Atherton; Cashier, D. Jeremy Davis; Assistant Cashier, Frank Lally.

Williamsport—Newberry Banking Co.; capital, $50,000; President, G. T. Bell; Vice-President, Geo. Heyd; Cashier, S. R. McKean.

SOUTH CAROLINA.

Bishopville—Farmers' Loan & Trust Co.; capital, $6,000; President, W. A. James; Vice-Pres., L. A. Moore.

Bowman—Bank of Bowman; capital, $10,000; President, F. A. Adden; Vice-President, G. E. Fairey; Cashier, E. N. Mittle.

Cameron—Bank of Cameron; capital, $7,950; President, Fred I. Culler; Vice-President, Jno. B. White; Cashier, Jos. P. Dantzler.

Newberry—Exchange Bank; President, J. D. Davenport; Vice-President, R. C. Carlisle; Cashier, M. L. Spearman.

Spartanburg—Security Trust Co.; capital, $100,000; President, Wm. S. Glenn; Vice-President, Aug. W. Smith; Treasurer; Jno. W. Simpson.

SOUTH DAKOTA.

Burke—Bank of Burke; capital, $5,000; President, Chas. Tienken; Vice-President, Frank Osborn; Cashier, Wm. Kearville.

Evarts—Stockmen's State Bank; capital, $20,000; President, W. E. Briggs; Vice-President, D. Webster; Cashier, F. A. Finch.

Fairview—Fairview State Bank; capital, $5,000; President, H. E. Mills; Vice-President, C. R. Moulton; Cashier, C. E. Mills.

Irene—Citizens' State Bank; capital, $10,000; President, A. O. Saugstad; Vice-President, A. P. Meyer; Cashier, K. O. Lokken; Assistant Cashier, O. H. Vognild.

Mellette—Farmers' State Bank; capital, $10,000; President, H. Cady; Vice-President, F. G. Stickles; Cashier, N. W. Cady.

Newark—Farmers & Merchants' State Bank; capital, $5,000; President, W. N. Carroll; Cashier, J. H. Carroll.

Pukwana—Farmers' State Bank; capital, $5,000; President, J. P. Myers; Vice-President, M. A. Glass; Cashier, H. A. Schoenberger.

TENNESSEE.

Cookville — People's Bank; capital, $15,000; President, D. L. Dow; Vice-President, H. C. Merlin; Cashier, J.

E. Conger; Assistant Cashier, W. R. Corlin.
Dunlap—Sequatchie County Bank; capital, $5,000; President, W. A. Moore; Vice-President, H. C. Farmer; Cashier, B. D. Turman.
Granville—Bank of Granville; capital, $15,000; President, F. A. Kelly; Vice-President, S. S. Carver; Cashier, J. Craik Jackson.
Lynnville — Farmers & Merchants' Bank; capital, $25,000; President, John Paulk; Vice-President, W. C. Smith; Cashier, Geo. B. Witt; Assistant Cashier, C. V. Paulk.
Viola—Farmers & Merchants' Bank (successor to Bank of Viola); capital, $12,000; President, P. H. Winton; Vice-President, G. H. Stubblefield; Cashier, Lionel D. Ramsey.

TEXAS.

Ben Franklin—Weldon Bank; capital, $5,000; President, W. E. Weldon; Cashier, W. A. Cockrell.
Brenham—Washington State Bank; capital, $50,000; President, H. K. Harrison; Vice-President, A. D. Milroy; Cashier, James S. Giddings.
Brownfield—Brownfield State Bank; capital, $10,000; President, M. V. Brownfield; Cashier, A. M. Brownfield.
Chico—Merchants & Planters' Bank; capital, $10,800, President, A. B. Edwards; Vice-President, J. J. Lory; Cashier, T. H. Marberry; Assistant Cashier, H. F. Hawkins.
Crowell—John S. Hagler Banking Co. (successor to First National Bank); capital, $10,000; President, Jno. S. Hagler; Vice-President, J. K. Quinn; Cashier, W. F. George.
Ector—First State Bank; capital, $10,000; President, W. R. Luton; Vice-President, J. W. Houston; Cashier, R. H. Nunn; Assistant Cashier, J. P. Dunaway.
El Paso—Rio Grande Valley Bank & Trust Co.; capital, $100,000; President, W. W. Turney; Vice-President, S. Turner; Secretary and Manager, W. Cooley; Assistant Secretary, W. E. Arnold.
Emma—First State Bank; capital, $10,000; President, L. T. Lester; Vice-President, E. B. Covington; Cashier, Wright Gunn.
Eskota—Bank of Eskota; capital, $10,000; President, Jos. H. Warnick; Cashier, W. H. Dunning.
Fredericksburg—Citizens' Bank; capital, $30,000; President, Alfred Vander Stucken; Vice-President, Oscar Krauskopf; Cashier, Wm. Bierschwale.
Gorman—Continental Bank & Trust Co. (branch of Fort Worth); Assistant Cashier, D. G. Stevens.
Lavon—R. L. Brown & Co.
Lometa—Lometa State Bank (successor to Bank of Lometa); capital, $10,000; President, I. Jolesch; Vice-President, A. L. Horne; Cashier, Jno. T. McCaison.
McCauley—Bank of McCauley; capital, $20,000; President, W. F. Morton; Vice-President, H. J. Hedderton; Cashier, W. H. Gornes, Jr.
Moulton—First State Bank; capital, $25,000; President, W. L. Tooley; Vice-President, J. H. Nations; Cashier, John Bucek.
Penelope—Penelope Banking Co.; capital, $10,000; President, J. B. McDaniel; Cashier, W. E. McDaniel; Assistant Cashier, H. R. Hanly.
Richardson—Citizens' Bank; capital, $10,000; President, D. E. Waggoner; Cashier, W. H. V. Harris.
Ringgold—Ringgold State Bank; capital, $15,000; President, Henry D. Lindsley; Vice-President, J. T. Harris; Cashier, G. P. Wheeler.
Sam Fordyce (Havana P. O.)—Rio Grande Valley Bank; capital, $10,000; Cashier, E. A. Peffley; Assistant Cashier, C. Downer.
Seagoville—Farmers & Merchants' Bank; capital, $1,000; President, D. E. Waggoner; Cashier, M. E. Hulsey.
Sterling City—First State Bank; capital, $10,000; President, W. H. Edleman; Vice-President, A. V. Patterson; Cashier, Emette Westbrook.
Talpa—First State Bank; capital, $20,000; President, W. T. Laughlin; Vice-President, W. P. Cusinbury; Cashier, E. A. Hatton.
Toyah—Toyah Mercantile & Banking Co.; capital, $50,000; President, James E. Bowen; Vice-President, Wm. D. Casey; Cashier, H. A. Schrock; Secretary, A. L. Shuman.

UTAH.

Lewiston—Lewiston State Bank; capital, $18,000; President, B. A. Hendricks; Vice-President, Hyrum Hayball; Cashier, Geo. A. Percival.
Pleasant Grove—Bank of Pleasant Grove (branch of Bank of American Fork).

VIRGINIA.

Abingdon—Citizens' Bank & Trust Co.; capital, $25,000; President, C. C. Sutton; Vice-President, R. C. Copenhauer; Cashier, W. S. Dodd.
Amelia—Farmers & Merchants' Bank; capital, $50,000; President, John G. Jefferson; Vice-President, F. E. Nolting; Cashier, J. T. Davenport.
Buckingham—Buckingham Bank; capital, $25,000; President, J. H. Fitzgerald; Vice-President, J. H. Kidwell; Cashier, Allen K. Fawcett.
Damascus—Bank of Damascus; capital, $10,000; President, S. L. Mock; Vice-President, R. F. Fortune; Cashier, R. W. Kelly.
Edinburg—Farmers' Bank; capital, $10,000; President, J. C. Hutchison; Vice-President, J. F. Holtzman; Cashier, A. F. Bromley.
Holland—Bank of Holland; capital, $10,000; President, John G. Holland; Vice-President, J. E. Vincent; Cashier, W. V. Leathers.
Honaker—New Garden Bank; capital, $10,000; President, M. C. Clark; Vice-President, N. E. Hartsook; Cashier, Aaron Russ.
Meherrin—Prince Edward & Lunenburg Bank; President, T. K. Sands; Vice-President, W. C. Winn; Cashier, E. F. Yeaman; Assistant Cashier, M. E. Gee.
Newsoms—Bank of Newsoms; capital, $10,000; President, R. Howard; Vice-President, J. H. Channing; Cashier, J. T. Bryant.
Poquoson—Bank of Poquoson; President, B. L. Traynham; Vice-President, J. V. F. Amory; Cashier, L. H. Hogge.
South Hill—Bank of Chase City (branch of Chase City).

WASHINGTON.

Bremerton—Bremerton State Bank; capital, $1,500; President, W. L. Gwinn; Cashier, M. C. Reed.
Colfax—Farmers' State Bank; capital, $100,000; President, Lillis F. Smith; Cashier, H. S. Burdick; Assistant Cashier, R. H. Lacey.
Downs—Bassett & Davis (successors to Bank of Downs); President, J. D. Bassett; Cashier, H. W. Davis.
Georgetown—Union Savings & Trust Co. (branch of Seattle); Cecil H. Upper, Manager.
Oroville—Commercial Bank; (branch of Conconully); A. B. Jacoby, Manager.

WEST VIRGINIA.

Wadestown—Bank of Wadestown; capital, $10,000; President, Urias Shriver; Vice-President, D. L. Tennant; Cashier, H. L. Plumb.

WISCONSIN.

Coon Valley—Coon Valley State Bank; capital, $10,000; President, H. C. Hjerleid; Vice-President, Lewis O. Brye; Cashier, E. B. Knudtson.
Eau Claire—Eau Claire Loan & Trust Co.; capital, $50,000; President, W. K. Coffin; Vice-President, C. W. Lockwood; Secretary and Treasurer, T. B. Keith.
Glen Haven—Glen Haven Bank; capital, $10,000; President, J. S. Kidd; Vice-President, W. H. Jordan; Cashier, Edwin Barr.
Stockbridge — State Bank; capital, $12,000; President, Geo. P. McKenney; Vice-President, E. A. Pingel; Cashier, Thomas Webster.
Viola—State Bank; capital, $10,000; President, C. R. Thomson; Vice-President, J. W. Burns; Cashier, S. M. Gore.

CANADA.

BRITISH COLUMBIA.

Hedley—Bank of British North America; L. G. MacHaffie, Manager.
Midway—Eastern Townships Bank; E. C. Moe, Manager.

ONTARIO.

Fenwick—Union Bank of Canada.
Fonthill—Union Bank of Canada.
Fort William—Union Bank of Canada; C. R. Dunsford, Manager.
Parry Sound—Bank of Toronto; W. A. Bourne, Manager.
Yarker—Merchants' Bank of Canada; E. R. Checkley, Manager.

MANITOBA.

Oak River—Bank of British North America; Thomas Weeks, Manager.
Shoal Lake—Merchants' Bank of Canada; E. A. Molson, Manager.
Wellwood—Union Bank of Canada; C. G. Old, Manager.

NORTH WEST TERRITORY.

Fort Saskatchewan—Merchants' Bank of Canada.
North Battleford—Imperial Bank of Canada; E. J. Kay, Manager.
Vegreville—Merchants' Bank of Canada; C. R. Morton, Manager.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Birmingham—First National Bank; capital increased to $1,000,000.

ARKANSAS.

Batesville—Bank of Batesville; capital increased to $50,000.

CALIFORNIA.

Berkeley—Berkeley National Bank; Geo. P. Baxter, President in place of J. W. Richards.
Colton—First National Bank; Howard B. Smith, Vice-President in place of S. M. Goddard; C. W. Curtis, Cashier in place of Howard B. Smith.
Downey—Los Nietos Valley Bank; A. L. Darley, Cashier in place of J. O. Butler, resigned.
Ocean Park—First National Bank; E. J. Vawter, Jr., Vice-President.
San Diego—National Bank of Commerce; C. Fred Henking, Cashier.
Sebastopol—Bank of Sebastopol; John P. Overton, President in place of Geo. P. Baxter.

COLORADO.

Canon City—First National Bank; J. Q. MacDonald, Vice-President in place of James J. Cone, deceased.

CONNECTICUT.

Bridgeport—People's Savings Bank; Samuel W. Baldwin, President in place of William E. Seeley, deceased; Henry Atwater, First Vice-President; Enoch P. Jincks, Second Vice-President.
New Haven—National New Haven Bank; Frank D. Trowbridge, President in place of Wilbur F. Day, deceased; Edward E. Mix, Cashier in place of Frank D. Trowbridge; Charles H. Raymond, Assistant Cashier in place of Edward E. Mix.

FLORIDA.

Ocala—Central National Bank; Geo. H. Ford, Cashier in place of F. L. Watson; J. B. Brooks, Assistant Cashier.

GEORGIA.

Dublin—First National Bank; W. S. Phillips, Vice-President in place of J. E. Smith, Jr.

HAWAII.

Honolulu—First National Bank; L. T. Peck; Cashier in place of W. G. Cooper.

IDAHO.

Pocatello—Bannock National Bank; G. H. Olmstead, Vice-President in place of E. C. Manson.

ILLINOIS.

Aurora—First National Bank; F. B. Watson, Cashier in place of T. H. Day.
Eldorado—First National Bank; Wm. M. Gregg, President in place of A. H. Kinsall; Roy Gregg, Cashier in place of M. J. White.
Georgetown — Georgetown National Bank; James H. Hewit, President in place of R. H. Lewman; no Vice-

President in place of W. V. Jones; O. P. Clark, Cashier in place of Gordon Grimes.
La Salle—La Salle State Bank; John Stuart, President, deceased.
Westville—First National Bank; O. P. Clark, President in place of Geo. G. Robertson; A. L. Somers, Cashier; J. Frank Haworth, Assistant Cashier in place of A. L. Somers.
Windsor—First National Bank; A. T. Collison, President in place of John Moberley; J. A. Duncan, Vice-President in place of F. D. Hennigh; A. C. Crays, Cashier in place of J. W. Moberley.

INDIANA.

Fort Wayne—Old National Bank; C. E. Bond, Vice-President; G. A. Schwegman, Cashier in place of C. E. Bond; W. H. Rohan, Assistant Cashier in place of G. A. Schwegman; Stephen Morris, Second Assistant Cashier.
Lawrenceburg — People's National Bank; P. C. Braun, Cashier in place of Peter Braun; C. O'Brien, Assistant Cashier in place of P. C. Braun.
Lowell—State National Bank; Albert Foster, President in place of John E. Davis, deceased.

INDIAN TERRITORY.

Durant—First National Bank; D. Morgan, Vice-President in place of A. C. Risner.
Fort Gibson—First National Bank; J. L. Landwirth, Vice-President in place of Joe Mayer.
Holdenville—National Bank of Commerce; I. B. Martin, Assistant Cashier.
Madill—City National Bank; Tom Hollingsworth, Cashier in place of F. S. Vaden; S. L. Chowning, Assistant Cashier.
Pauls Valley—National Bank of Commerce; Lorenz Eodke, Vice-President in place of J. F. Meyers; Charles S. Smith, Second Vice-President.
Vinita — Cherokee National Bank; Charles H. Collins, Cashier in place of C. C. Roberts; no Assistant Cashier in place of Charles H. Collins.

IOWA.

Hartley—First National Bank; E. F. Broders, President in place of E. E. Hall.
Waterloo — First National Bank; Frank J. Fowler, President in place of C. O. Balliett; F. J. Eighmey, Vice-President in place of Frank J. Fowler.
Winterset—Madison County Bank; capital increased to $70,000; E. E. McCall, President; Nelson Bertholf, Cashier.

KANSAS.

Osborne—Farmers' National Bank; J. F. Irey, President in place of W. H. Smith.
Topeka—Central National Bank; no Vice-President in place of C. S. Downing; S. S. Ott, Cashier in place of Edwin Knowles.

KENTUCKY.

Beattyville—National Bank of Beattyville; G. S. McDonald, Vice-President in place of Theo. B. Blakey; Monroe McGuire, Cashier in place of Pope McAdams; Logan Thomas, Assistant Cashier in place of Monroe McGuire.
Louisville—Western National Bank; in hands of Receiver August 21; resumed business October 16; T. L. Jefferson, President; E. C. Hegan, Vice-President; Lewis Metz, Cashier.—Third National Bank; W. H. Netherland, Cashier in place of James Gayle.

LOUISIANA.

Jeanette—First National Bank; A. Cousin, Jr., Cashier in place of M. B. Tarleton.

MAINE.

Bangor—Veazie National Bank; Chas. V. Lord, President, deceased.
Belfast—Belfast Savings Bank; Wilmer J. Dorman, Treasurer in place of William H. Quimby, resigned.
Gardiner—Oakland National Bank; Freeman Patten, Vice-President.

MARYLAND.

Baltimore—Maryland National Bank; J. C. Fenhagen, Cashier in place of Jos. A. McKellip.—Provident Savings Bank; John R. Cary, Secretary; G. Herbert Boehm, Treasurer.

MASSACHUSETTS.

Boston — Boylston National Bank; Charles W. Bailey, Assistant Cashier.—National Bank of Commerce; William Endicott, Jr., Vice-President.—National Union Bank; Henry S. Grew, 2d, President in place of James R. Hooper.
Gloucester—Cape Ann Savings Bank; John E. Somes, Vice-President, deceased.
Natick—Natick National Bank; A. L. Potter, Cashier instead of Acting Cashier.
Salem—Asiatic National Bank; E. L. Millett, Assistant Cashier.
Waltham—Waltham Trust Co.; Frank E. Morris, Treasurer, resigned.

MICHIGAN.

Detroit—Dime Savings Bank; capital increased to $250,000.

MINNESOTA.

Breckenridge—First National Bank; Howard Dykman, Vice-President in place of Ezra G. Valentine; no Second Vice-President in place of Howard Dykman.
Cass Lake—First National Bank; no Assistant Cashier in place of B. W. Lakin.
Luverne—First National Bank; A. D. La Due, President in place of Wm. Jacobsen, deceased; O. P. Huntington, Second Vice-President; Wm. Jacobsen, Jr., Cashier in place of A. D. La Due; D. M. Main, Assistant Cashier in place of Wm. Jacobsen, Jr.
Red Lake Falls—First State Bank; C. L. Hanson, Assistant Cashier in place of Ralph Wyer.
Wadena—First National Bank; W. B. Jackson, Assistant Cashier in place of J. W. Austen, Jr.
Wheaton—Gary-Wheaton Bank; Wm. E. Gary, Cashier in place of Wm. L. Gary, deceased; William H. Darling, Assistant Cashier.

MISSOURI.

Carthage—Carthage National Bank;

R. E. Frey, Cashier in place of Oscar Wells.
Macon—First National Bank; R. A. Guthrie, Cashier in place of Raymond E. Frey; J. D. Fleming, Assistant Cashier in place of R. A. Guthrie.
Rocheport—Rocheport Bank; W. R. Wilhite, President, deceased.

MONTANA.

Butte—State Savings Bank; Sellers Largey, President in place of John A. Creighton; E. P. Chapin, Cashier.
Great Falls—Daly Bank & Trust Co.; Edward Bowman, President and Manager in place of M. B. Greenwood, deceased.

NEBRASKA.

Arlington—First National Bank; J. T. May, President in place of J. H. Pratt; L. C. Weber, Vice-President in place of J. T. May; G. I. Pfeiffer, Cashier in place of A. H. Sander; no Assistant Cashier in place of G. I. Pfeiffer.
Beatrice—Beatrice National Bank; D. W. Cook, President in place of J. B. Weston, deceased; no Vice-President in place of D. W. Cook.
Edgar—State Bank; sold to J. O. Walker and H. C. Hart.
McCook—First National Bank; B. M. Frees, President in place of A. Campbell, deceased; H. P. Waite, Vice-President in place of B. M. Frees.
Osceola—Bank of Polk County; sold to First National Bank.
Wahoo—First National Bank; Oscar Hanson, Cashier.

NEW HAMPSHIRE.

Lakeport—National Bank of Lakeport; C. L. Pulsifer, President in place of Henry J. Odell.

NEW JERSEY.

Newton—Sussex National Bank; Theodore Simonson, Vice-President in place of Wm. McDanolds.

NEW MEXICO.

Tucumcari—First National Bank; Earl George, Assistant Cashier in place of W. S. Hodges; no Second Assistant Cashier in place of J. R. Daughtry.

NEW YORK.

Buffalo—Central National Bank; A. M. Le Messurier, Assistant Cashier.
Fredonia—Citizens' State Bank; H. J. Crissey, President in place of H. M. Swetland.
Holley—State Exchange Bank; Frank B. Housel, Cashier, resigned.
Hudson—Farmers' National Bank; F. S. Hallenbeck, Cashier in place of F. C. Haviland, deceased.
Newark—Arcadia National Bank; capital increased to $75,000; surplus increased from $10,000 to $15,000.
New York—Market & Fulton National Bank; R. A. Parker, Vice-President in place of R. Bayles.—Phenix National Bank; Leonard B. Mallaby, Assistant Cashier, deceased.
Seneca Falls—Seneca Falls Savings Bank; Edward W. Addison, President in place of P. W. Bailey, resigned.
Troy—United National Bank; Geo. B. Warren, President, deceased.

OHIO.

Hudson—Cleveland Trust Co.; Leon Adams, Manager in place of Clay Herrick.
Lima—First National Bank; D. W. Morris, Cashier in place of C. D. Crites.

OKLAHOMA.

Guthrie—National Bank of Commerce; H. C. Arnold, Cashier in place of Wm. S. Stiles.
Norman—National Bank of Norman; no President in place of W. R. Haines; B. L. Brees, Vice-President.
Spencer—Bank of Spencer; J. S. Alexander, President, resigned.

PENNSYLVANIA.

Boyertown—Farmers' National Bank; Joseph H. Moyer, Vice-President in place of Wm. K. Grim, deceased.
Burgettstown—Washington National Bank; D. S. Taylor, Vice-President in place of J. Winfield Reed; J. Winfield Reed, Cashier in place of Sam H. Hughes.
Butler—Farmers' National Bank; A. H. Sarver, Vice-President in place of John Humphrey, deceased; J. F. Hutzler, Cashier in place of E. W. Bingham; R. W. Dixon, Assistant Cashier in place of J. F. Hutzler.
Chambersburg — National Bank of Chambersburg; W. Rush Gillan, President in place of S. M. Linn; Geo. A. Wood, Vice-President in place of W. Rush Gillan.
New Bethlehem—Citizens' National Bank; I. B. Kaufman, Cashier, deceased.
Philadelphia—Central National Bank; William Post, Cashier in place of Theo. L. DeBow; Wm. Y. Conrad, Assistant Cashier in place of Wm. Post.—Farmers & Mechanics' National Bank; O. E. Weiss, Assistant Cashier in place of E. H. Austin, deceased.
Pittsburg—Industrial National Bank; no Assistant Cashier in place of D. E. Davis.

RHODE ISLAND.

Woonsocket—People's Savings Bank; Benjamin W. Gallup, Sr., resigned.

SOUTH CAROLINA.

Spartanburg—Central National Bank; Charles C. Kirby, Cashier in place of Giles L. Wilson, resigned.—Spartanburg Savings Bank; Charles C. Kirby, Cashier in place of Giles L. Wilson, resigned.

SOUTH DAKOTA.

Aberdeen—Aberdeen National Bank; Clyde Bowman, Assistant Cashier.

TENNESSEE.

Jackson—Second National Bank; W. T. Nelson, President, deceased.

TEXAS.

Amarillo—Amarillo National Bank; A. G. Boyce, President in place of B. T. Ware; W. M. Lay, Vice-President in place of A. G. Boyce.
Beaumont—Beaumont National Bank and Gulf National Bank; consolidated under latter title; capital, $150,000; surplus, $75,000.
Clifton—First National Bank and Farmers & Mechanics' Bank; consolidated under former title; J. W. Butler, President in place of J. W. Rudasill; J. W. Rudasill, Vice-Pres-

ident in place of G. J. Gibbs; Tom M. Pool, Vice-President; J. M. Jenson, Assistant Cashier.

Del Rio—Del Rio National Bank; F. E. Gillett, Assistant Cashier in place of W. W. Freeman.

El Paso—City National Bank; B. P. Michelson, Vice-President in place of S. G. Harless.

Fort Worth—Fort Worth National Bank; N. Harding and L. C. Hutchins, Vice-Presidents; Oscar Wells, Cashier in place of N. Harding; Elmo Stedd, Assistant Cashier in place of L. C. Hutchins.

Greenville — Commercial National Bank; Thomas F. Shelton, and W. H. James, Vice-Presidents in place of J. O. Boyle and J. O. Teagarden; J. O. Boyle, Cashier in place of J. O. Teagarden.

Houston—Commercial National Bank; F. B. Gray, Cashier, deceased.

Mabank—First National Bank, Witt George, Cashier in place of R. B. Still.

Mount Vernon—First National Bank; James W. Hargrave, Assistant Cashier in place of Sidney Turner.

Nocona—Nocona National Bank; M. M. Kern, Cashier in place of J. H. Bowers.

Winnsboro—Farmers' National Bank; Manton W. Jones, Cashier in place of J. L. Penix.

VERMONT.

Barre—National Bank of Barre; Geo. Howland, President, deceased; also Vice-President Barre Savings Bank.

WASHINGTON.

Ritzville—Pioneer State Bank; N. H. Greene, President, deceased.

WEST VIRGINIA.

Chester—First National Bank; John E. Newell, President in place of John A. Campbell.

Newburg—First National Bank; Chas. E. Ellis, President in place of James R. Smoot, deceased.

Parkersburg—Second National Bank; no President in place of W. Vrooman.

WISCONSIN.

Grand Rapids—First National Bank; Geo. W. Mead, President in place of E. T. Harmon; Edward Lynch, Vice-President in place of I. P. Whitter; Earle Pease, Cashier in place of Geo. W. Mead.

Neenah—National Bank of Neenah; title changed to First National Bank; J. A. Kimberly, President in place of Robert Shiells; Jno. P. Shiells, Vice-President in place of J. A. Kimberly; F. E. Ballister, Cashier in place of Jno. P. Shiells; no Assistant Cashier in place of F. E. Ballister.

Omro—Citizens' Bank and First National Bank; consolidated under latter title.

Tigerton—First National Bank; R. C. Brown, Vice-President in place of R. T. Morgan.

CANADA.

ONTARIO.

Teeswater—Bank of Hamilton; C. P. Smith, Manager, resigned.

Wingham—Bank of Hamilton; C. P. Smith, Manager in place of W. Corbould, deceased.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

CALIFORNIA.

Los Angeles—Los Angeles National Bank; in voluntary liquidation October 21; consolidated with First National Bank.—Southwestern National Bank; in voluntary liquidation October 7; consolidated with First National Bank.

San Francisco—United Bank & Trust Co.

COLORADO.

Alamosa—Bank of Alamosa.

ILLINOIS.

Mount Vernon—Mount Vernon State & Savings Bank; in voluntary liquidation August 9.

Peoria—Peoria National Bank; in hands of Receiver October 7.

INDIANA.

Lawrenceburg — Citizens' National Bank; in voluntary liquidation October 14; consolidated with People's National Bank.

INDIAN TERRITORY.

Cornish—First National Bank; in voluntary liquidation October 15.

Francis—First National Bank; in voluntary liquidation October 15.

IOWA.

Arispe—Arispe Savings Bank.

LOUISIANA.

New Orleans — Louisiana National Bank; in liquidation October 2; absorbed by Canal Bank & Trust Co.

MAINE.

Portland—Merchants' National Bank; in liquidation September 30; absorbed by Portland Trust Co.

MASSACHUSETTS.

Boston — Mount Vernon National Bank; in voluntary liquidation October 24; absorbed by Boylston National Bank.

MINNESOTA.

Two Harbors—First National Bank; in liquidation September 22; succeeded by First State Bank.

MISSISSIPPI.

Natchez—National Bank of Commerce; in liquidation September 30.

NEW YORK.

New York—Cooper Exchange Bank in hands of R. Ross Appleton, Receiver October 17.

OHIO.

Cleveland—Indemnity Savings & Loan Co.

PENNSYLVANIA.

Allegheny — Enterprise National Bank; in hands of Receiver October 18.

New Bethlehem—Citizens' National Bank; in liquidation August 10; absorbed by New Bethlehem Trust Co.

TENNESSEE.

Memphis—Memphis National Bank; in voluntary liquidation October 10; absorbed by Merchants' Trust Co.

TEXAS.

Austin—City National Bank; in liquidation September 15; absorbed by Austin National Bank.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, November 2, 1905.

LOCAL POLITICS, LIFE INSURANCE INVESTIGATION AND THE RUSSIAN DISTURBANCES provided the sensational features of the month. It may be doubted, however, whether any of them had any influence upon either prices or sentiment. As a factor in finance, the first-named feature may be dismissed without comment. If the disclosures regarding life insurance methods have affected values, there is no evidence of the fact. It may be conceded, however, that life insurance funds are furnishing less stimulus to speculation than formerly.

The disturbance of affairs in Russia has caused a modification of the plans of banking interests in this and other countries. A Russian loan had been arranged almost to the final details, and representatives of American banking houses were understood to have been ready to agree as to the amount that should be placed here, when the rioting in St. Petersburg caused a discontinuance of negotiations and the visiting financiers became more interested in obtaining a ship to take them out of the country than in buying bonds.

As far as a new Russian loan is concerned, it will now have to be delayed until political affairs become more settled. Japan, however, is understood to be preparing to put out a 4 per cent. loan for $321,000,000 at 90. The proceeds will largely be used in retiring outstanding issues. What portion of the new loan will be offered in this country has not been made known.

The prospect of a Russian loan for a while affected the various money markets where the loan was likely to be placed. That has been eliminated, but rates for money abroad are generally higher. The Bank of England adheres to its 4 per cent. rate, while the Bank of Germany last month advanced its rate from 4 to 5 per cent.

The prevailing influences kept the local money market firm. The prospect of gold imports disappeared and the possibility of gold exports began to command attention. The low reserves of the banks excited some apprehension. A fact not without interest is that loans last month exceeded deposits for the first time this year. At the end of July last the deposits were nearly $55,000,000 in excess of loans. On October 14 the loans were the larger by $4,000,000, but by the end of October deposits were again slightly in excess of loans. There have been some notable movements in both loans and deposits during the current year as shown in the following summary:

	DEPOSITS.		LOANS.	
	Amount.	*Change since previous date.*	*Amount.*	*Change since previous date.*
January 1	$1,104,049,100	....	$1,066,701,200	....
February 11	1,202,972,300	Inc., $98,923,200	1,142,106,100	Inc., $75,504,900
April 8	1,128,100,700	Dec., 74,871,600	1,090,759,600	Dec., 51,346,500
May 20	1,165,151,700	Inc., 37,051,000	1,120,426,800	Inc., 29,667,200
June 10	1,128,832,800	Dec., 36,318,900	1,089,520,900	Dec., 39,905,900
July 29	1,199,744,900	Inc., 70,912,100	*1,146,163,700	Inc., 56,642,800
October 21	1,023,859,400	Dec., 175,855,500	1,026,690,100	Dec., 119,473,600

* August 5th.

Loans were about $1,300,000 larger on August 5 than on July 29. With that exception, both loans and deposits reached extreme points on the same dates. The largest amount of loans reported outstanding at any time was $1,146,000,000 on August 5. Between that date and October 21 there was a decrease of $119,000,000. On July 29 the deposits reached nearly $1,200,000,000, the largest for the year except on February 11, and within $24,500,000 of the high record made on September 17, 1904. Between July 29 and October 21 there was a decrease in deposits of nearly $176,000,000. In the five earlier movements of the year the extreme range was less extensive, but in the first six weeks of the year deposits increased nearly $99,000,000 and loans $75,000,000.

The resumption of refunding operations by the Government last month has so far been attended with surprising success. On October 1 there were $156,596,400 of 4 per cent. bonds of 1907 and $77,135,360 3 per cent. bonds of 1908 outstanding. At the close of the month they had been reduced to $127,424,200 and $68,789,060 respectively. Nearly $37,500,000 of these bonds have therefore been exchanged for 2 per cent. bonds, of which there are now outstanding $580,429,000, equal to nearly 65 per cent. of the total bonded debt.

One effect of this refunding, which seems to attract no particular attention, is to extend for more than twenty years the maturity of the bonds exchanged. On July 1, 1907, or twenty months hence, the 4 per cents will be redeemable, and on August 1, 1808, or less than three years hence, the 3 per cents may be retired at par. There are only about $196,000,000 of these two classes of bonds now outstanding and the Government should have no difficulty in paying them off when they mature.

If the present rate of refunding is continued a few months there will be none of the 3's and 4's to mature. The bonds into which they are being exchanged do not become redeemable until April 1, 1930, and the only other bonds to mature prior to that date are the $118,000,000 4 per cents redeemable on February 1, 1925. The extinguishment of the debt does not seem to be contemplated in the financial policy of the Government.

The refunding operations have had a very substantial effect upon National bank circulation. Nearly $23,000,000 of the new two per cents issued have gone at once to secure bank circulation, while $9,000,000 more have taken the place of other bonds to secure public deposits. Practically all the new bonds, except about $5,000,000, have thus become the security for notes or public deposits. Until the Government resorts to new issues of bonds, the extension of bank circulation must depend upon the refunding of the present issues.

The course of speculation in the stock market has been variable, prices alternately advancing and declining. The volume of business was somewhat larger than in September and was in excess of that of any corresponding month in a number of years excepting only last year, when stock rates aggregated more than $32,000,000 shares and bond sales nearly $150,000,000. This year the sales of stocks fell a little short of 18,000,000 shares and of bonds below $75,000,000.

While there have been many disappointing turns in the market, prices generally have been strong and several stocks have advanced to the highest figures reached this year, some the highest ever touched. It is generally conceded that the conditions of prosperity underlying values justify high prices, nevertheless there is some feeling that the advance which has occurred in recent years has put prices generally on a very high level.

"Lest we forget" has been a popular refrain in the local political campaign now drawing to a close. There are men in the financial world who think it a wise one for campaigns in Wall Street. Going back two years or three years to jog the memory is hardly sufficient to accumulate that experience of the past which will serve as a wise mentor for the future. We are just entering upon the tenth year since the last great period of depression closed. It was in August, 1896, just at a time when the defeat of free silver as a political issue began to manifest itself, that the stock market shook off the lethargy into which adverse conditions had forced it. Since that time there have been temporary setbacks, but no return to depression such as existed in the early nineties. It is only necessary to compare the highest prices of last month with the lowest in August, 1896, to ascertain the extent of the appreciation in values which has occurred in the last nine years.

The following list of stocks in which the advances have been of an extraordinary character, suggests to what a high level prices have advanced.

	Lowest. Aug., 1896.	*Highest. Oct., 1905.*		*Lowest. Aug., 1896.*	*Highest. Oct., 1905.*
Atchison	8¼	90⅞	Missouri Pacific	15	106½
Baltimore & Ohio	12¼	114⅝	Minnesota & St. Louis	12	84¾
Canadian Pacific	55	176	New York Central	88	154¼
Central of New Jersey	87½	235	Norfolk & Western	8	88⅜
Chicago, Milwaukee & St. Paul	59⅞	183	North American	3½	99
Chicago & Northwestern	85⅛	224½	Pullman	138	257¼
Cleveland, Cinn., Chic. & St. L.	19½	101⅝	Reading	5⅞	129⅝
Delaware & Hudson	114½	240¾	Southern, preferred	15½	100¼
Delaware, Lack. & Western	138	498½	Tennessee Coal & Iron	14	92¼
Illinois Central	84⅛	183	Union Pacific	4	135¼
Louisville & Nashville	37⅛	156¾	American Sugar	95	144½
Manhattan	73¼	167½	General Electric	21⅛	190⅞

In some cases the stocks named above represent properties in which there have been reorganizations and a general financial rehabilament. In all it may be said, perhaps, the conditions have so improved that the properties have greatly increased in value since 1896.

That prosperous conditions still prevail admits of no dispute, whatever difference of opinion may exist as to the proximity of the climax of good times. A striking illustration of the situation is found in the statement of the United States Steel Corporation for the quarter ended September 30. In the first place the unfilled orders reported on that date were the largest in its history, amounting to 5,765,377 tons, which compares with 5,597,560 tons on March 31 and with 3,027,436 tons on September 30, 1904.

The net earnings for the quarter exceeded $31,000,000 as against less than $19,000,000 in the corresponding quarter of last year, an increase of seventy per cent. The earnings were $1,000,000 less than in the same three months of 1903, but in that year the earnings were on the down grade, while this year they are increasing from month to month. The following table for each month of the quarter in the last three years shows how remarkable has been the improvement.

MONTH.	*1905.*	*1904.*	*1903.*
July	$9,035,168	$6,344,771	$12,384,647
August	10,986,901	6,202,957	10,918,174
September	11,218,513	6,226,204	9 120,134
Totals	$31,240,582	$18,773,932	$32,422,955

After paying the fall dividend on the preferred stock there was a surplus of $10,672,613, as against $1,312,988 in the same quarter last year. The company appropriated $6,500,000 of the surplus this year for construction, improvements, etc.

The prosperity of the railroads of the country is strikingly shown in the statistics presented in the advance sheets of the introduction of "Poor's Manual of Railroads" for 1905. The gross earnings in 1904 were $68,780,887, or 3.06 per cent. larger than in 1903. Compared with 1902 there was an increase of $256,823,813, or almost 15 per cent. The net earnings increased $46,731,515 over 1903 and $99,213,750 over 1902. The amount paid for interest was $2,300,000 less than in 1903, but the dividends paid increased nearly $21,000,000. The average rate of interest paid was 3.98 per cent., the lowest recorded in twenty years; while the average rate of dividends paid was 3.28 per cent., the highest in the same time. The following table gives a summary of the earnings and interest and dividend payments yearly since 1892:

YEARS.	Gross earnings.	Net earnings.	Interest on bonds.	Dividends.	EARNINGS PER MILE. Gross.	Net.	Expenses to earnings.	Interest paid—on total bonded debt.	Dividends paid—on total share capital.
							p. c.	p. c.	p. c.
1892..	$1,169,036,840	$352,817,405	$229,909,292	$93,862,412	$6,852	$2,068	69.82	4.25	1.93
1893..	1,207,106,026	358,648,9.8	237,677,728	94,295,815	6,963	2,069	70.29	4.31	1.88
1894..	1,066,943,358	317,757,399	234,702,912	83,478,669	6,054	1,803	70.22	4.19	1.66
1895..	1,092,395,437	323,196,454	239,698,134	81,685,774	6,097	1,804	70.41	4.24	1.58
1896..	1,125,632,025	332,766,979	243,287,730	81,528,154	6,223	1,840	70.43	4.45	1.52
1897..	1,132,866,626	342,792,030	234,454,578	83,6[illegible]0,040	6,228	1,884	69.74	4.24	1.49
1898..	1,249,558,724	389,666,474	237,133,099	94,937,526	6,771	2,111	68.16	4.21	1.70
1899..	1,346,096,379	423,941,689	239,178,913	109,032,252	7,161	2,272	68.27	4.24	1.90
1900..	1,501,695,378	483,247,526	244,447,806	140,343,653	7,826	2,519	68.93	4.24	2.42
1901..	1,612,448,826	520,294,727	254,318,380	156,887,283	8,270	2,668	67.73	4.21	2.62
1902..	1,720,814,900	560,026,277	263,237,451	178,200,752	8,696	2,830	67.45	4.09	2.93
1903..	1,908,857,826	592,508,512	278,101,828	190,674,415	9,301	2,887	68.96	4.13	3.00
1904..	1,977,638,713	639,240,027	275,800,200	211,522,166	9,248	2,989	67.68	3.98	3.28

The Money Market.—Early in the month the local money market was subject to the same influences which advanced rates in September. Call money touched 8 per cent. on October 4. Later the market took on an easier tone. At the close of the month call money ruled at 4 to 5½ per cent., averaging about 5¼ per cent. Banks and trust companies loaned at 4 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 4¾ @ 5 per cent. for sixty to ninety days, and 4½ @ 4¾ per cent. for four to six months on good mixed collateral. For commercial paper the rates are 4¾ @ 5¼ per cent. for sixty to ninety days' endorsed bills receivable, 4¾ @ 5½ per cent. for first-class four to six months' single names, and 5½ @ 6 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........	2¼–4	3 – 6	1¾–2	2 –3	5 –7	4 –5½
Call loans, banks and trust companies................................	2¼–	2 –	2 –	2¼–	4½–	4 –
Brokers' loans on collateral, 30 to 60 days...........................	2¾–3	2¾ 3	2¾–3	3¼– ½	4¼– ½	4¾ - 5
Brokers' loans on collateral, 90 days to 4 months........................	3 –3¼	3 – ¼	3 – ¼	3½–4	4½–	4½– ¾
Brokers' loans on collateral, 5 to 7 months........................	3¼– ½	3½–4	3¾–4	4 – ¼	4½–	4½– ¾
Commercial paper, endorsed bills receivable, 60 to 90 days............	3¾–4	3½–4	4 – ¼	4¼– ½	4½- 5	4¾–5¼
Commercial paper prime single names, 4 to 6 months...............	3¾–4	3¾–4¼	4 – ¼	4½– ¾	4½–5	4¾–5¼
Commercial paper, good single names, 4 to 6 months...............	4½–5	4½- 5	4½–5	5 – ½	5½–6	5½–6

New York City Banks.—The net changes for the month shown in the statements of the clearing-house banks include a decrease of $30,000,000 in loans, a decrease of $38,000,000 in deposits, a decrease of $5,000,000 in cash reserves and an increase of $5,000,000 in surplus reserve. For the first time during the year the loan exceeded the deposits on October 7 and again in each of the two following weeks, but on October 28 the deposits were $272,900

New York City Banks—Condition at Close of Each Week.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Sept.30...	$1,071,630,800	$201,506,000	$76,050,300	$1,080,465,100	$7,440,025	$54,066,100	$1,608,904,700
Oct. 7...	1,059,740,900	195,038,400	74,063,200	1,059,261,700	4,286,175	54,142,400	2,049,158,400
" 14...	1,030,284,300	191,952,100	74,798,700	1,026,157,600	10,211,400	54,155,800	1,747,552,400
" 21...	1,026,690,100	193,161,300	75,386,700	1,023,859,400	12,583,150	54,680,500	1,771,999,000
" 28...	1,041,819,400	196,059,200	76,894,800	1,042,092,300	12,430,925	54,890,100	1,872,184,100

in excess of loans. In the first three weeks of the month loans were reduced nearly $45,000,000, but were increased $15,000,000 in the last week. Deposits declined $56,000,000 in the three weeks but increased $18,000,000 in the last week. Deposits are $162,000,000 less than they were a year ago while loans show an increase of less than $500,000. The surplus reserve increased from $7,000,000 to $12,000,000 in October.

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	*1903.*		*1904.*		*1905.*	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January......	$873,115,000	$10,193,850	$866,178,900	$9,541,850	$1,104,049,100	$13,683,425
February......	931,778,900	27,880,775	1,023,943,800	25,129,050	1,189,828,600	26,979,550
March.........	956,206,400	5,951,900	1,027,920,400	32,150,200	1,179,824,900	14,646,075
April..........	894,260,000	6,280,900	1,069,369,400	27,755,050	1,138,661,300	8,664,575
May...........	905,760,200	11,181,850	1,114,387,800	33,144,250	1,146,528,600	16,665,250
June..........	913,081,800	9,645,150	1,098,953,500	29,692,325	1,136,477,700	6,050,275
July..........	903,719,800	12,923,850	1,152,988,800	36,105,300	1,166,038,900	11,658,875
August.......	908,864,500	24,060,075	1,204,965,600	55,959,600	1,190,744,900	15,305,975
September....	920,123,900	20,677,925	1,207,302,800	57,375,400	1,166,587,200	5,498,785
October.......	897,214,400	13,937,500	1,212,977,100	19,913,425	1,080,465,100	7,440,025
November....	885,616,600	10,271,150	1,204,434,200	16,793,650	1,042,092,300	12,430,925
December...	841,552,000	6,125,200	1,127,878,100	8,539,075	....	....

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,146-3,700 on August 5, 1905, and the surplus reserve $111,623,000 on Feb. 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 Reserve.*
Sept. 30....	$129,207,000	$141,459,900	$5,833,700	$6,685,300	$13,468,100	$6,402,300	*$2,821,175
Oct. 7....	131,522,3 0	144,430,100	5,903,500	6,685,300	14,397,400	6,301,700	*2,819,625
" 14....	133,144,900	143,422,500	6,009,300	7,069,900	12,560,000	5,404,200	*4,182,225
" 21....	132,621,700	140,693,100	5,840,800	7,045,100	10,900,500	5,096,000	*6,290,875
" 28....	132,148,500	141,028,400	5,833,700	7,171,600	11,988,300	5,357,800	*4,905,700

* Deficit.

BOSTON BANKS.

DATES.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Sept. 30.......	$189,338,000	$216,649,000	$17,322,000	$5,672,000	$7,550,000	$134,516,500
Oct. 7........	190,058,000	223,168,000	17,206,000	5,311,000	7,537,000	171,380,900
" 14........	189,237,000	219,901,000	17,512,000	5,461,000	7,552,000	158,707,100
" 21........	186,466,000	218,542,000	17,642,000	5,738,000	7,540,000	163,021,400
" 28........	187,075,000	215,604,000	17,341,000	5,751,000	7,550,000	....

PHILADELPHIA BANKS.

DATES.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Sept. 30.................	$223,813,000	$258,929,000	$60,699,000	$12,866,000	$141,483,400
Oct. 7.................	223,292,000	254,965,000	57,603,000	12,940,000	166,346,700
" 14.................	219,989,000	251,532,000	56,041,000	12,929,000	135,924,000
" 21....	215,098,000	247,970,000	58,170,000	13,044,000	140,154,100
" 28.................	213,982,000	247,764,000	59,012,000	13,134,000	144,617,700

FOREIGN EXCHANGE.—The sterling exchange market was controlled by the large amount of finance bills maturing during the month. Rates advanced rapidly until the close of the month and as similar conditions will be operative during the first half of November, no immediate decline in rates is looked for.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

WEEK ENDED.	BANKERS' STERLING.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
Sept. 30	4.8240 @ 4.8250	4.8520 @ 4.8530	4.8575 @ 4.8585	4.81⅞ @ 4.82	4.81¼ @ 4.82⅛
Oct. 7	4.8215 @ 4.8225	4.8520 @ 4.8530	4.8570 @ 4.8580	4.81⅝ @ 4.81¾	4.81¼ @ 4.81¾
" 14	4.8225 @ 4.8235	4.8565 @ 4.8575	4.8625 @ 4.8635	4.81¾ @ 4.81⅞	4.81¼ @ 4.82¼
" 21	4.8290 @ 4.8300	4.8665 @ 4.8670	4.8725 @ 4.8730	4.82½ @ 4.82⅝	4.82¼ @ 4.83¼
" 28	4.8340 @ 4.8360	4.8710 @ 4.8725	4.8770 @ 4.8780	4.83⅛ @ 4.83¼	4.82¾ @ 4.84

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	July 1.	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.
Sterling Bankers—60 days	4.85¼— ⅜	4.84⅝— ¾	4.84⅜— ½	4.82⅜— ½	4.83⅛— ¼
" " Sight	4.86⅞—87	4.86⅜— ½	4.86¼— ⅜	4.85¼— ⅜	4.86⅝— ⅞
" " Cables	4.87¼— ⅜	4.86⅝— ¾	4.86⅝— ¾	4.85¾— ⅞	4.87¼— ⅜
" Commercial long	4.84⅞—85	4.84½— ⅝	4.84⅛— ¼	4.81⅞— 2	4.82½— 3
" Docu'tary for paym't.	4.84¼— 5¼	4.84 — ⅝	4.83¼— 4¼	4.81¼— 2⅛	4.82¼— 3⅜
Paris—Cable transfers	5.15⅝—	5.16¼—	5.16⅞— ¼	5.17½—	5.15⅝—
" Bankers' 60 days	5.15⅛—	5.18¾—	5.18¾— ⅛	5.20 —19⅝	5.19⅜—18¾
" Bankers' sight	5.16¼—	5.16⅞—	5.16⅞—	5.18⅛—	5.16¼--
Swiss—Bankers' sight	5.16⅞—	5.16⅞—	5.16⅞— ¼	5.18⅛—	5.16⅞—
Berlin—Bankers' 60 days	94 11/16— ¾	94 11/16— ¾	94 11/16— ¾	94 7/16— ½	94½— 9/16
" Bankers' sight	95⅛— 3/16	95 1/16— ⅛	95 1/16— ⅛	94 15/16— 5 1/32	95⅛— 3/16
Belgium—Bankers' sight	5.16⅞—	5.17½—	5.17½—	5.18¾—	5.18⅛—17½
Amsterdam—Bankers' sight	40¼— 5/16	40¼— 5/16	40¼—	40 1/16— ⅛	40⅛— 3/16
Kronors—Bankers' sight	26 13/16— 15/16	26.13/16— 15/16	26.80— .82	26.78—.80	26.80—82
Italian lire—sight	5.15 1/16— ⅝	5.15⅝—	5.16⅞ - ¼	5.17½—	5.15⅝—

NATIONAL BANK CIRCULATION.—Another extraordinary increase in National bank circulation occurred in October, the amount outstanding having increased $8,056,000. The amount of bonds deposited to secure circulation increased from $484,810,890 to $494,017,790, or more than $9,000,000. The 2 per cent. bonds deposited increased nearly $23,000,000, while there was a reduction of $11,000,000 in the 4 per cent. bonds of 1907 and of $2,000,000 in the 3 per cent. bonds of 1898. The National banks also increased the amount of 2 per cent. bonds deposited to secure public deposits of $9,000,000, making the increase in this class of bonds now in the hands of the banks $32,000,000.

NATIONAL BANK CIRCULATION.

	July 31, 1905.	Aug. 31, 1905.	Sept. 30, 1905.	Oct. 31, 1905.
Total amount outstanding	$503,971,395	$512,220,367	$516,325,240	$524,408,249
Circulation based on U. S. bonds	471,615,771	478,786,165	481,688,526	489,937,806
Circulation secured by lawful money	32,355,624	33,434,202	34,663,714	34,470,443
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	14,197,100	14,931,850	15,494,350	4,094,350
Four per cents. of 1895	4,394,000	4,124,000	4,374,000	4,465,000
Three per cents. of 1898	4,257,440	4,465,940	4,580,440	2,375,540
Two per cents. of 1900	454,089,750	458,676,300	460,362,100	483,182,900
Total	$476,938,290	$482,198,090	$484,810,890	$494,017,790

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $2,349,500; 4 per cents. of 1895, $5,333,700; 3 per cents. of 1898, $3,760,000; 2 per cents. of 1930, $44,243,600; District of Columbia 3.65's, 1924, $1,332,000; Hawaiian Islands bonds, $1,193,000; Philippine loan, $6,040,000; railroad and other bonds, $1,838,500; a total of $66,090,300.

GOVERNMENT REVENUES AND DISBURSEMENTS.—The expenditures of the Government in October exceeded the receipts by $5,217,000, making the deficit since July 1, $14,791,000. Last year there was a deficit of $4,000,000 in October and of $21,800,000 in the four months ending October 31. Customs receipts are much larger than in 1904, the gain in October being more than $2,000,000 and in the four months, $12,000,000. Expenditures show only a small increase compared with last year.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.

Source.	October, 1905.	Since July 1, 1905.
Customs	$25,621,531	$100,637,109
Internal revenue	22,173,779	83,616,572
Miscellaneous	2,697,381	13,253,735
Total	$50,492,691	$197,507,417
Excess receipts	*5,217,346	*14,791,587

EXPENDITURES.

Source.	October, 1905.	Since July 1, 1905.
Civil and mis	$13,749,604	$47,128,448
War	10,040,040	38,271,675
Navy	9,687,135	39,863,577
Indians	1,053,127	4,972,828
Pensions	10,323,435	47,839,288
Public works	6,561,098	24,046,692
Interest	4,295,598	10,181,996
Total	$55,710,037	$212,299,004

* Excess expenditures.

UNITED STATES PUBLIC DEBT.—The principal feature of the public debt statement for November is the increase of $37,000,000 in the amount of 2 per cent. bonds outstanding, caused by the refunding of $29,000,000 of the 4 per cents. of 1907 and $8,000,000 of the 3 per cents of 1908. Nearly two-thirds of the entire interest-bearing debt now consists of the 2 per cent. issue of 1900. There was an increase of more than $4,000,000 in gold certificates and of $1,000,000 in silver certificates. The deficit in revenues in October is reflected in a decrease of $5,000,000 in the cash balance. The net debt, less cash in the Treasury, increased $6,000,000 and was more than $1,002,000,000 at the end of the month.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1905.	Sept. 1, 1905.	Oct. 1, 1905.	Nov. 1, 1905.
Interest-bearing debt:				
Loan of March 14, 1900, 2 per cent	$542,909,950	$542,909,950	$542,909,950	$580,429,000
Funded loan of 1907, 4 "	156,593,650	156,596,400	156,596,400	127,424,200
Refunding certificates, 4 per cent	28,610	27,090	27,070	26,780
Loan of 1925, 4 per cent	118,489,900	118,489,900	118,489,900	118,489,900
Ten-Twenties of 1898, 3 per cent	77,135,360	77,135,360	77,135,360	68,789,060
Total interest-bearing debt	$895,157,470	$895,158,700	$895,158,680	$895,158,940
Debt on which interest has ceased	1,447,260	1,256,535	1,256,405	1,231,075
Debt bearing no interest:				
Legal tender and old demand notes	346,734,863	346,734,298	346,734,298	346,734,298
National bank note redemption acct.	31,933,951	33,105,296	33,385,209	34,470,390
Fractional currency	6,868,465	6,867,109	6,867,109	6,866,709
Total non-interest bearing debt	$385,537,279	$386,706,704	$386,986,616	$388,071,398
Total interest and non-interest debt.	1,282,142,010	1,283,121,939	1,283,401,701	1,284,461,413
Certificates and notes offset by cash in the Treasury:				
Gold certificates	524,684,969	522,202,969	520,047,969	524,455,969
Silver "	477,102,000	471,735,000	475,017,000	476,308,000
Treasury notes of 1890	11,019,000	8,984,000	8,795,000	8,621,000
Total certificates and notes	$1,012,805,969	$1,002,921,969	$1,003,859,969	$1,009,384,969
Aggregate debt	2,294,947,979	2,286,043,908	2,287,261,670	2,293,846,382
Cash in the Treasury:				
Total cash assets	1,402,124,509	1,375,240,443	1,385,672,058	1,388,792,535
Demand liabilities	1,105,531,820	1,097,643,099	1,098,848,365	1,106,977,247
Balance	$296,592,689	$277,597,344	$286,823,693	$281,815,288
Gold reserve	150,000,000	150,000,000	150,000,000	150,000,000
Net cash balance	146,592,689	127,597,344	136,823,693	131,815,288
Total	$296,592,689	$277,597,344	$286,823,693	$281,815,288
Total debt, less cash in the Treasury	985,549,321	1,005,524,595	996,578,008	1,002,648,125

UNITED STATES FOREIGN TRADE.—Both exports and imports in September exceeded $100,000,000, a record never before equalled in that month. Exports aggregated $136,000,000, an increase of nearly $2,000,000 over those of September, 1904. Imports were $102,000,000, an increase of $18,000,000. The net balance of exports for the month is nearly $34,000,000 as compared with

$50,000,000 in the previous year. The magnitude of the export movement is indicated in the total of more than $1,102,000,000 for the nine months of the year. That is an increase of $117,000,000 over the same period in 1904 and is larger than in either 1900 or 1901 when the total was exceptionally large. The imports have made the extraordinary record of $872,000,000 or $121,000,000 more than in 1904. The net exports were $230,000,000, which is about the same as in each of the previous three years.

EXPORTS AND IMPORTS OF THE UNITED STATES.

MONTH OF SEPTEMBER.	MERCHANDISE.			Gold Balance.	Silver Balance.
	Exports.	Imports.	Balance.		
1900	$115,901,722	$59,568,600	Exp., $56,333,122	Imp., $7,045,981	Exp., $1 551,773
1901	106,989,926	66,826,813	" 40,163,113	" 11,742,069	" 2,639,456
1902	121,236,384	87,736,346	" 33,500,038	" 4,451,101	" 2,236,396
1903	110,364,840	81,816,642	" 28,548,198	" 4,186,782	" 680,776
1904	134,265,424	84,124,975	" 50,140,449	" 1,496,587	" 1,375,739
1905	136,005,822	102,138,031	" 33,867,791	" 4,086,781	" 1,723,619
NINE MONTHS.					
1900	1,031,964,238	624,467,433	Exp., 407,496,805	Exp. 12,615,871	Exp., 17,231,461
1901	1,046,319,267	646,477,569	" 399,841,698	" 2,719,473	" 18,996,785
1902	943,165 484	702,149,643	" 241,015,811	" 6,049,827	" 16,876,695
1903	989,276,471	758,798,236	" 230,478,235	" 9,896,179	" 8,282,166
1904	985,468,881	751,394,339	" 234,074,542	" 14,345,238	" 19,452,689
1905	1,102,575,831	872,548,988	" 230,026,843	" 12,382,326	" 14,972,377

MONEY IN CIRCULATION IN THE UNITED STATES.—There was an increase of nearly $29,000,000 in the amount of money in circulation last month. The increase was in every kind of money excepting gold coin and Treasury notes of 1890. The largest increases were $8,000,000 in gold certificates and $12,000,000 in National bank notes.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1905.	Sept 1, 1905.	Oct. 1, 1905.	Nov. 1, 1905.
Gold coin	$649,548,528	$653,003,548	$652,330,135	$651,644,998
Silver dollars	80,039,395	75,581,915	79,436,901	81,822,311
Subsidiary silver	102,891,327	102,820,021	105,539,966	107,1[illegible]7,982
Gold certificates	466,739,689	491,335,239	471,595 979	479,965,439
Silver certificates	468,017,227	464,339,041	469,973,307	471,625,776
Treasury notes, Act July 14, 1890	10,940,054	8,920,253	8,764,858	8,594,378
United States notes	342,287,627	333,539,111	336,338,926	340,107,480
National bank notes	449,157,278	492,119,926	500,250,319	512,213,264
Total	$2,569,621,125	$2,621,659,054	$2,624,230,391	$2,653,131,578
Population of United States	82,562,000	83,493,000	83,609,000	83,726,000
Circulation per capita	$31.12	$31.40	$31.39	$31.69

SUPPLY OF MONEY IN THE UNITED STATES.—The addition to the stock of money in the country in October was nearly $26,000,000, of which more than $17,000,000 was gold and the remainder, except a small increase in fractional silver, National bank notes.

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1905.	Sept. 1, 1905.	Oct. 1, 1905.	Nov. 1, 1905.
Gold coin and bullion	$1,345,952,535	$1,379,804,314	$1,387,257,928	$1,404,686,516
Silver dollars	567,795,889	568,204,217	568,228,865	568,228,865
Silver bullion	1,708,079	....	....	....
Subsidiary silver	112,171,494	114,484,171	115,246,222	115,554,205
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	464,794,156	512,220,367	516,852,240	524,408,249
Total	$2,839,103,169	$2,921,394,085	$2,933,766,271	$2,959,558,851

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 1905, by dates, and also, for comparison, the range of prices in 1904:

	YEAR 1904.		HIGHEST AND LOWEST IN 1905.		OCTOBER, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	89¼	64	93⅜ Mar. 9	77⅝—May 22	90⅞	87⅛	88⅛
" preferred	104⅛	87⅝	105⅝—Sept. 1	99 —Jan. 25	105⅛	103¼	104
Baltimore & Ohio	105¼	72⅞	117 —Aug. 14	100⅛—Jan. 25	114⅝	110⅞	112⅛
Baltimore & Ohio, pref	96⅛	87⅝	100 —Aug. 10	95¾—Jan. 12	98¼	97	97½
Brooklyn Rapid Transit	70½	38	78¾—Oct. 21	56⅞—May 23	78¾	70⅝	74½
Canadian Pacific	135¾	109⅛	177⅛—Sept. 21	130¾—Jan. 25	176	168⅝	172
Canada Southern	72	64	74⅞—Aug. 14	67⅛—Jan. 11	71	68⅜	71
Central of New Jersey	194¾	154½	235 —Oct. 26	190 —May 23	235	210	231
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	59⅝	54¾	56
Chicago & Alton	47¼	33	44⅛—Mar. 15	31 —May 22	36¾	34	34
" preferred	85¼	75	83¾—Apr. 7	77¼—June 26	79⅝	75	77½
Chicago, Great Western	26¼	12⅞	25⅛—Mar. 16	17½—May 22	22¼	21	21⅜
Chic., Milwaukee & St. Paul	177⅝	137⅛	187½—Apr. 17	168⅛—May 4	183	178½	180⅝
" preferred	185⅞	173	192½—Apr. 17	182½—Jan. 13	188½	187	188½
Chicago & Northwestern	214½	161⅛	249 —Jan. 31	190⅛—June 9	224½	214½	222
" preferred	237	207	265½—Feb. 1	234 —Jan. 13	243¾	240	240
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾ Jan. 5	19¼	16½	16½
" preferred	27¾	11½	42½—July 5	17½—Jan. 4	41¾	37⅞	40
Clev., Cin., Chic. & St. Louis	93⅜	68½	111 —Mar. 21	90 —Jan. 14	101⅝	98⅝	99
Col. Fuel & Iron Co	58⅝	25½	59 —Mar. 24	38 —May 22	48⅝	43½	45¼
Colorado Southern	24⅜	13½	30⅛ Apr. 26	22¼—Jan. 20	29¼	27½	28
" 1st preferred	63	48	64⅛—Feb. 10	52 —May 23	63½	61½	62¾
" 2d preferred	37½	17⅞	44¾—Aug. 29	32½—May 23	44¾	42	43½
Consolidated Gas Co	220	185	214 —Mar. 13	180¼—Sept. 23	190¾	182	182½
Delaware & Hud. Canal Co	190½	149	240¾—Oct. 26	178½—May 22	240¾	214	237¼
Delaware, Lack. & Western	359¾	250½	498½—Oct. 16	335 —Jan. 25	498½	457½	485
Denver & Rio Grande	35⅞	18	37½—Sept. 16	27¼—June 8	35⅞	33	33
" preferred	89	64⅛	91 —Mar. 15	83¼—May 1	89¾	86	87
Detroit Southern tr. ctfs	14¾	1⅛	12⅝—Sept. 21	8 —June 20	12¼	11⅝	11⅛
" preferred tr. ctfs	33½	2¾	43 —Sept. 21	39 —July 22	42½	41¼	42½
Duluth So. S. & Atl., pref	28½	9¼	37 —Jan. 21	21 —May 22	35⅞	33	34
Erie	41⅝	21½	52¾—Aug. 29	37½—May 22	50⅞	46⅞	48⅛
" 1st pref	77	55⅝	85½—Aug. 15	74⅞—May 22	82¼	80⅝	81⅛
" 2d pref	58½	33	78⅜—Aug. 24	55½—Jan. 3	73⅞	71¼	73¼
Evansville & Terre Haute	83	54	75 —Aug. 11	63 —July 6	75	75	75
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	243	243	243
" American	219	180	246 —Feb. 27	209½—Jan. 4	230	222	230
" United States	126	100	134 —Feb. 8	120 —Jan. 9	125	120	125
" Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	235	235	235
Hocking Valley	94	60	99 —Mar. 11	86⅝—Jan. 18	93⅛	92	93
" preferred	95	77	96⅞—Mar. 13	90 —Jan. 18	94	91½	94
Illinois Central	159	125¾	183 —Sept. 28	152¾—Jan. 25	183	177	178½
Iowa Central	33	14	32 —Feb. 3	24 —May 24	29⅝	27¾	28¼
" preferred	59¾	32	59⅞—Oct. 21	50 —May 10	59⅞	55½	58
Kansas City Southern	31⅞	16½	34 —Feb. 14	22⅛—May 22	27¾	24⅝	26½
" preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	58¾	52¼	58
Kans. City Ft. S. & Mem. pref	83½	64⅛	87 —Oct. 21	81⅝—June 19	87	85	86
Louisville & Nashville	148¾	101	157⅜—Sept. 23	134½—Jan. 25	156⅝	149¼	152⅝
Manhattan consol	169½	139¾	175 —Feb. 9	161 —May 1	167½	165¼	165½
Metropolitan securities	96⅛	72¼	91 —Mar. 17	73 —Jan. 9	82¼	76⅝	78
Metropolitan Street	130⅝	104¾	133 —Aug. 28	114 —May 11	127¾	117¾	119⅛
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	25¾	23½	24
Minneapolis & St. Louis	67¾	40	84¾ Oct. 17	56½—Jan. 12	84¾	73	81½
" preferred	96½	80	106 —Oct. 16	86 —Jan. 19	106	102	106
Minn., S. P. & S. S. Marie	95	55	144 —Sept. 20	89⅛ Jan. 11	142½	135	136¾
" preferred	150	116	170 —Sept. 19	148 —Jan. 13	164	160¼	162
Missouri, Kan. & Tex	36⅝	14⅝	35 —Aug. 30	24 —May 22	34⅝	31¼	33⅝
" preferred	65¼	32¼	73 —Aug. 25	56¼—May 23	69¾	67	68⅛
Missouri Pacific	111½	87	110⅞—Mar. 13	94½—May 22	106½	102¼	103⅞
Natl. of Mexico, pref	45⅛	34¾	45 —Jan. 16	33⅛—May 8	37½	36	36¼
" 2d preferred	25⅛	15⅞	24½—Jan. 10	17¾—June 20	19	19	19
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	154¼	147¾	151⅝
N. Y., Chicago & St. Louis	47	25	56½—Sept. 22	42 —Jan. 20	56¼	53	54⅜
" 2d preferred	78	60	86¾—Oct. 2	74 —May 4	88¾	86	86

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1904.		Highest and Lowest in 1905.		October, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western	47⅞	19⅜	64 —Mar. 30	40⅜—Jan. 5	56⅜	52⅞	54⅜
Norfolk & Western	80¾	53½	88⅛—Mar. 11	76 —May 10	88⅜	84	87⅛
" preferred	95	88	96 —Aug. 11	91⅛—Feb. 24	93¼	92	93¼
North American Co.	107	80	107 —Apr. 17	96 —Oct. 19	99	96	97⅞
Pacific Mail	55	24	50¾—Oct. 25	33 —May 22	50¾	44¾	49¼
Pennsylvania R. R.	140	111½	148 —Aug. 24	131⅛—May 22	145⅞	142⅝	145⅛
People's Gas & Coke of Chic.	112⅛	92¾	115⅛—Apr. 3	97¼—May 15	105¾	102⅝	104⅞
Pullman Palace Car Co.	244	209	258 —Aug. 14	230 —May 31	257¼	249	249
Reading	82⅝	38¾	129⅛—Oct. 31	79 —Jan. 13	129⅛	119¾	128⅛
" 1st prefered	92	76	97 —Sept. 30	90 —May 22	95½	91¾	94
" 2d preferred	85	55¼	100⅛—Sept. 29	84 —Jan. 5	100⅛	97¾	99
Rock Island	37¾	19⅛	37⅞—Jan. 18	24¾—May 22	34⅞	28¾	29⅞
" preferred	86⅝	57¾	85 —Jan. 4	71⅛—May 22	81⅛	72⅜	73⅛
St. L. & San Fran. 2d pref.	72⅛	39¼	73⅛—Mar. 6	61 —May 26	71⅛	64	66
St. Louis & Southwestern	29	9⅛	27⅛—Jan. 20	20 —May 22	25	23	23⅛
" preferred	60¾	25⅜	66⅝—Apr. 18	55⅛—May 1	62¼	58	59⅛
Southern Pacific Co.	68¾	41⅛	72⅜—Feb. 27	57¾—May 4	72⅛	67¾	70⅝
Southern Railway	37⅛	18¼	38 —Sept. 22	28 —May 22	37⅝	35	36⅜
" preferred	97⅛	77⅛	102⅛—Sept. 21	95 —May 1	100¼	98	99⅞
Tennessee Coal & Iron Co.	77⅛	31⅝	106⅛—Apr. 4	68 —Jan. 25	92¼	84¼	91⅜
Texas & Pacific	38⅛	20	41 —Mar. 13	29¾—Apr. 29	36¼	33¾	34¾
Toledo, St. Louis & Western	38	21⅛	43¾—Apr. 6	34⅛—May 22	39⅛	36	39⅛
" preferred	57¼	32	65 —Apr. 12	51¾—Jan. 25	59⅛	55⅛	59¼
Union Pacific	117	71	138⅜—Aug. 24	113 —Jan. 6	135¼	130¾	133⅝
" preferred	98	86⅛	101⅝—Feb. 21	95¾—Oct. 2	97¼	95¾	95¾
Wabash R. R.	25	15	24¼—Sept. 18	17⅛—May 23	23¾	20⅞	21⅛
" preferred	48⅛	32¾	48 —Feb. 23	37 —May 23	44⅛	40¼	41⅛
Western Union	94⅛	85	95⅛—June 18	92 —Jan. 17	93¾	92¾	93
Wheeling & Lake Erie	22⅜	14⅛	19¾—Mar. 13	15 —May 1	17¾	17	17⅛
" second preferred	32	21⅛	28⅛—Mar. 13	20 —May 4	25⅛	24⅛	25
Wisconsin Central	25	16	33⅛—Aug. 21	20 —Apr. 29	32¾	28	30⅛
" preferred	49⅝	37	64⅛—Oct. 17	45 —Jan. 13	64⅛	59	61½
"Industrial"							
Amalgamated Copper	82¾	43¼	89¾—Apr. 14	70 —Jan. 25	86	81⅛	84
American Car & Foundry	35⅛	14¾	43⅝—Apr. 14	31 —May 21	43⅛	36¾	41⅜
" pref.	94¾	67	104⅛—Apr. 6	91¼—Jan. 25	102⅛	99⅛	100⅝
American Co. Oil Co.	37⅞	24¼	38 —Apr. 8	27¾—July 19	33½	30	32
American Ice	9¾	6	7¼—Feb. 1	4⅞—Apr. 20	....	....	....
American Locomotive	36⅜	16⅛	71¾—Oct. 26	33 —Jan. 25	71⅜	58⅛	70
" preferred	105	75⅛	122¾—Apr. 15	103¾—Jan. 5	117¼	113	115¼
Am. Smelting & Refining Co.	82⅛	46	139¾—Oct. 31	79¾—Jan. 9	139¾	125⅞	139
" preferred	115	88¾	128 —Aug. 23	111¼—Jan. 13	125¼	120⅛	124¼
Am. Steel & Foundries	15¼	3½	18⅜—Mar. 20	6⅞—July 27	14⅛	10	13⅛
" pref.	57¼	26	67⅛—Apr. 4	35⅛—June 14	47⅛	39¾	47
American Sugar Ref. Co.	153	122¼	149¾—Mar. 2	130 —May 22	144⅛	138¼	142⅛
Anaconda Copper Mining	120⅞	61	130 —Apr. 13	100⅛—May 22	125⅛	115⅛	119¾
Continental Tobacco Co. pref.	131	101⅛	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products	26¼	9¾	22¾—Feb. 7	8¾—June 8	16⅛	12¼	14¾
" preferred	82¼	65	79 —Jan. 10	40 —Aug. 9	57¾	51	56
Distillers securities	40⅛	19⅛	47⅛—Apr. 6	34⅞—Jan. 25	47⅛	42	46⅛
General Electric Co.	194⅛	151	192 —Mar. 16	169 —May 20	190⅞	179	187⅛
International Paper Co.	25⅝	10¼	25⅛—Mar. 11	18⅛—June 16	24¼	21⅛	22⅝
" preferred	79⅞	64⅛	82⅝—Oct. 24	76 —Feb. 6	85⅝	78⅛	80¾
National Biscuit	59⅛	36	66⅜—Apr. 3	52 —Aug. 16	56¼	54¼	55⅛
National Lead Co.	26¼	14⅛	52⅛—Oct. 31	24⅛—Jan. 5	52⅛	45¼	52⅛
Pressed Steel Car Co.	44⅛	24¼	53⅝—Oct. 23	34 —May 23	53⅝	45	51
" preferred	92	67	101⅛—Oct. 25	87 —Feb. 16	101⅛	96	101
Republic Iron & Steel Co.	18¼	6	27⅛—Oct. 23	15 —Jan. 23	27⅛	23⅞	25⅞
" preferred	73⅛	37	98⅝—Oct. 23	67 —Jan. 23	98⅝	92¾	95¾
Rubber Goods Mfg. Co.	29⅞	14¾	39 —Sept. 30	24¼—Mar. 7	38⅞	36	37¾
" preferred	98	74¾	109⅛—Apr. 1	94 —Jan. 25	105¼	104	105
U. S. Leather Co.	20¾	6⅛	16 —Oct. 14	10⅞—May 23	16	12⅞	15¾
" preferred	106⅛	75⅝	115½—Oct. 14	100¾—Jan. 31	115⅛	111	115
U. S. Rubber Co.	34½	10⅛	58⅛—Sept. 18	33¾—Jan. 3	57	50⅛	52⅛
" preferred	100	41	118⅛—Apr. 7	98⅜—Jan. 6	112	109⅝	110⅝
U. S. Steel	33⅛	8⅜	39⅛—Oct. 23	24⅞—May 22	39⅛	37	38⅛
" pref.	95⅝	51⅛	105⅞—Oct. 4	90¾—May 22	105⅞	103⅛	105⅛

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.*
Ann Arbor 1st g 4's	1995	7,000,000	Q J	98⅞	Oct. 31,'05	99	98	22,000
Atch., Top. & S. F.								
Atch Top & Santa Fe gen g 4's	1995	148,155,000	A & O	102⅞	Oct. 31,'05	103⅛	102½	576,000
" registered		....	A & O	101½	Oct. 27,'05	102⅝	101¼	9,000
" adjustment, g. 4's	1995	25,616,000	NOV	99	Oct. 24,'05	99¼	99	73,500
" registered		....	NOV	95	Sept. 11,'05	....	....	....
" stamped	1995	26,112,000	M & N	96¾	Oct. 31,'05	98	96¾	134,000
" fifty-year conv. g. 4's	1955	32,420,000	J & D	104	Oct. 31,'05	105⅞	103½	380,000
" registered		....	J & D	....	....	....	....	....
" serial debenure 4's—								
" series D	1906	2,500,000	F & A	99	Aug. 15,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series E	1907	2,500,000	F & A	99⅝	May 2,'05	....	....	....
" registered		....	F & A	....	....	....	....	....
" series F	1908	2,500,000	F & A	99½	Nov. 3,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series G	1909	2,500,000	F & A	99⅝	June 17,'05	....	....	....
" registered		....	F & A	....	....	....	....	....
" series H	1910	2,500,000	F & A	99½	Jan. 10,'05	....	....	....
" registered		....	F & A	....	....	....	....	....
" series I	1911	2,500,000	F & A	98½	Nov. 23,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series J	1912	2,500,000	F & A	....	....	....	....	....
" registered		....	F & A	....	....	....	....	....
" series K	1913	2,500,000	F & A	97	Oct. 26,'04	....	....	....
" registered		....	F & A	....	....	....	....	....
" series L	1914	2,500,000	F & A	92⅞	Nov. 10,'02	....	....	....
" registered		....	F & A	....	....	....	....	....
" East. Okla. div. 1st g. 4's	1928	6,128,000	M & S	101½	July 8,'05	....	....	....
" " registered		....	M & S	....	....	....	....	....
" Chic. & St. L. 1st 6's	1915	1,500,000	M & S	....	....	....	....	....
Atlan. Coast Line R. R. Co. 1st g. 4's	1952	43,141,000	M & S	101⅝	Oct. 30,'05	102	101¼	226,000
" registered			M & S	92	Feb. 15,'04	....	....	....
Charleston & Savannah 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'99	....	....	....
Savanh Florida & W'n 1st g. 6's	1934	4,056,000	A & O	131⅞	Sept. 19,'05	....	....	....
" 1st g. 5's	1934	2,444,000	A & O	112⅝	Jan. 26,'04	....	....	....
Alabama Midland 1st gtd g. 5's	1928	2,800,000	M & N	114¼	Oct. 18,'04	....	....	....
Brunswick & W'n 1st gtd. g. 4's	1938	3,000,000	J & J	93	July 14,'04	....	....	....
"L'ville & Nash. col." g. 4's	1952	35,000,000	M & N	97	Oct. 31,'05	97¾	97	8,000
" registered		....	M & N	....	....	....	....	....
Sil. Sps Oc. & G. RR. & ldg. gtd g. 4s	1918	1,067,000	J & J	97¾	Oct. 5,'04	....	....	....
Balt. & Ohio prior lien g. 3½s	1925	72,798,000	J & J	95½	Oct. 31,'05	97¼	95½	171,000
" registered			J & J	96	Nov. 7,'04	....	....	....
" g. 4s	1948	70,963,000	A & O	103⅛	Oct. 30,'05	103½	102⅝	318,500
" g. 4s. registered			A & O	102½	Oct. 12,'05	102¾	102½	30,000
Pitt Jun. & M. div. 1st g. 3½s.	1925	11,293,000	M & N	93	Oct. 3,'05	93	93	5,000
" registered			Q Feb	....	....	....	....	....
Pitt L. E. & West Va. System refunding g 4s	1941	31,347,000	M & N	100⅞	Oct. 31,'05	101	100⅛	334,000
" Southw'n div. 1st g. 3½s	1925	43,590,000	J & J	93¼	Oct. 30,'05	93¾	92⅞	164,500
" registered			Q J	92⅛	June 23,'05	....	....	....
Monongahela River 1st g. g., 5's	1919	700,000	F & A	108½	July 13,'05	....	....	....
Cen. Ohio. Reorg. 1st c. g. 4½'s	1930	1,009,000	M & S	109	Apr. 25,'05	....	....	....
Ptsbg Clev. & Toledo, 1st g. 6's	1922	515,000	A & O	119½	Mar. 7,'04	....	....	....
Pittsburg & Western, 1st g. 4's	1917	633,000	J & J	100	June 23,'05	....	....	....
Buffalo, Roch. & Pitts. g. g. 5's	1937	4,427,000	M & S	123	July 18,'05	....	....	....
Alleghany & Wn. 1st g. gtd 4's	1998	2,000,000	A & O	....	....	....	....	....
Clearfield & Mah. 1st g. g. 5's	1943	650,000	J & J	128	June 6,'02	....	....	....
Rochester & Pittsburg. 1st 6's	1921	1,300,000	F & A	124	Aug. 9,'05	....	....	....
" cons. 1st 6's	1922	3,920,000	J & D	129	Oct. 11,'05	129	129	6,000
Buff. & Susq. 1st refundg g. 4's	1951	6,521,000	J & J	100	Sept. 19,'05	....	....	....
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.

Name.	Principal Due	Amount.	Int's Paid.	Last Sale. Price.	Last Sale. Date.	October Sales. High.	October Sales. Low.	October Sales. Total.
Canada Southern 1st int. gtd 5's	1908	14,000,000	J & J	103¼	Oct. 28,'05	103⅜	102½	52,000
• 2d mortg. 5's	1913	6,000,000	M & S	105½	Oct. 24,'05	105⅛	104⅞	18,000
• registered			M & S	106	Apr. 19,'04			
Central Branch U. Pac. 1st g. 4's	1948	2,500,000	J & D	94	Jan. 4,'05			
Central R'y of Georgia, 1st g. 5's	1945	7,000,000	F & A	120	Oct. 21,'05	120	120	5,000
• registered $1,000 & $5,000			F & A					
• con. g. 5's	1945	16,700,600	M & N	116¼	Oct. 30,'05	116⅝	115¾	89,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	107	June 14,'04			
• 1st. pref. inc. g. 5's	1945	2,708,000	OCT 1	95⅝	Oct. 30,'05	96¾	95½	159,000
• • stamped		1,292,000	OCT 1					
• 2d pref. inc. g. 5's	1945	3,773,000	OCT 1	81	Oct. 31,'05	83¾	81	241,000
• • stamped		3,227,000	OCT 1					
• 3d pref. inc. g. 5's	1945	2,343,000	OCT 1	76	Oct. 31,'05	78½	76	142,000
• • stamped		1,757,000	OCT 1					
• Chat. div. pur. my. g. 4's	1951	2,057,000	J & D	93¾	July 12,'05			
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04			
• Mid. Ga. & Atl. div. g 5s	1947	413,000	J & J	110⅝	Sept. 5,'05			
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	115½	Aug. 3,'05			
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1987	4,880,000	M & N	108¾	Aug. 4,'05			
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	124¾	Oct. 23,'05	135	134½	37,000
• registered			Q J	132¾	Oct. 27,'05	133⅝	132½	14,000
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	113	Aug. 18,'05			
Lehigh & H. R. gen. gtd g. 5's	1920	1,062,000	J & J					
Lehigh & W.-B. Coal con. 5's	1912	2,691,000	Q M	104½	Mar. 17,'05			
• con. extended gtd. 4½'s	1910	12,175,000	Q M	102¼	Oct. 30,'05	102¼	102	29,000
N.Y. & Long Branch gen. g. 4's	1941	1,500,000	M & S					
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	104¼	Oct. 10,'05	104¼	104¼	3,000
• Mortgage gold 6's	1911	2,000,000	A & O	111⅛	Sept. 15,'05			
• 1st con. g. 5's	1939	25,858,000	M & N	120¾	Oct. 31,'05	121	119⅝	51,000
• registered			M & N	116¼	May 18,'05			
• Gen. m. g. 4½'s	1992	39,574,000	M & S	108⅛	Oct. 31,'05	108¾	107⅞	291,000
• registered			M & S	107½	June 27,'05			
• Craig Val. 1st g. 5's	1940	650,000	J & J	113	Mar. 8,'05			
• (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	103½	Oct. 21,'05	103½	103⅜	14,000
• 2d con. g. 4's	1989	1,000,000	J & J	98	July 26,'05			
• Warm S. Val. 1st g. 5's	1941	400,000	M & S	113¼	Feb. 17,'05			
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	100	Sept. 23,'05			
Chic. & Alton R. R. ref. g. 3's	1949	31,988,000	A & O	83⅛	Oct. 31,'05	83¼	82⅝	20,000
• • registered			A & O					
Chic. & Alton Ry 1st lien g. 3½'s	1950	22,000,000	J & J	81⅛	Oct. 30,'05	82¾	81	142,000
• registered			J & J	80¼	Mar. 4,'05			
Chicago, Burl. & Quincy:								
• Denver div. 4's	1922	4,583,000	F & A	101¾	Oct. 19,'05	101¾	101¾	3,000
• Illinois div. 3½s	1949	50,835,000	J & J	96½	Oct. 31,'05	96⅝	96	17,000
• registered			J & J	96½	Feb. 24,'05			
• Illinois div. 4s	1949	10,306,000	J & J	105¾	Aug. 8,'04			
• registered			J & J					
• (Iowa div.) sink. f'd 5's	1919	2,388,000	A & O	110¼	Jan. 5,'05			
• 4's	1919	7,882,000	A & O	101½	Oct. 28,'05	101⅛	101¼	2,000
• Nebraska extensi'n 4's	1927	25,071,000	M & N	107	Oct. 10,'05	107	107	1,000
• registered			M & N	106¼	June 16,'05			
• Southwestern div. 4's	1921	2,385,000	M & S	100	Apr. 10,'05			
• 4's joint bonds	1921	215,223,000	J & J	102¼	Oct. 31,'05	102¾	101⅛	1,384,000
• • registered			Q JAN	101½	Oct. 25,'05	101½	100½	22,000
• 5's, debentures	1913	9,000,000	M & N	107½	Sept. 8,'05			
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	114	Aug. 21,'05			
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	106⅜	Oct. 30,'05	106⅜	105¾	9,500
• small bonds			J & D	103½	July 8,'04			
• 1st con. 6's, gold	1934	2,653,000	A & O	138½	July 21,'05			
• gen. con. 1st 5's	1937	16,529,000	M & N	121¾	Oct. 3,'05	121¾	121¾	1,000
• registered			M & N	119½	Mar. 2,'05			
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	119⅝	Sept. 11,'05			
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	135½	Oct. 31,'05	135½	135¼	8,000
• ref. g. 5's	1947	4,742,000	J & J	113½	Oct. 6,'05	113½	113½	2,000
Louisv. N. Alb. & Chic. 1st 6's	1910	3,000,000	J & J	110	Oct. 21,'05	110	110	2,000
Chicago, Milwaukee & St. Paul.								
Chic. Mil. & St. Paul term. g 5's	1914	4,748,000	J & J	110½	Oct. 27,'05	110½	110½	2,000
• gen. g. 4's, series A	1989	23,676,000	J & J	111	Oct. 28,'05	111	110⅝	13,000
• registered			Q J	109½	June 18,'04			

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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.*
• gen. g. 3½'s, series B.	1989	2,500,000	J & J	96⅞	Oct. 26,'05	96⅞	96⅞	2,000
• registered			J & J					
• Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	115¼	Oct. 24,'05	115¼	115¼	1,000
• Chic. & M. R. div. 5's,	1926	3,083,000	J & J	118⅝	Oct. 31,'05	118⅝	118¼	2,000
• Chic. & Pac. div. 6's,	1910	3,000,000	J & J	109¾	Oct. 27,'05	109¾	109¾	1,000
• 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	116	Oct. 27,'05	116	115½	35,000
• Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	112	Mar. 7,'05			
• Far. & So. g. 6's assu...	1924	1,250,000	J & J	137½	July 18,'98			
• 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	113¾	Oct. 13,'05	113¾	113¾	4,000
• 1st 5's	1910	990,000	J & J	106	Aug. 3,'04			
• 1st 7's, Iowa & D, ex.	1908	546,000	J & J	185	Apr. 26,'05			
• 1st 5's, La. C. & Dav...	1919	2,500,000	J & J	115⅝	May 8,'05			
• Mineral Point div. 5's,	1910	2,840,000	J & J	106⅝	Apr. 3,'05			
• 1st So. Min. div. 6's....	1910	7,432,000	J & J	109⅞	Oct. 30,'05	109⅞	109⅞	2,000
• 1st 6's, Southw'n div.,	1909	4,000,000	J & J	108½	July 11,'05			
• Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	116½	June 9,'05			
• Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	110	Oct. 10,'05	110	110	1,000
• 1st con. 6's	1913	5,092,000	J & D	116¼	Oct. 11,'05	116¼	115⅝	12,000
Chic. & Northwestern con. 7's...	1915	12,832,000	Q F	127¾	Oct. 17,'05	127¾	127½	13,000
• extension 4's.....1886–	1926	18,632,000	F A 15	105¾	July 18,'05			
• registered			F A 15	102⅝	May 11,'04			
• gen. g. 3½'s	1987	20,538,000	M & N	101	Oct. 25,'05	101½	101	59,000
• registered			Q F	103	Nov. 19,'98			
• sinking fund 6's..1879–	1929	5,686,000	A & O	118	June 13,'05			
• registered			A & O	117	Feb. 15,'05			
• sinking fund 5s'..1879–	1929	6,769,000	A & O	110	Oct. 13,'05	110	110	2,000
• registered			A & O	111	July 25,'05			
• deben. 5's	1909	5,900,000	M & N	105¾	Oct. 7,'05	105¾	105¾	10,000
• registered			M & N	104	Mar. 3,'04			
• deben. 5's	1921	10,000,000	A & O	111¾	Oct. 31,'05	111¾	111¾	2,000
• registered			A & O	108¾	Jan. 12,'04			
• sinking f'd deben. 5's.	1933	9,800,000	M & N	118	Oct. 5,'05	118	118	1,000
• registered			M & N	115½	Apr. 28,'05			
Des Moines & Minn. 1st 7's.....	1907	600,000	F & A	127	Apr. 8,'84			
Northern Illinois 1st 5's	1910	1,500,000	M & S	105½	May 23,'04			
Ottumwa C. F. & St. P. 1st 5's..	1909	1,600,000	M & S	105	May 29,'05			
Winona & St. Peters 2d 7's.....	1907	1,592,000	M & N	110¼	Mar. 28,'05			
Mil., L. Shore & We'n 1st g. 6's.	1921	5,030,000	M & N	129¾	Oct. 31,'05	129¾	129¼	8,000
• ext. & impt. s. f'd g. 5's	1929	4,148,000	F & A	118¾	Oct. 9,'05	118¾	118¾	1,000
• Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10,'02			
• Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131½	Jan. 5,'05			
• con. deb. 5's	1907	436,000	F & A	105½	Sept. 18,'05			
• incomes	1911	500,000	M & N	109	Sept. 9,'02			
Chic., Rock Is. & Pac. 6's coup...	1917	12,500,000	J & J	122½	Oct. 24,'05	122½	122½	3,000
• registered	1917		J & J	123	May 22,'05			
• gen. g. 4's	1988	61,581,000	J & J	105¾	Oct. 30,'05	105¾	105½	365,000
• registered			J & J	107	Jan. 16,'03			
• refunding 4s	1934	32,558,000	A & O	96½	Oct. 31,'05	97	96½	458,000
• registered			A & O	98¼	Aug. 29,'05			
• coll. tr. ser. 4's.								
• D	1906	1,494,000	M & N					
• E	1907	1,494,000	M & N					
• F	1908	1,494,000	M & N					
• G	1909	1,494,000	M & N					
• H	1910	1,494,000	M & N	97	July 14,'04			
• I	1911	1,494,000	M & N	97½	May 26,'05			
• J	1912	1,494,000	M & N					
• K	1913	1,494,000	M & N					
• L	1914	1,494,000	M & N	96¼	May 26,'05			
• M	1915	1,494,000	M & N	97	Sept. 26,'05			
• N	1916	1,494,000	M & N	93	May 24,'04			
• O	1917	1,494,000	M & N	96½	Aug. 22,'05			
• P	1918	1,494,000	M & N	90	May 11,'04			
Chic. Rock Is. & Pac. R.R. 4's..	2002	69,929,000	M & N	82¾	Oct. 31,'05	84¼	82	2,029,000
• registered			M & N	76½	Sept. 14,'04			
• coll. trust g. 5's	1913	17,331,000	M & S	92	Oct. 31,'05	94½	92	274,000
Burlington, Cedar R. & N. 1st 5's.	1906	6,500,000	J & D	102½	Oct. 30,'05	102½	102½	6,000
• con. 1st & col. tst 5's.	1934	11,000,000	A & O	118½	Oct. 24,'05	118½	118½	1,000
• registered			A & O	120½	Mar. 16,'03			
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	112½	Sept. 26,'04			
Minneap's & St. Louis 1st 7's. g.	1927	150,000	J & D	40	Aug. 21,'95			
Choc., Okla. & Glf. gen. g. 5s....	1919	5,500,000	J & J	108	Aug. 9,'05			
• con. g. 5's	1952	5,411,000	J & J	115	Apr. 20,'05			
Keokuk & Des M. 1st mor. 5's..	1923	2,750,000	A & O	110½	Sept. 9,'05			
• small bond	1923		A & O	102½	Apr. 26,'04			

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Chic., St.P., Minn.& Oma.con.6's.	1930	14,745,000	J & D	138¼	Oct. 26,'05	138⅛	138⅛	7,000
• con.6's reduced to 3½'s.	1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's..	1918	1,814,000	M & N	135⅞	Apr. 24,'05	....	....	....
North Wisconsin 1st mort. 6's..	1930	654,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's....	1919	6,070,000	A & O	123	Oct. 24,'05	123	122½	8,000
Chic., Term. Trans. R. R. g. 4's..	1947	15,135,000	J & J	99	Oct. 12,'05	98⅛	98⅝	13,000
• coupons off..................				99	Oct. 26,'05	99	95	189,000
Chic. & Wn. Ind. gen'l g. 6's......	1932	9,179,000	Q M	113⅞	Sept. 25,'05	....	....	....
Cin., Ham. & Day 2d g. 4½'s....	1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's..	1941	3,500,000	M & N	117¾	Oct. 23,'05	117¾	117¾	1,000
Cin. Find. & Ft. W. 1st gtd g. 4's.	1923	1,150,000	M & N	....		....	....	....
Cin. Ind.& Wn. 1st & ref. gtd g. 4's.	1953	4,672,000	J & J	96¾	July 13,'05	....	....	....
Clev., Cin., Chic.& St.L. gen. g. 4's..	1993	20,749,000	J & D	103¾	Oct. 31,'05	104	103½	119,000
• do Cairo div. 1st g. 4's..	1939	5,000,000	J & J	102⅝	Oct. 24,'05	102⅝	102	2,000
Cin., Wab. & Mich. div. 1st g. 4's.	1991	4,000,000	J & J	101¾	Oct. 18,'05	101¾	101¾	2,000
St. Louis div. 1st col. trust g. 4's.	1990	9,750,000	M & N	103⅝	Oct. 21,'05	103⅝	103⅝	7,000
• registered........				100	Oct. 3,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's...	1940	1,035,000	M & S	99¾	Feb. 8,'05	....	....	....
White W. Val. div. 1st g. 4's....	1940	650,000	J & J	94½	Aug. 31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g. 4's.	1936	7,599,000	Q F	102½	Oct. 5,'05	102½	102½	3,000
• registered..............				101½	Aug. 7,'05	....	....	....
• con. 6's..............	1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	112⅝	July 5,'05	....	....	....
Clev., C., C. & Ind. con. 7's......	1914	3,991,000	J & D	123¼	Oct. 10,'05	123¼	123¼	1,000
• sink. fund 7's.........	1914		J & D	119⅜	Nov. 19,'89	....	....	....
• gen. consol 6's........	1934	3,205,000	J & J	135	Oct. 14,'05	135	135	1,000
• registered..........			J & J	....		....	....	....
Ind. Bloom. & West. 1st pfd 4's.	1940	981,500	A & O	104½	Nov. 19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....	1938	500,000	Q J	....		....	....	....
Peoria & Eastern 1st con. 4's...	1940	8,103,000	A & O	100	Oct. 26,'05	100	98	19,000
• income 4's............	1990	4,000,000	A	73⅝	Oct. 28,'05	75	73½	121,000
Clev., Lorain & Wheel'g con. 1st 5's	1933	5,000,000	A & O	112½	Feb. 9,'04	....	....	....
Clev., & Mahoning Val. gold 5's..	1938	2,936,000	J & J	116½	Jan. 23,'05	....	....	....
• registered..............			Q J	....		....	....	....
Col. Midld Ry. 1st g. 4's........	1947	8,946,000	J & J	73¼	Oct. 31,'05	75	73¼	87,000
Colorado & Southern 1st g. 4's...	1929	19,103,000	F & A	94¼	Oct. 31,'05	94½	93¼	155,000
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	106⅞	Oct. 17,'05	106⅞	106⅞	4,000
Morris & Essex 1st m 7's.......	1914	5,000,000	M & N	128	Oct. 18,'05	129½	127½	13,000
• 1st c. gtd 7's..........	1915	11,677,000	J & D	130	Oct. 31,'05	130	129¾	6,000
• registered..............			J & D	127	June 23,'05	....	....	....
• 1st refund. gtd. g. 3½'s.	2000	7,000,000	J & D	....		....	....	....
N. Y., Lack. & West'n. 1st 6's...	1921	12,000,000	J & J	129	Oct. 19,'05	129⅛	129	15,000
• const. 5's...........	1923	5,000,000	F & A	112½	May 9,'05	....	....	....
• terml. imp. 4's.........	1923	5,000,000	M & N	105	Oct. 23,'05	105	104¾	6,000
Syracuse, Bing. & N. Y. 1st 7's..	1906	1,966,000	A & O	104½	Sept. 6,'05	....	....	....
Warren Rd. 1st rfdg. gtd g. 3½'s.	2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.								
• 1st Penn. Div. c. 7's...	1917	5,000,000	M & S	134	May 2,'04	....	....	....
• reg...................	1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....	1906	3,000,000	A & O	101¼	Oct. 2,'05	101¼	101¼	1,000
• 6's..................	1906	7,000,000	A & O	100⅞	Oct. 18,'05	100⅞	100⅞	3,000
Rens. & Saratoga 1st 7's	1921	2,000,000	M & N	142½	Mar. 10,'05	....	....	....
Denver & Rio G. 1st con. g. 4's...	1936	33,450,000	J & J	101¾	Oct. 31,'05	102	101⅜	58,000
• con. g. 4½'s...........	1936	6,382,000	J & J	106¾	Sept. 2,'05	....	....	....
• impt. m. g. 5's.........	1928	8,318,500	J & D	110	Sept. 29,'05	....	....	....
Rio Grande Western 1st g. 4's..	1939	15,200,000	J & J	100	Oct. 30,'05	100¼	99¾	91,000
• mge.& col. tr. g. 4's ser. A.	1949	13,336,000	A & O	91½	Oct. 30,'05	91½	90	48,000
Utah Central 1st gtd. g. 4's...	1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Des Moines Union Ry 1st g. 5's..	1917	628,000	M & N	110	Sept. 30,'04	....	....	....
Detroit & Mack. 1st lien g. 4s......	1995	900,000	J & D	101	Sept. 22,'05	....	....	....
• g. 4s....................	1995	1,250,000	J & D	95½	Oct. 19,'05	95½	95½	2,000
Detroit Southern 1st g. 4's.......	1951	3,866,000	J & D	81¾	Mar. 1,'05	....	....	....
• Ohio South. div. 1st g. 4's.	1941	4,281,000	M & S	93¾	Sept. 15,'05	....	....	....
Duluth & Iron Range 1st 5's......	1937	6,732,000	A & O	114½	Oct. 24,'05	114½	114½	7,000
• registered..............			A & O	101½	July 23,'89	....	....	....
• 2d 1 m 6s...............	1916	2,000,000	J & J	....		....	....	....
Duluth So. Shore & At. gold 5's..	1937	3,816,000	J & J	113¾	Oct. 25,'05	113¾	113¾	2,000
Duluth Short Line 1st gtd. 5's...	1916	500,000	M & S	....		....	....	....
Elgin Joliet & Eastern 1st g 5's..	1941	8,500,000	M & N	120¾	Sept. 28,'05	....	....	....

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	108¾	July 14,'05	....	....	....
• 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
• 3d extended g. 4½'s	1923	4,617,000	M & S	109	Oct. 4,'05	109	109	1,000
• 4th extended g. 5's	1920	2,926,000	A & O	113¼	Oct. 4,'05	113¼	113¼	1,000
• 5th extended g. 4's	1928	709,500	J & D	103	Feb. 17,'05	....		....
• 1st cons gold 7's	1920	16,890,000	M & S	132¾	Oct. 13,'05	132¾	132¾	5,000
• 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....		....
Erie R.R. 1st con.g-4s prior bds.	1996	35,000,000	J&J	102⅜	Oct. 30,'05	102¾	101¾	148,000
• registered			J&J	101½	Oct. 5,'05	101½	101½	4,000
• 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	94	Oct. 31,'05	94½	94	318,000
• registered			J&J	88	Nov. 15,'04	....	....	....
• Penn. col. trust g. 4's.	1951	33,000,000	F & A	96	Oct. 27,'05	96	95¼	205,000
• 50 yrs. con. g. 4's ser A.	1953	10,000,000	A & O	107½	Oct 31,'05	110	106⅛	1,946,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	126½	Mar. 13,'05	....	....	....
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	110	Mar. 3,'05	....	....	....
• small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	125	Oct. 30,'05	125½	124¼	15,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	104¼	Sept. 21,'05	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June 12,'05	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July 25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	115½	Oct. 28,'05	115½	115½	5,000
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	121½	Oct. 17,'05	121½	121	5,000
• small				117	July 20,'05	....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	107⅞	Oct. 26,'05	107⅞	107⅞	1,000
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	116	Apr. 1,'05	....	....	....
• 2d g. 4½'s	1937	447,000	F & A	101⅛	Sept. 13,'05	....	....	....
• gen. g. 5's	1940	2,546,000	F & A	107½	Sept. 29,'05	....	....	....
• term. 1st g. 5's	1943	2,000,000	M & N	117½	Jan. 19,'05	....	....	....
• registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109⅝	Jan. 5,'05	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Apr. 19,'05	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	123	Oct. 20,'05	123	122	2,000
• 1st General g 5's	1942	2,672,000	A & O	110	Oct. 24,'05	110	110	4,000
• Mount Vernon 1st 6's	1923	375,000	A & O	114	Apr. 19,'05	....	....	....
• Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
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	......	113¾	Oct. 31,'05	114	113	29,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	90⅛	Oct. 27,'05	92	90	16,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102½	May 19,'05	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,937,000	J & J	103⅛	Sept. 9,'05	....	....	....
• registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	111¾	Oct. 30,'05	112½	111⅛	25,000
• registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100½	July 13,'05	....	....	....
Colu.&Tol.RR.Co.1st m.ex.4's	1955	2,479,000	......	102¾	Oct. 17,'05	102¾	102¾	3,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	111	Oct. 13,'05	111	109⅞	2,000
• registered			J&J	113¼	Mar. 12,19'	....	....	....
• 1st gold 3½'s	1951	2,499,000	J&J	102¾	Oct. 16,'05	102¾	102¾	3,000
• registered			J&J	94	Mar. 28,'03	....	....	....
• extend 1st g 3½'s	1951	3,000,000	A & O	102	Oct. 16,'05	102	102	13,000
• registered			A & O	....		....	....	....
• 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
• registered			M & S	....		....	....	....
• total outstg....$13,950,000								
• collat. trust gold 4's	1952	15,000,000	A & O	105¾	Oct. 27,'05	105¾	105¾	1,000
• regist'd			A & O	102	Oct. 4,'03	....	....	....
• col. t. g. 4s L. N. O. & Tex.	1953	24,679,000	M & N	106¾	Oct. 17,'05	107	106¾	54,000
• registered			M & N	106½	July 11,'05	....	....	....
• Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
• registered			J & D	123	May 24,'99	....	....	....
• Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....		....	....	....
• Louisville div. g. 3½'s.	1953	14,320,000	J & J	95	Oct. 25,'05	95	94¼	3,000
• registered			J & J	88½	Dec. 8,'99	....	....	....
• Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
• Omaha div. 1st g. 3's	1951	5,000,000	F & A	81	Oct. 6,'05	81	81	2,000
• St. Louis div. g. 3's	1951	4,939,000	J & J	85	Sept. 11,'05	....	....	....
• registered			J & J	101¼	Jan. 31,'19	....	....	....
• g. 3½'s	1951	6,321,000	J & J	96	Mar. 15,'05	....	....	....
• registered			J & J	101½	Sept. 10,'95	....	....	....
• Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
• registered			J & J	124	Dec. 11,'99	....	....	....
• West'n Line 1st g. 4's,	1951	5,425,000	F & A	109¼	May 26,'05	....	....	....
• registered			F & A	101½	Jan. 31,'91	....	....	....
Belleville & Carodt. 1st 6's	1923	470,000	J & D	122	July 7,'04	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	124	June 22,'05	....	....	....

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" gold 5's, registered........		16,555,000	J D 15	119¾	Mar. 12,'04	....	....	....
" g. 3½'s................	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
" registered................			J D 15	106¼	Aug.17,'99	....	....	....
" Memph. div. 1st g. 4's,	1951	3,500,000	J & D	110½	Jan. 4,'05	....	....	....
" registered................			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's,	1931	538,000	M & S	101½	Mar. 16,'05	....	....	....
Ind., Dec. & West. 1st g. 5's......	1935	1,824,000	J & J	109⅛	Sept. 7,'05	....	....	....
" 1st gtd. g. 5's............	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's..	1950	4,850,000	J & J	100⅛	Oct. 20,'05	100⅛	100⅛	15,000
Internat. & Gt. N'n 1st. 6's, gold.	1919	11,291,000	M & N	122½	Oct. 23,'05	122⅛	122⅛	3,000
" 2d g. 5's...	1909	10,391,000	M & S	101½	Oct. 31,'05	101½	10.¾	7,000
" 3d g. 4's................	1921	2,960,500	M & S	81⅛	Oct. 31,'05	81⅛	81⅛	2,000
Iowa Central 1st gold 5's.........	1938	7,650,000	J & D	113¾	Sept.21,'05	....	....	....
" refunding g. 4's ...	1951	2,000,000	M & S	87	Aug.31,'05	....	....	....
Kansas City Southern 1st g. 3's..	1950	30,000,000	A & O	72⅝	Oct. 31,'05	72⅝	71⅝	317,000
" registered..................			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's...	1937	7,250,000	J & J	119	Oct. 9,'05	119	119	5,000
" 2d mtge. g. 5's..........	1941	3,625,000	J & J	115½	Oct. 20,'05	115½	115⅜	11,000
Northern Ohio 1st gtd g 5's..	1945	2,500,000	A & O	118½	Sept.15,'05		....	....
Lehigh Val. N. Y. 1st m. g. 4½'s.	1940	15,000,000	J&J	112¼	Oct. 19,'05	112¼	111¾	5,000
" registered..................		....	J&J	110½	Oct. 25,'05	110½	110½	1,000
Lehigh Val. (Penn.) g. c. g. 4's..	2003	20,100,000	M & N	101⅞	Oct. 18,'05	101⅞	101¾	26,000
" registered..................			M & N	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's.	1941	10,000,000	A & O	118½	Oct. 7,'05	118½	118½	10,000
" registered..................			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's.	1933	10,114,000	J & J	115	June 9,'05	....	....	....
" registered................	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's.....	1945	2,000,000	M&S	97½	Sept.22,'05	....	....	....
" registered..................			M&S	....	....	....	...	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	106½	Nov. 3,'04	....	....	....
" " g. gtd 5's.......	1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's..........	1931	3,610,000	Q J	116	Aug.23,'05	....	....	....
" 1st con. g. 4's..........	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's..........	1938	3,000,000	J & D	101⅝	Oct. 9,'05	101⅝	101⅝	2,000
" Ferry 1st g. 4½'s......	1922	1,494,000	M & S	102¼	Sept. 6,'05	....	....	....
" g. 4's..................	1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
" unified g. 4's...........	1949	6,860,000	M & S	100½	Oct. 23,'05	100½	100½	6,000
" deb. g. 5's.........	1934	1,135,000	J & D	110	June22,'04	....	....	....
" gtd. refunding g. 4's..	1949	17,891,000	M & S	101¾	Sept.25,'05	....	....	....
" " registered........			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's....	1911	250,000	M & S	....	....	....	....	....
" 1st 5's..................	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's, ..	1935	1,601,000	A & O	112	Mar. 10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's,	1927	883,000	M & S	111⅝	May 26,'05	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's,	1932	1,425,000	QJAN	112½	July 7,'05	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's.	1927	2,724,000	M & S	104½	Oct. 23,'05	104½	104½	5,000
Louis. & Nash. gen. g. 6's.......	1930	7,875,000	J & D	121½	Oct. 9,'05	121½	121½	6,000
" gold 5's................	1937	1,764,000	M & N	120¾	Oct. 18,'05	120¾	120¾	5,000
" Unified gold 4's.........	1940	34,562,000	J & J	105	Oct. 31,'05	105½	104½	451,000
" registered	1940		J & J	101⅞	June18,'94	....	....	....
" collateral trust g. 5's,	1931	5,129,000	M & N	118½	Sept.26,'05		..	....
" 5-20yr. col. tr. deed g. 4's.	1923	23,000,000	A A O	98⅝	Oct. 31,'05	98⅝	98	529,000
" E., Hend. & N. 1st 6's..	1919	1,675,000	J & D	114¼	June 6,'05	....	....	....
" L. Cin. & Lex. g. 4½'s, ..	1931	3,258,000	M & N	109	Mar. 6,'05	....	....	....
" N. O. & Mobile 1st g. 6's..	1930	5,000,000	J & J	131	Oct. 13,'05	131	131	1,000
" 2d g. 6's................	1930	1,000,000	J & J	128	Aug.25,'05	....	....	....
" Pensacola div. g. 6's...	1920	405,000	M & S	114	Apr. 26,'02	....	....	....
" St. Louis div. 1st g. 6's.	1921	3,500,000	M & S	121½	May 2,'05	....	....	....
" 2d g. 3's................	1980	3,000,000	M & S	74⅝	Oct. 4,'05	74⅝	74⅝	10,000
" At. Kx. & N. R. 1st g. 5's.	1946	1,000,000	J & D	114⅛	Sept. 6,'05	....	....	....
" H. B'ge 1st sk'fd. g 6's.	1931	1,414,000	M & S	....	....	....	....	....
" Ken. Cent. g. 4's......	1987	6,742,000	J & J	101½	Oct. 28,'05	102¼	101½	9,000
" L. & N. & Mob. & Montg 1st. g. 4½s..........	1945	4,000,000	M & S	108	Sept. 7,'05	....	....	....
" South. Mon. joint 4's.	1952	11,827,000	J & J	98	Oct. 30,'05	98¼	98	40,000
" registered..............			Q Jan	95	Feb. 6,'05	....	....	....
" N. Fla. & S. 1st g. g. 5's,	1937	2,096,000	F & A	115½	Sept.13,'05	....	....	....
" Pen. & At. 1st g. g, 6's,	1921	2,394,000	F & A	112½	Mar. 23,'05	....	....	....
" S. & N. A. con. gtd. g. 5's.	1936	3,673,000	F & A	116½	Jan. 18,'05	....	...	....
" So. & N. Ala. si'fd. g. 6s.	1910	1,942,000	A & O	110	Mar. 23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's.	1945	3,000,000	M & S	98⅝	Oct. 26,'04	....	....	....
Manhattan Railway Con. 4's.....	1990	28,065,000	A & O	103¾	Oct. 25,'05	104⅝	103¼	89,000
" registered................ ...			A & O	104	Apr. 5,'05	....	....	....
Metropolitan Elevated 1st 6's....	1908	10,818,000	J & J	106⅝	Oct. 23,'05	106⅝	106⅝	9,000
Manitoba Swn. Coloniza n g. 5's,	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central, con. mtge. 4's.	1911	65,690,000	J & J	81¼	Oct. 31,'05	82¼	80¾	489,000
" 1st con. inc. 3's..........	1939	20,511,000	JULY	24½	Oct. 31,'05	26⅛	24½	1,240,000

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• 2d 3's	1939	11,724,000	JULY	17¾	Oct. 27,'05	20	17⅛	919,000
• equip. & collat. g. 5's	1917	550,000	A & O	....	....	....	....	....
• 2d series g. 5's	1919	615,000	A & O	....	....	....	....	....
• col.trust g.4½'s1st se of	1907	10,000,000	F & A	94⅛	Sept. 5,'05	....	....	....
Mexican Internat'l 1st con g. 4's	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
• stamped gtd		3,631,000	......	....	....	....	....	....
Mexican Northern 1st g. 6's	1910	963,000	J & D	....	....	....	....	....
• registered			J & D	105	May 2,19'	....	....	....
Midland Term'l Ry. 1st g.s.f.5's	1925	472,000	J & D	....	....	....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	137	June29,'05	....	....	....
• Iowa ext. 1st g. 7's	1909	1,015,000	J & D	111⅛	Oct. 26,'05	111⅛	111⅛	5,000
• Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120¼	Apr. 19,'05	....	....	....
• Southw. ext. 1st g. 7's	1910	636,000	J & D	113¼	Mar. 10,'05	....	....	....
• 1st con. g. 5's	1934	5,000,000	M & N	116⅝	Oct. 30,'05	116⅝	116⅝	1,000
• 1st & refunding g. 4's	1949	9,350,000	M & S	97	Oct. 17,'05	97	97	6,000
DesMoines&Ft.Dge1stgtd g.4's	1935	3,072,000	J & J	97¼	Aug.10,'05	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	32,055,000	J & J	101⅛	Sept.22,'05	....	....	....
• stamped pay. of int. gtd.				....	....	....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
• stamped pay. of int. gtd.				89⅝	June 18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	102	Oct. 31,'05	102¾	101¼	87,000
• 2d mtge. g. 4's	1990	20,000,000	F & A	88¼	Oct. 31,'05	88½	86	221,000
• 1st ext gold 5's	1944	3,254,000	M & N	108⅛	Oct. 30,'05	108⅛	107½	16,000
St. Louis div. 1st refundg 4s	2001	1,915,000	A & O	92¼	Oct. 24,'05	92¾	92	30,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	105¼	Dec. 22,'04	....	....	....
Kan. City & Pac. 1st g. 4s	1990	2,500,000	F & A	95¼	Oct. 30,'05	95¼	95¼	10,000
Mo., Kan. & East. 1st gtd. g. 5s	1942	4,000,000	A & O	113	Oct. 18,'05	113	111¾	4,000
Mo.,Kan.& Ok. 40 yr. 1st gtd.5s	1942	5,468,000	M & N	109¼	Oct. 18,'05	109½	109¼	45,000
Mo.,K.&Tex.of Tex.1stgtd.g.5s	1942	4,505,000	M & S	109½	Oct. 17,'05	110	109½	26,000
Sher., Shreve.& So. 1st gtd.g.5s	1943	1,689,000	J & D	106⅝	July 28,'05	....	....	....
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	108⅛	Aug.31,'05	....	....	....
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	125½	Oct. 31,'05	125½	125	2,000
• 3d mortgage 7's	1906	3,828,000	M & N	106	Oct 20,'05	106	105¾	5,000
• trusts gold 5's stamp'd	1917	14,376,000	M & S	106⅛	Oct. 30,'05	106⅛	105¼	77,000
• registered			M & S	....	....	....	....	....
• 1st collateral gold 5's	1920	9,636,000	F & A	107⅝	Oct. 25,'05	107⅝	107⅝	1,000
• registered			F & A	....	....	....	....	....
• forty yrs. 4's g. loan	1945	25,000,000	......	94¼	Oct. 17,'05	94¼	94	17,500
Cent. Branch Ry.1st gtg. g. 4's	1919	3,459,000	F & A	97¾	Oct. 3,'05	97¾	97⅛	3,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	110	Mar. 13,'05	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103⅛	Sept. 7,'05	....	....	....
• 2d extended g. 5's	1938	2,573,000	F & A	119¼	Oct. 12,'05	119¼	119¼	6,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,709,000	A & O	116	Oct. 30,'05	116¼	115¼	62,000
• stamped gtd gold 5's	1931	6,833,000	A & O	109¾	Oct. 21,'03	....	....	....
• unify'g & rfd'g g. 4's	1929	30,347,000	J & J	94⅝	Oct. 31,'05	94¾	93⅛	121,000
• registered			J & J	87¼	Apr. 23,'04	....	....	....
• Riv&Gulf divs 1stg 4s	1933	21,177,000	M & N	97¼	Oct. 31,'05	97⅝	96⅛	107,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S	....	....	....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111⅛	Mar. 8,04'	....	....	....
• small		226,000	J & J	90	Feb. 4,'03	....	....	....
• mtg. g. 4's	1945	700,000	J & J	96	Oct. 9,'05	96	96	2,000
• small		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson&Kan.City 1stg.5's	1946	1,882,000	J & D	97	Sept.19,'05	....	....	....
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	130	Oct. 21,'05	130	129⅝	2,000
• 1st extension 6's	1927	974,000	J & D	126	June19,'05	....	....	....
• gen. g. 4's	1938	9,472,000	Q J	99	Sept.22,'05	....	....	....
• Montg'rydiv.1st g.5's	1947	4,000,000	F & A	115½	Oct. 17,'05	115½	115½	3,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	....	....	....
• collateral g. 4's	1930	2,494,000	Q F	92¼	Oct. 18,'05	92¼	92¼	1,000
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	121⅛	Oct. 27,'05	121⅛	121⅛	1,000
• 1st cons. g. 5's	1928	7,566,000	A & O	114¾	Oct. 20,'05	114¾	114⅛	2,000
• 1st g.6's Jasper Branch	1923	371,000	J & J	124	Oct. 12,'05	124	124	5,000
• 1st 6's McM. M.W. & Al.	1917	750,000	J & J	117¼	Mar. 6,'05	....	....	....
• 1st 6's T. & Pb	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat.R.R.of Mex.priorlieng.4½'s	1926	20,000,000	J & J	106	Oct. 20,'05	106	106	10,000
• 1st con. g. 4's	1951	22,000,000	A & O	84	Oct. 30,'05	84	83	137,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108¼	Aug.13,'94	....	....	....
N.Y. Cent. & Hud. R. g. mtg.3½s	1997	84,649,000	J & J	99¾	Oct. 30,'05	99⅞	99⅝	182,000
• • registered			J & J	99	Sept.27,'05	....	....	....
• deb. g 4s	1934	30,000,000	M & N	102⅝	Oct. 31,'05	102¾	102⅛	128,000
• • registered			M & N	102	July 8,'05	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	91¼	Oct. 27,'05	91⅝	90½	155,000
• registered			F & A	90	Oct. 28,'05	90¼	89	28,000
Michigan Central col. g. 3½s	1998	19,836,000	F & A	90½	Oct. 26,'05	90½	89½	82,000
• registered			F & A	90	Oct. 25,'05	90	89	7,000
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	106⅝	Sept.29,'05	....	....	....
• registered			J & J	102	Mar. 31,'03	....	....	....

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• 2d gtd. g. 5's	1936	500,000	J & J					
• registered			J & J					
• ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O					
• registered			A & O					
Carthage & Adiron. 1st gtd g. 4's	1981	1,100,000	J & D					
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd. g. 4's ser. A.	1940	716,000	J & J	87½	June 23,'04			
• small bonds series B		33,000	J & J					
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D					
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	107½	July 6,19'			
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02			
• reg. certificates			F & A					
N.Y. & Putnam 1st con. gtd g. 4's	1993	4,000,000	A & O	106	Sept. 8,'05			
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O					
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109¼	Oct. 31,'05	109⅝	109¼	83,000
• registered			J & J	108¼	Oct. 20,'05	109	108¼	6,500
Lake Shore g 3½s	1997	50,000,000		102½	Oct. 31,'05	103	102¼	92,000
• registered			J & D	99½	June 2,'05			
• deb. g. 4's	1928	50,000,000	M & S	101	Oct. 27,'05	101	100⅛	350,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	102	May 22,'05			
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J					
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	123½	Sept. 27,'05			
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03			
• 2d gtd 6's	1934	900,000	J & J					
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J					
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04			
• 5's	1931	3,576,000	M & S	124	Feb. 3,'05			
• 5's reg	1931		Q M	119	June 6,'05			
• 4's	1940	2,600,000	J & J	106	July 1,'05			
• 4's reg			J & J	106½	Nov. 26,19'			
• g. 3½'s sec. by 1st mge. on J. L. & S		1,900,000	M & S					
• 1st g. 3½'s	1952	13,000,000	M & N	100	Oct. 9,'05	100	100	25,000
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D					
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	105⅛	Mar. 2,'05			
• 7's registered	1900		M & N	102¾	Apr. 6,19'			
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Mar. 31,'05			
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	118¾	Sept. 20,'05			
coup. g. bond currency			A & O					
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02			
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N					
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107⅛	Feb. 4,'05			
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	104⅜	Oct. 25,'05	104⅜	104⅛	25,000
• registered			A & O	103	Oct. 6,'05	103	103	10,000
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03			
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94			
N.Y., Ont. & W'n. ref'ding 1st g. 4's	1992	20,000,000	M & S	104⅛	Oct. 30,'05	104⅛	103⅛	46,000
• registered......$5,000 only.			M & S	105⅝	Oct. 11,'05	105⅝	105⅝	2,000
Norfolk & Southern 1st g. 5's	1941	1,500,000	M & N	112	Aug. 28,'05			
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Jan. 23,'05			
• imp'ment and ext. 6's	1934	5,000,000	F & A	132½	May 16,'05			
• New River 1st 6's	1932	2,000,000	A & O	132½	Dec. 28,'04			
Norfolk & West. Ry. 1st con. g. 4s	1996	40,400,500	A & O	101⅝	Oct. 31,'05	101⅞	101¼	259,000
• registered			A & O	99¾	June 18,'03			
• small bonds			A & O					
• div. 1st lien & gen g. 4s	1944	8,000,000	J & J	100¼	Oct. 26,'05	100¼	99⅜	53,000
• • registered			J & J					
• Pocahon C.&C. Co. jt. 4's	1941	20,000,000	J & D	96½	Oct. 31,'05	96¾	96½	70,000
• C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	109½	Feb. 20,'05			
• Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	103	Oct. 18,'05	103	102½	3,000
N. P. Ry prior ln ry. & ld. gt. g. 4's	1997	101,392,500	Q J	104⅝	Oct. 31,'05	105⅜	104⅜	839,000
• registered			Q J	104	Oct. 25,'05	104	103¼	7,000
• gen. lien g. 3's	2047	56,000,000	Q F	78	Oct. 30,'05	78¾	77½	239,500
• registered			Q F	76	July 11,'05			
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	101	Oct. 25,'05	101	101	2,000
• registered			J & D					
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125	Oct. 11,'05	125	125	22,000
• registered certificates			Q F	132	July 28,'98			
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03			
• 2d 5's	1917	2,000,000	A & O	109	June 27,'05			
• 1st con. g. 4's	1968	1,000,000	J & D	100½	Oct. 20,'05	100½	100½	58,000
Washington Cen. Ry 1st g. 4's	1948	1,538,000	QMCH	92½	Apr. 14,'05			
Nor. Pacific Term. Co. 1st g. 6's	1933	3,559,000	J & J	114½	Aug. 9,'05			
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	111	Oct. 13,'05	111	111	1,000
• gen. mortg. g 6's	1937	2,428,000	A & O	115	Sept. 30,'05			
Ozark & Cher. Cent. Ry. 1st gtd g 5s	1913	2,880,009	A & O	100	Oct. 16,'05	100	99½	3 000
Pacific Coast Co. 1st g. 5's	1946	4,446,000	J & D	116	Oct. 28,'05	116¼	116	4,000

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Panama 1st sink fund g. 4½'s	1917	2,231,000	A & O	104½	Aug. 1,'05	....	....	....
" s. f. subsidy g 6's	1910	533,000	M & N	102	Apr. 14,'02	....	....	....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	109½	Oct. 19,'05	109½	109¼	2,000
" reg	1921		J & J	106	Aug.23,'05	....	....	....
" gtd.3½ col.tr.reg. cts.	1937	4,815,000	M & S	98	July 16,'04	....	....	....
" gtd.3½ col.tr.cts.serB	1941	9,581,000	F & A	98½	Aug.26,'05	....	....	....
" Trust Co.ctfs.g.3½'s.	1916	14,664,000	M & N	99¼	Oct. 24,'05	99¼	98½	11,000
" gtd. g. 3½'s tr. cts. s.C.	1942	4,948,000	J & D	....	....	....	....	....
" gtd. g. 3½'s tr. cts. s.D.	1944	10,000,000	J & D	....	....	....	....	....
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	118¾	Oct. 23,'05	118¾	118¾	1,000
" registered		....	A & O	110	May 3,'92	....	....	....
Cin., Leb. & N. 1st con.gtd.g.4's.	1942	900,000	J & J	....	....	....	....	....
Clev.&P.gen.gtd.g.4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug.21,'03	....	....	....
" Series B	1942	1,561,000	A & O	....	....	....	....	....
" " int. reduc. 3½ p.c.		439,000	......	....	....	....	....	....
" Series C 3½s	1948	3,000,000	M & N	....	....	....	....	....
" Series D 3½s	1950	1,990,000	F & A	96	Jan. 8,'04	....	....	....
E.&Pitts. gen.gtd.g.3½s Ser.B.	1940	2,240,000	J & J	102	Nov. 7,19'	....	....	....
" " " C.	1940	2,218,000	J & J	98¾	Apr. 4,'04	....	....	....
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J	....	....	....	....	....
Pitts., C. C. & St. L. con. g 4½'s..								
" Series A	1940	10,000,000	A & O	112½	Oct. 9,'05	112½	112½	1,000
" Series B gtd	1942	8,786,000	A & O	112⅝	Oct. 11,'05	112⅝	112⅝	5,000
" Series C gtd	1942	1,379,000	M & N	112½	June12,'05	....	....	....
" Series D gtd. 4's	1945	4,983,000	M & N	103	June14,'05	....	....	....
" Series E gtd. g. 3½s	1949	9,851,000	F & A	96½	Sept.28,'05	....	....	....
" Series F c. gtd. g. 4's.	1953	9,000,000	J & D	....	....	....	....	....
Pitts., Ft. Wayne & C. 1st 7's.	1912	2,219,000	J & J	127⅝	Oct. 21,'02	....	....	....
" 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03	....	....	....
" 3d 7's	1912	2,000,000	A & O	119	Apr.11,'04	....	....	....
Tol WalhondingVy.&O.1st gtd.bds 4½'s series A	1931	1,500,000	J & J	....	....	....	....	....
" 4½'s series B	1933	978,000	J & J	....	....	....	....	....
" 4's series C	1942	1,453,000	M & S	....	....	....	....	....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	109	Oct. 26,'05	109	109	5,000
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept.21,'04	....	....	....
" registered			Q M	....	....	....	....	....
con. gold 4 per cent	1943	2,769,000	M & N	106	Aug.28,'03	....	....	....
" ten year conv. 3½'s	1912	20,523,000	M & N	105¼	Oct. 31,'05	105⅞	104⅝	621,000
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	104¼	Oct. 28,'05	104¼	104¼	1,000
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J	....	....	....	....	....
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	110	Jan. 19,'05	....	....	....
Del.R. RR.& BgeCo 1stgtdg.4's.	1936	1,300,000	F & A	....	....	....	....	....
G.R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	111¼	June 5,'05	....	....	....
Phila. Balto. & Wash. 1st g. 4's.	1943	10,570,000	M & N	109¾	Oct. 31,'05	109¾	109¾	2,000
" registered			M & N	....	....	....	....	....
Pitts.Va.&Charl.Ry1stgtdg.4's.	1943	6,000,000	M & N	....	....	....	....	....
Sunbury & Lewistown 1stg.4's.	1936	500,000	J & J	....	....	....	....	....
U'd N.J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept.28,04'	....	....	....
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	123½	Jan. 18,'05	....	....	....
" 2d m 4½'s	1921	1,499,000	M & N	103½	Sept. 1,'05	....	....	....
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr.28,'02	....	....	....
Flint & Pere Marquette g. 6's.	1920	3,999,000	A & O	121½	Oct. 16,'05	121½	121½	3,000
" 1st con. gold 5's	1939	2,850,000	M & N	114⅜	Sept.12,'05	....	....	....
" Port Huron d 1st g 5's.	1939	3,325,000	A & O	114	June15,'05	....	....	....
Sag'w Tusc. & Hur.1st gtd.g.4's.	1931	1,000,000	F & A	....	....	....	....	....
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93	....	....	....
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01	....	....	....
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112½	Dec. 13,'98	....	....	....
Pitts., Shena'go & L. E. 1st g. 5's.	1940	3,000,000	A & O	120½	Oct. 24,'05	120½	118¼	6,000
" 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'	....	....	....
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	116	May 24,'05	....	....	....
Reading Co. gen. g. 4's	1997	66,232,000	J & J	102½	Oct. 31,'05	103¼	102¼	375,000
" registered			J & J	100	Jan. 27,'05	....	....	....
" Jersey Cent. col. g. 4's.	1957	23,000,000	......	100	Oct. 31,'05	100	99¼	108,000
" " registered			......	....	....	....	....	....
Atlantic City 1st con. gtd. g.4's.	1951	1,063,000	M & N	....	....	....	....	....
Philadelphia & Reading con.6's.	1911	7,304,000	J & D	113¼	Feb. 25,'05	....	....	....
" registered		663,000	J & D	....	....	....	....	....
" 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04	....	....	....
" " registered		3,339,000	J & D	118	Jan. 7,'05	....	....	....
Rio Grande Junc'n 1st gtd. g. 5's,	1939	2,000,000	J & D	109	Mar. 11,'05	....	....	....
Rio Grande Southern 1st g. 4's.	1940	2,233,000	J & J	81	Sept.26,'05	....	....	....
" guaranteed		2,277,000	......	89	Jan. 4,'05	....	....	....

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Rutland RR 1st con. g. 4½ s	1941	2,440,000	J & J	106⅛	Oct. 24,'05	106⅛	106⅛	1,000
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s	1948	4,400,000	J & J	99	June 23,'05			
Rutland Canadian 1st gtd.g.4's.	1949	1,350,000	J & J	101¼	Nov. 18,'01			
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	94	Oct. 28,'05	94⅛	93¾	26,000
St. L. & Adirondack Ry. 1st g. 5's.	1996	800,000	J & J					
" 2d g. 6's	1996	400,000	A & O					
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	103⅝	Oct. 18,'05	103⅝	103⅝	500
" 2d g. 6's, Class C	1906	829,000	M & N	104⅛	Feb. 21,'05			
" gen. g. 6's	1931	3,681,000	J & J	132	Oct. 20,'05	132	132	4,000
" gen. g. 5's	1931	5,803,000	J & J	114½	Oct. 30,'05	114½	114½	6,000
St. L & San F. R. R. con. g. 4's.	1996	1,558,000	J & D	98½	Sept. 26,'05			
" S. W. div. g. 5's	1947	829,000	A & O	102¼	Aug. 7,'05			
" refunding g. 4's	1951	60,104,000	J & J	89⅛	Oct. 31,'05	89⅝	88⅞	728,000
" " registered			J & J					
" 5 year 4½'s gold notes.	1908	5,728,000	J & D	96	Dec. 8,'04			
Kan. Cy Ft.S.&Mem RR con g 6's	1928	13,736,000	M & N	125	Aug. 31,'05			
Kan.Cy Ft.S & M Ry ref g gtd g 4s.	1936	17,810,000	A & O	87¾	Oct. 30,'05	88½	87⅝	234,000
" registered			A & O	78½	Jan. 14,'04			
Kan.Cy&M.R.&B.Co. 1st gtd g 5s.	1929	3,000,000	A & O					
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	100	Oct. 31,'05	100	99¼	77,000
" 2d g. 4's inc. Bd. ctfs.	1989	3,272,500	J & J	87½	Oct. 19,'05	87½	87¼	18,000
" con. g. 4's	1932	16,678,000	J & D	83½	Oct. 30,'05	84	83	293,000
Gray's Point, Term. 1st gtd. g. 5's.	1947	339,000	J & D					
St. Paul, Minn. & Manito'a 2d 6's	1909	6,790,000	A & O	108	Oct. 26,'05	108	107⅞	3,000
" 1st con. 6's	1933	13,344,000	J & J	140	Oct. 18,'05	140	139¼	22,000
" 1st con. 6's, registered			J & J	140	May 14,'02			
" 1st c. 6's, red'd to g. 4½'s		19,322,000	J & J	115	Oct. 17,'05	115	113⅞	55,000
" 1st cons. 6's register'd			J & J	115¼	Apr. 15,'01			
" Dakota ext'n g. 6's	1910	5,073,000	M & N	112	Oct. 13,'05	112	111⅛	13,000
" Mont. ext'n 1st g. 4's	1937	10,185,000	J & D	105¼	Oct. 16,'05	105¼	104⅛	8,000
" registered			J & D	103½	Sept. 19,'05			
" Pac. Ext. sterl. gtd. 4s	1940	£4,000,000	J & J					
$5=£1.								
Eastern R'y Minn, 1std. 1st g. 5's	1908	4,700,000	A & O	102⅜	Oct. 12,'05	102⅜	102⅜	2,000
" registered			A & O					
" Minn. N. div. 1st g. 4's	1940	5,000,000	A & O					
" registered			A & O					
Minneapolis Union 1st g. 6's	1922	2,150,000	J & J	124	May 4,'05			
Montana Cent. 1st 6's int. gtd	1937	6,000,000	J & J	136⅛	Sept. 11,'05			
" 1st 6's, registered			J & J	134¾	Dec. 20,'04			
" 1st g. g. 5's	1937	4,000,000	J & J	120	Oct. 5,'05	120	120	5,000
" registered			J & J					
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	121½	Oct. 3,'05	121½	121½	1,000
" registered			J & D					
Salt Lake City 1st g. s. f. 6's	1913	297,000	J & J					
San Fe Pres.& Phoe.Ry. 1st g. 5's,	1942	4,940,000	M & S	110	Jan. 7,'04			
San Fran. & N. Pac. 1st s. f. g. 5's,	1919	3,872,000	J & J	110	Oct. 4,'05	110	110	19,000
Seaboard Air Line Ry g. 4's	1950							
" registered		12,775,000	A & O	89⅛	Oct. 31,'05	90	89¼	140,000
" col. trust refdg g. 5's	1911		A & O					
Carolina Central 1st con. g. 4's.	1949	10,000,000	M & N	104¾	Oct. 25,'05	104⅞	104½	25,000
Fla Cent & Peninsular 1st g. 5's.	1918	2,847,000	J & J	98½	Oct. 20,'05	98½	98½	4,000
" 1st land grant ext g. 5's.	1930	3,000,000	J & J	109	Feb. 2,'05			
" cons. g. 5's	1943	410,000	J & J					
Georgia & Alabama 1st con. 5's.	1945	4,370,000	J & J	109¼	Mar. 3,'05			
Ga. Car. & Nthern 1st gtd g. 5's.	1929	2,922,000	J & J	112⅛	Oct. 25,'05	112⅛	112⅛	1,000
Seaboard & Roanoke 1st 5's	1926	5,360,000	J & J	110	Jan. 16,'05			
Sodus Bay & Sout'n 1st 5's, gold,	1924	2,500,000	J & J					
Southern Pacific Co.		500,000	J & J	102	Jan. 20,'03			
" g. 4's Central Pac. coll	1949	28,818,500	J & D	95	Oct. 31,'05	96	95	175,000
" " registered			J & D	94	May 4,'05			
Austin & Northw'n 1st g. 5's	1941	1,920,000	J & J	111	Aug 30,'05			
Cent. Pac. 1st refud. gtd. g. 4's	1949	79,292,000	F & A	101⅝	Oct. 31,'05	102	101	192,000
" registered			F & A	98	Apr. 7,'05			
" mtge. gtd. g. 3½'s	1929	17,493,000	J & D	89½	Oct. 23,'05	89½	89	18,000
" " registered			J & D					
" through S L 1st gtd g. 4's.	1954	8,300,000	A & O	101½	Sept. 30,'05			
" registered			A & O					
Gal. Harrisb'gh & S.A. 1st g 6's	1910	4,756,000	F & A	108½	Mar. 1,'05			
" Mex. & P. div 1st g 5's.	1931	13,418,000	M & N	113	Oct. 8,'05	113	113	35,000
Gila Val.G.& N'n 1st gtd g 5's.	1924	1,514,000	M & N	107½	June 3,'05			
Houst. E. & W. Tex. 1st g. 5's	1933	501,000	M & N	105½	Jan. 27,'05			
" 1st gtd. g. 5's	1933	2,199,000	M & N	107¼	Feb. 20,'05			
Houst. & T.C. 1st g 5's int. gtd	1937	4,592,000	J & J	111⅝	Oct. 13,'05	111⅝	111	5,000
" con. g 6's int. gtd	1912	2,290,000	A & O	110½	Oct. 6,'05	110½	110½	1,000
" gen. g 4's int. gtd	1921	4,275,000	A & O	99½	Oct. 31,'05	99½	98	20,000
" W&Nwn. div. 1st. g. 6's.	1930	1,105,000	M & N	127½	Feb. 27,'02			

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Louisiana Western 1st 6's	1921	2,240,000	J & J	....		....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Dec. 6,'04	....	....	....
" 1st 7's	1918	5,000,000	A & O	129⅛	Nov. 5,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....		....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept. 14,'04	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,235,000	J & J	103⅝	Oct. 13,'05	103⅝	103⅝	1,000
San Ant. & Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	89¼	Oct. 30,'05	89⅛	88¾	117,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	107⅝	Oct. 31,'05	107⅝	107⅝	145,000
" " "	1910	4,000,000	J & J	109⅝	Jan. 6,'05	....	....	....
" of Cal. 1st g 6's C. & D.	1906	12,693,500	A & O	104⅛	Dec. 22,'04	....	....	....
" " " E. & F.	1902		A & O	112⅛	Oct. 24,'05	112⅛	112⅛	2,000
" " "	1912		A & O	116	June 29,'04	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
" stamped	1905-1937	21,470,000	......	108⅜	July 11,'05	....	....	....
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....		....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	109⅛	Feb. 23,'05	....	....	....
Tex. & N.O. Sabine div. 1st g 6's	1912	2,575,000	M & S	112½	Feb. 24,'05	....	....	....
" con. g 5's	1943	1,620,000	J & J	111	Aug. 4,'05	....	....	....
Southern Railway 1st con. g 5's	1994	42,211,000	J & J	120⅛	Oct. 31,'05	121¼	120⅛	143,000
" registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	8,029,000	M & S	99	Oct. 26,'05	99	98⅛	25,000
" registered			M & S	....		....	....	....
" Memph. div. 1st g. 4-4½-5's	1996	5,183,000	J & J	118	Aug. 19,'05	....	....	....
" registered			J & J	....		....	....	....
" St. Louis div. 1st g. 4's	1951	11,750,000	J & J	100½	Oct. 31,'05	101	99¼	89,000
" " registered			J & J	....		....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118	June 20,'05	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98½	Mar. 8,'05	....	....	....
" 2d mtg	1948	775,000	J & J	90½	Dec. 6,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....		....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116½	May 8,'05	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115½	Aug. 21,'05	....	....	....
" con. 1st g 5's	1956	12,770,000	M & N	121¼	Oct. 25,'05	121¼	121	9,000
" reorg. lien g 4's	1938	4,500,000	M & S	115½	Oct. 28,'05	115⅞	115½	25,000
" registered			M & S	....		....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	124⅛	Oct. 12,'05	124⅛	124⅛	1,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	June 6,'05	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	116¼	Oct. 9,'05	116¼	116¼	1,000
" deb. 5's stamped	1927	3,368,000	A & O	114	Sept. 28,'05	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	98	Feb. 18,'05	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	110⅞	Oct. 31,'05	111	109⅝	78,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
" small			M & S	....		....	....	....
" ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small			M & S	....		....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....		....	....	....
" ser. D 4-5's	1921	950,000	M & S	110	Dec. 22,'04	....	....	....
" small			M & S	....		....	....	....
" ser. E 5's	1926	1,775,000	M & S	114⅛	July 27,'05	....	....	....
" small			M & S	....		....	....	....
" ser. F 5's	1931	1,310,000	M & S	113	Sept. 26,'05	....	....	....
Virginia Midland gen. 5's	1936	2,392,000	M & N	114⅛	Aug. 29,'05	....	....	....
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	114⅛	June 20,'05	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	97¾	May 15,'05	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115	Sept. 7,'05	....	....	....
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	100	Nov. 22,'04	....	....	....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	111⅛	Apr. 20,'05	....	....	....
" 1st con. g. 5's	1894-1944	5,000,000	F & A	122¼	Oct. 27,'05	122¼	121½	9,000
" gn. refdg. sg. fd. g. 4's.	1953	18,000,000	J & J	101⅛	Oct. 24,'05	101⅛	101	19,000
" " " registered.			J & J	....		....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112⅛	July 29,'04	....	....	....
Tex. & Pacific, 1st gold 5's	2000	25,000,000	J & D	125⅛	Oct. 31,'05	125⅛	125	133,000
" 2d gold income, 5's	2000	963,000	MAR.	99¼	Oct. 17,'05	99¼	96½	17,000
" La. Div. B. L. 1st g. 5's	1931	4,241,000	J & J	106⅛	Aug. 4,'05	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106⅛	Nov. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	115⅛	Oct. 30,'05	116	115½	3,000
" 1st M. g 5's West. div	1935	2,500,000	A & O	115	Oct. 28,'04	115	115	3,000
" gen. g. 5's	1935	2,000,000	J & D	109¾	Sept. 11,'05	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	98⅛	Oct. 31,'05	98⅛	97¼	34,000
Toledo, Peoria & W. 1st g 4's	1917	4,900,000	J & D	93	Oct. 10,'05	93	93	3,000
Tol., St.L. & Wn. prior lien g 3½'s	1925	9,000,000	J & J	91¼	Oct. 30,'05	92	91¼	29,000
" registered			J & J	....		....	....	....

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• fifty years g. 4's........1925	6,500,000	A & O	84⅛	Oct. 31,'05	85	83⅞	55,000
• registered....................		A & O	....		....	....	....
Toronto,Hamilton&Buff 1st g 4s.1946	3,280,000	J & D	99⅛	Oct. 4,'05	99⅛	99	96,000
Ulster & Delaware 1st c. g 5's....1928	2,000,000	J & D	112¼	Oct. 4,'05	112¼	112¼	1,000
• 1st ref. g. 4's............1952	700,000	A & O	96⅛	Sept.13,'05	....	....	....
Union Pacific R. R. & ld gt g 4s...1947	100,000,000	J & J	105	Oct. 31,'05	105¾	105	418,000
• registered.................		J & J	104⅛	Oct. 20,'05	104½	104⅛	17,000
• 1st lien con. g. 4's......1911	20,283,000	M & N	135⅝	Oct. 31,'05	136¾	133¼	587,000
• registered.................		M & N	137¾	Apr. 15,'05	....	....	....
Oreg. R. R. & Nav.Co.con. g 4's.1946	21,482,000	J & D	102¾	Oct. 27,'05	103⅝	102¾	36,000
Oreg. Short Line Ry. 1st g. 6's.1922	14,931,000	F & A	125⅞	Oct. 26,'05	125⅞	125¼	7,000
• 1st con. g. 5's.1946..........	12,328,000	J & J	119¾	Oct. 31,'05	119⅝	118⅞	24,000
• gtd. refunding g. 4's...1929	45,000,000	J & D	97¼	Oct. 31,'05	97¼	96¾	2,483,000
• • registered....		J & D	....		....	....	....
Utah & Northern 1st 7's........1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
• g. 5's..................1926	1,802,000	J & J	114½	Apr. 19,'02	....	....	....
Vandalia R. R. con. g. 4's........1955	7,000,000	F & A	103¾	Aug. 9,'05	....	....	....
• registered..................		F & A	....		....	....	....
Vera Cruz & Pac. tr. gtd. g.4½'s.1934	2,500,000	J & J	101¼	Oct. 26,'05	101¼	101¼	10,000
• 1st mtg. gtd. bonds of 1934, scaled int. to 191 Speyer&Co's coupns	4,500,000	J & J	....		....	....	....
Virginia & S'western 1st gtd. 5's..2003	2,000,000	J & J	112⅛	Oct. 19,'05	112⅛	112⅛	10,000
Wabash R.R. Co., 1st gold 5's....1939	33,011,000	M & N	119	Oct. 31,'05	119⅛	118⅝	63,000
• 2d mortgage gold 5's...1939	14,000,000	F & A	107	Oct. 31,'05	107⅛	106¼	29,000
• deben. mtg series A...1939	3,500,000	J & J	91	Sept.16,'05	....	....	....
• series B................1939	26,500,000	J & J	74⅞	Oct. 31,'05	76¾	71⅛	2,707,000
• first lien eqpt. fd.g. 5's.1921	2,600,000	M & S	103	Aug. 7,'05	....	....	....
• 1st lien 50 yr.g.term4's.1954	1,715,000	J & J	92	Apr. 17,'05	....	....	....
• 1st g.5's Det.&Chi.ex..1940	3,349,000	J & J	110¾	Oct. 19,'05	110¾	110¾	6,000
• Des Moines div.1st g.4s.1939	1,600,000	J & J	97	Nov.16,'04	....	....	....
• Omaha div. 1st g. 3½s..1941	3,173,000	A & O	88	Apr. 6,'05	....	....	....
• Tol.&Chic.div.1stg.4's.1941	3,000,000	M & S	97	May 27,'05	....	....	....
St.L.,K.C.& N.St.Chas.B.1st6's1908	463,000	A & O	109¼	Mar. 13,'03	....	....	....
Wabash Pitts Terml Ry 1stg.4's.1954	27,000,000	J & D	90	Oct. 31,'05	90	88⅛	50,000
• 2d g. 4's..................1954	20,000,000	J & D	35⅛	Oct. 28,'05	37¼	35⅛	424,000
Western Maryland 1st 4's.........1952	31,924,000	A & O	87⅛	Oct. 31,'05	88	87¼	199,000
Western N.Y. & Penn. 1st g. 5's..1937	9,990,000	J & J	119⅛	June 9,'05	....	....	....
• gen g. 3-4's..............1943	9,789,000	A & O	96¾	Oct. 19,'05	96¾	96¾	5,000
• inc. 5's.....................1943	10,000,000	Nov.	40	Mar.21,'01	....	....	....
West Va.Cent'l & Pitts.1st g. 6's.1911	3,250,000	J & J	110	Aug. 3,'05	....	....	....
Wheeling & Lake Erie 1st g. 5's.1926	2,000,000	A & O	116⅛	Sept.22,'05	....	....	....
• Wheeling div. 1st g. 5's.1928	894,000	J & J	114½	May 27,'05	....	....	....
• exten. and imp. g. 5's...1930	343,000	F & A	114	June23,'05	....	....	....
• 20 year eqptmt s.f.g.5's.1922	2,152,000	J & J	111⅛	Aug.15,'05	....	....	....
Wheel. & L. E. RR. 1st con. g. 4's..1949	11,618,000	M & S	92	Oct. 31,'05	93	90⅛	54,000
Wisconsin Cen. R'y 1st gen. g. 4s.1949	23,743,000	J & J	96¼	Oct. 31,'05	97¼	95¼	395,000
Mil. & L. Winnebago 1st 6's.....1912	1,430,000	J & J	....		....	....	....
STREET RAILWAY BONDS.							
Brooklyn Rapid Transit g. 5's...1945	6,625,000	A & O	110	Oct. 31,'05	110	109⅛	9,000
• 1st ref. conv. g. 4's....2002	17,000,000	J & J	95	Oct. 31,'05	96⅛	93⅛	2,904,000
• • registered..........		J & J			....	....	....
• City R. R. 1st c.5's1916.1941	4,373,000	J & J	108⅜	May 17,'05	....	....	....
• Qu.Co. & S. c. gd.g. 5's.1941	2,255,000	M & N	106	Feb. 9,'05	....	....	....
• Union Elev. 1st. g. 4-5s.1950	16,000,000	F & A	109¾	Oct. 31,'05	110	109	236,000
• stamped guaranteed......		......	100¾	July 15,'03	....	....	....
Kings Co. Elev. R. R. 1st g. 4's.1949	7,000,000	F & A	88	Oct. 6,'05	88	88	2,000
• stamped guaranteed		......	95	Oct. 30,'05	95	93¼	43,000
Nassau Electric R. R. gtd. g. 4's.1951	10,474,000	J & J	89⅝	Oct. 30,'05	90	88¾	160,000
City & Sub. R'y, Balt. 1st g. 5's...1922	2,430,000	J & D	105⅝	Apr.17,'95	....	....	....
Conn.Ry.& Lightg 1st&rfg.g4½'s.1951	10,913,000	J & J	103¼	Sept. 7,'05	....	....	....
• stamped guaranteed........		......	102⅞	Oct. 25,'05	103	102⅞	16,000
Denver Con. T'way Co. 1st g. 5's.1933	730,000	A & O	97⅛	June13.19'	....	....	....
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	....		....	....	....
Detroit United Ry 1st c. g. 4½'s...1932	10,842,000	J & J	95⅛	Oct. 25,'05	95⅛	94⅛	45,000
Grand Rapids Ry 1st g. 5's........1916	2,750,000	J & D	....		....	....	....
Havana Elec. Ry. con. g. 5s.....1952	6,957,000	F & A	94⅛	Oct. 30,'05	94⅛	94⅛	20,000
Louisville Railw'y Co. 1st c. g. 5's, 1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's, 1913	3,000,000	J & J	....		....	....	....
Metro. St. Ry N.Y.g. col. tr.g.5's.1997	12,500,000	F & A	114⅛	Oct. 31,'05	116	114¼	19,000
• refunding 4's..........2002	15,134,000	A & O	89¾	Oct. 26,'05	90¼	89	135,000
B'way & 7th ave. 1st con. g. 5's, 1943	7,660,000	J & D	118¾	Oct. 30,'05	118⅛	118⅛	1,000
• registered.................		J & D	119⅛	Dec. 3,19'	....	....	....

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Columb.& 9th ave.1st gtd g 5's, 1993	3,000,000	M & S	119	Oct. 17,'05	119	119	5,000
" registered....................		M & S	....	....	....	....	....
Lex ave & Pav Fer 1st gtd g 5's, 1993	5,000,000	M & S	118½	Oct. 5,'05	118½	118½	2,000
" registered....................		M & S	....	....	....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..2000	36,943,000	J & J	95	Oct. 31,'05	95½	94⅞	146,000
" registered....................		J & J	....	....	....	....	....
Third Ave. R'y N.Y. 1st g 5's...1937	5,000,000	J & J	118	Oct. 12,'05	118	118	2,000
Met. West Side Elev.Chic.1st g.4's.1938	9,808,000	F & A	94	Oct. 23,'05	94	94	1,000
" registered....................		F & A	....	....	....	....	....
Mil.Elec.R.&Light con.30yr.g.5's.1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's.......................1919	4,050,000	J & J	106	Nov. 22,'01	....	....	....
St.Jos.Ry.Lig't, Heat&P.1st g.5's.1937	3,763,000	M & N	....	....	....	....	....
St. Paul City Ry. Cable con.g.5's.1937	2,480,000	J&J15	110	July, 8'04	....	....	....
" gtd. gold 5's 1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Undergr'd Elec.Rys.of London Ltd.	16,550,000	J & D	99¼	Oct. 30,'05	99¼	98¾	127,000
5% profit sharing notes 1908 series A		J & D	....	....	....	....	....
" series B		J & D	....	....	....	....	....
" series C		J & D	....	....	....	....	....
" series D		J & D	....	....	....	....	....
Union Elevated (Chic.) 1st g.5's.1945	4,387,000	A & O	106¼	July 13,'05	....	....	....
United Railways of St.L.1st g.4's.1934	28,292,000	J & J	87	Oct. 24,'05	87	87	1,000
United R. R. of San Fr. s. fd. 4's...1927	20,000,000	A & O	88½	Oct. 24,'05	90⅛	88½	132,000
West Chic. St. 40 yr. 1st cur. 5's. 1928	3,969,000	M & N	87	Sept. 9,'05	....	....	....
" 40 years con. g. 5's......1936	6,031,000	M & N	99	Dec. 28,'97	....	....	....
MISCELLANEOUS BONDS.							
Adams Express Co. col. tr. g. 4's.1948	12,000,000	M & S	102¾	Oct. 31,'05	103	102⅛	82,500
Am.Steamship Co.of W.Va.g.5's 1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.Ferry Co.of N.Y.1st c.g.5's.1948	6,500,000	F & A	50	Oct. 17,'05	50	49¾	11,000
Chic.Junc.& St'k Y'ds col. g. 5's.1915	10,000,000	J & J	108	July 3,'05	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.1911	1,432,000	A & O	77	Oct. 12,'05	77	77	1,000
Hackensack Water Co. 1st 4's....1952	3,000,000	J & J	....	....	....	....	....
Hoboken Land & Imp. g. 5's.....1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's....1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's............1890–1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...1951	11,580,000	F & A	98	Oct. 27,'05	98	96	15,500
" registered..................		F & A	....	....	....	....	....
Provident L. Soc. of N.Y. g. 4's .1921	2,000,000	M & S	99	Sept.26,'05	....	....	....
St.Joseph Stock Yards 1st g. 4½'s 1930	1,250,000	J & J	100½	Sept.15,'05	....	....	....
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	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's....1906	4,975,000	M & S	113½	Dec. 18,19'	....	....	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.							
Series E 4's................1907–1917	1,000,000	J & D	....	....	....	....	....
" F 4's................1908–1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
" G 4's................1908–1918	1,000,000	F & A	....	....	....	....	....
" H 4's................1903–1918	1,000,000	M & N	....	....	....	....	....
" I 4's................1904 1919	1,000,000	F & A	....	....	....	....	....
" J 4's 1904–1919	1,000,000	M & N	....	....	....	....	....
" K 4's................1905–1920	1,000,000	J & J	....	....	....	....	....
Small bonds....................	....	......	....	....	....	....	....
INDUSTRIAL AND MFG. BONDS.							
Am. Cotton Oil deb. ext. 4½'s....1915	5,000,000	......	98½	Oct. 27,'05	98½	98	19,000
Am. Hide & Lea. Co. 1st s. f. 6's...1919	7,863,000	M & S	95	Oct. 31,'05	96	94⅞	110,000
Am. Ice Securities Co. deb. g 6's.1925	2,655,000	A & O	81½	Oct. 31,'05	82	80½	155,000
" small bonds......		A & O	....	....	....	....	....
Am. Spirit Mfg. Co. 1st g. 6's....1915	1,750,000	M & S	101½	Oct. 28,'05	101½	101	15,000
Am.Thread Co.,1st coll.trust 4's.1919	6,000,000	J & J	90⅞	Oct. 6,'05	90⅞	90⅞	1,500
Am. Tobacco Co. 40 yrs g, 6's....1944	50,769,750	A & O	114	Oct. 31,'05	114½	113	1,739,000
" registered............		A & O	113½	Oct. 14,'05	113½	113½	1,000
" g. 4's....................1951	72,757,000	F & A	80	Oct. 31,'05	80¼	76½	4,095,000
" " registered...........		F & A	76⅛	Oct. 5,'05	76⅛	76⅛	1,000
Barney & Smith Car Co. 1st g.6's.1942	1,000,000	J & J	105	Jan. 10,'04	....	....	....
Central Leather Co. 20 yr. g. 5's .1925	28,090,000	A & O	99¾	Oct. 31,'05	101⅜	99¾	1,342,500
Consol. Tobacco Co. 50 year g. 4's.1951	5,735,900	F & A	81½	Oct. 27,'05	81¾	80	217,000
" registered...................		F & A	85¼	Dec. 3,'04	....	....	....
Dis. Secur. Cor. con. 1st g. 5's....1927	13,609,000	A & O	81	Oct. 31,'05	81¼	79½	1,005,000
Ill.Steel Co.deb.5's st pd.non con..1910	2,922,000	J & J	99	Jan. 17,'99	....	....	....
" non. conv. deb. 5's......1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....

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.*	OCTOBER SALES. *High.*	*Low.*	*Total.*
Internat'l PaperCo. 1st con.g 6's.	1918	9,724,000	F & A	109⅝	Oct. 26,'05	110	108¾	19,000
" con.conv.sinkgfundg5s	1935	5,000,000	J & J	95	Oct. 30,'05	96	94½	73,000
Int. Steam Pump 10 year deb. 6's.	1913	3,500,000	J & J	103	Oct. 19,'05	103¾	103	6,000
Knick'r'ker IceCo.(Chic)1st g 5's.	1928	1,937,000	A & O	97½	Oct. 20,'05	97½	97½	1,000
Lack. Steel Co., 1st con. g. 5's....	1923	15,000,000	A & O	105	Oct. 31,'05	105	104⅝	68,000
Nat. Starch Mfg. Co., 1st g 6's...	1920	2,846,000	J & J	88	Oct. 31,'05	88	87	9,000
Nat. Starch. Co's fd. deb. g. 5's..	1925	4,137,000	J & J	75	Oct. 31,'05	75	71	10,000
Standard Rope & Twine 1st g. 6's.	1946	2,740,000	F & A	51¼	Oct. 31,'05	52	51	68,000
Standard Rope&Twine inc.g.5s..	1946	6,806,000	......	3⅛	Oct. 31,'05	3¼	2⅛	818,000
United Fruit Co., con. 5's........	1911	2,219,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...	1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..	1915	5,280,000	M & N	111	Sept.28,'05	....	....	....
U. S. Reduction & Refin. Co. 6's..	1931	....	......	100	Oct. 31,'05	100¾	100	137,000
U.S. Realty & Imp.con.deb.g.5's.	1924	13,284,000	......	99⅞	Oct. 31,'05	100	99	217,000
U.S.SteelCorp.10-60yr.g.sk.fd5's	1963	....	M & N	99⅛	Oct. 31,'05	99¾	98	5,574,000
" " " reg.	1963	170,000,000	M & N	97	Oct. 31,'05	98⅝	96	14,000
Va.Carol Chem. col.tr.s.fd.g.5's..	1912	6,500,000	A & O	100⅛	Oct. 25,'05	100⅛	99⅛	15,000
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g.s.fd.g 5's..	1943	5,255,000	F & A	103	Oct. 30,'05	103⅝	103	16,000
" conv. deb. g. 5's.........	1911	1,710,000	F & A	90	July 10,'05	....	....	....
" " registered............			F & A	....	....	....	....	....
Col. C'l & I'n Dev.Co. gtd g.5's..	1909	700,000	J & J	55	Nov. 2,19'	....	....	....
" Coupons off............		....	......	....	....	....	....	....
Colo. Fuel Co. gen. g. 6's.......	1919	600,000	M & N	107½	Oct. 7,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's.	1919	949,000	A & O	102½	July 26,'02	....	....	....
Col.Inds.1st cv g&col tr gt5s ser A	1934	12,378,000	F & A	75¼	Oct. 31,'05	75¼	72⅝	655,000
" registered..........		....	F & A	....	....	....	....	....
" 1st g & col tr gt 5s ser B.	1934	12,537,000	F & A	72¾	Oct. 31,'05	73⅝	71½	1,971,000
" " registered............		....	F & A	....	....	....	....	....
Continental Coal 1st s. f. gtd. 5's..	1952	2,750,000	F & A	107⅝	Dec. 12,'04	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105⅛	Oct. 10,'98	....	....	....
" 2d g. 5's..................	1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	3,000,000	J & J	105½	Oct. 7,'05	105½	105½	1,000
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,131,000	J & J	106¼	Feb. 27,'02	....	....	....
Roch & Pitts.Cl&Ir.Co.pur my5's.	1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..	1912	835,000	J & D	105	Aug.10,'05	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..	1951	3,824,000	J & J	100	Oct. 30,'05	102	100	50,000
" Tenn. div. 1st g. 6's......	1917	1,160,000	A & O	110	Oct. 9,'05	110	110	2,000
" Birmingh. div. 1st con.6's	1917	3,603,000	J & J	112	Oct. 24,'05	112	112	15,000
Cahaba Coal M. Co..1st gtd.g.6's	1922	854,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&ICo.gtd.g.6's	1910	2,716,500	F & A	104¼	Oct. 11,'05	104¼	104¼	2,000
Utah Fuel Co. 1st s. f. g. 5's......	1931	839,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's...	1949	6,157,000	M & S	92	Oct. 30,'05	92	90	32,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo.1stcong. 5's.	1945	14,498,000	M & N	114⅞	Oct. 26,'05	114⅞	114½	12,000
Buffalo Gas Co. 1st g. 5's.........	1947	5,900,000	A & O	84	Oct. 31,'05	87	77½	429,000
Columbus Gas Co., 1st g. 5's......	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
ConsolidatedGasCo.,con.deb.6's..	1909	19,857,500	J & J	168	Oct. 28,'05	174	168	182,000
Detroit City Gas Co. g. 5's......	1923	5,603,000	J & J	102¾	Oct. 30,'05	103	101½	20,500
Detroit Gas Co. 1st con.g.5's.....	1918	381,000	F & A	105	Sept.28,'05	....	....	....
Eq. G. L. Co.of N.Y.1st con.g.5's.	1932	3,500,000	M & S	102½	Nov. 5,'04	....	....	....
Gas. & Elec.of Bergen Co, c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	91½	Oct. 31,'05	91½	91½	1,000
Grand Rapids G. L. Co. 1stg.5's.	1915	1,225,000	F & A	107¾	Dec. 17,'04	....	....	....
Hudson Co. Gas Co. 1st g. 5's....	1949	10,290,000	M & N	109¼	Feb. 10,'05	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	100	May 5,'05	....	....	....
Kings Co. Elec. L.&Power g. 5's..	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....	1997	5,010,000	J & J	122½	Oct. 23,'05	122½	122½	4,000
Edison El Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	94½	Apr. 28,'05	....	....	....
Lac. Gas L't Co. of St. L. 1st g.5's.	1919	10,000,000	Q F	108¼	Oct. 27,'05	108½	108¼	17,000
" small bonds................								
" refdg. & enten 1st g.5s.	1934	5,000,000	A & O	105¼	May 20,'05	....	....	....
Milwaukee Gas Light Co. 1st 4's..	1927	7,000,000	M & N	93¼	Sept.19,'05	....	....	....
Newark Cons. Gas, con. g. 5's...	1948	5,274,000	J & D	90¼	July 30,'04	....	....	....
N.Y.GasEL.H&PColstcol tr g5's.	1948	15,000,000	J & D	111	Oct. 31,'05	111	110	159,000
" registered....................			J & D	110¼	Dec. 30,'04	....	....	....
" purchase mny col tr g4's.	1949	20,927,000	F & A	92¼	Oct. 28,'05	92¼	91⅝	72,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	103¼	Oct. 19,'05	103⅝	103⅛	28,000
" 1st con. g. 5's..........	1995	2,156,000	J & J	119¼	Apr. 19,'05	....	....	....
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	2,272,000	F & A	102½	Oct. 17,'05	102½	102½	3,000
N.Y.& RichmondGasCo.1stg.5's.	1921	1,150,000	M & N	103	May 22,'05	....	....	....

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.*	OCTOBER SALES. *High*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	105¼	May 10,'05	....	....	....
Peo. Gas & C. C. 1st con. g 6's...1943	4,900,000	A & O	123	Oct. 9,'05	123	123	1,000
" refunding g. 5's 1947	2,500,000	M & S	106¼	Oct. 19,'05	106¼	106¼	1,000
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	108¼	Oct. 23,'05	108¼	108¼	1,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108½	Oct. 12,'05	108½	108½	5,000
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	106½	Oct. 17,'05	106½	106½	1,000
" registered..	....	......	...	....	....	....	....
Syracuse Lighting Co. 1st g.5's..1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	110	May 13,'05	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	1,000,000	J & J	....	....	...	....	....
Westchester Lighting Co. g. 5's.1950	5,360,000	J & D	113	Jan. 31,'05	....	....	....
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	48,000,000	J & J	96⅝	July 10,'05	....	....	....
Commercial Cable Co. 1st g. 4's.2397.	9,893,200	Q & J	96½	Oct. 25,'05	96½	96½	5,000
" registered..................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	1,823,000	M & N	109½	May 18,'05	....	....	....
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	112	Oct. 27,'05	112¼	111⅛	8,000
" fundg & real estate g.4½'s.1950	20,000,000	M & N	106¼	Oct. 26,'05	106⅝	106	44,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	107¼	Sept. 1,'04	....	....	....
Northern Tel. Co. gtd fd.4½'s..1934	1,500,000	J & J	103	July 26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1905. *High.*	YEAR 1905. *Low.*	OCTOBER SALES. *High.*	OCTOBER SALES. *Low.*	OCTOBER SALES. *Total.*
United States con. 2's registered...1930	542,909,950	Q J	104⅞	103½	103½	103½	13,000
" con. 2's coupon............1930		Q J	105⅝	104½	....	....	......
" con. 2's reg. small bonds..1930		Q J	104⅝	104⅝	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered...........1908-18	77,135,300	Q F	104¾	103	103⅞	103	5,500
" 3's coupon.............1908-18		Q F	106	103¾	104⅝	104½	13,500
" 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	104½	103⅞	104½	104½	1,250
" 4's registered..............1907	156,591,500	J A J&O	106	104	105½	105½	23,500
" 4's coupon..................1907		J A J&O	105⅞	104	105¼	104⅞	530,000
" 4's registered..............1925	118,489,900	Q F	132⅞	132½	....	....	......
" 4's coupon..................1925		Q F	134½	132¼	134½	134½	10,000
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds.....................		F & A	....	....	....	....	......
" registered.................		F & A	....	....	....	....	......
Philippine Islands land pur. 4's...1914-34	7,000,000	Q F	110	108½	108½	108½	1,000
" public works & imp. reg.4's.1935	2,500,000	Q MCH.	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	101½	101½	....	....	......
" " small............	....	....	....	....	....	....	......
" Class B 5's...................1906	575,000	J & J	....	....	....	....	......
" Class C 4's...................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's................1914	10,752,800	J & J	....	....	....	....	......
" " small bonds..........							
North Carolina con. 4's...............1910	3,397,350	J & J	102¾	102¾	102¾	102¾	1,000
" small.......................		J & J	....	....	....	....	......
" 6's.........................1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds......1866-1900	556,500	J & J	....	....	....	....	......
" " 1868-1898		A & O	....	....	....	....	......
" new bonds............1892-1898	624,000	J & J	....	....	....	....	......
" "		A & O	....	....	....	....	......
" Chatham R. R.................	1,200,000	A & O	....	....	....	....	......
" special tax Class 1................	....	A & O	....	....	....	....	......
" " Class 2..............	....	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

Name.	*Principal Due.*	*Amount.*	*Int'st paid.*	Year 1905. *High.*	Year 1905. *Low.*	October Sales. *High.*	October Sales. *Low.*	October Sales. *Total.*
" " to Western N. C. R....		....	A & O	....	....	....	....	......
" " Western R. R.........		....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R........		....	A & O	....	....	....	....	......
" " Western & Tar. R......		....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	....	....	....	......
Tennessee new settlement 3's.........	1913	6,681,000	J & J	97	95	96¼	96¼	2,000
" registered......................		6,079,000	J & J	....	....	....	....	......
" small bond......................		362,200	J & J	95	95	....	....	......
" redemption 4's...........	1907	469,000	A & O	....	....	....	....	......
" 4½s.........................	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........	1912	600,000	A & O	....	....	....	....	......
Virginia fund debt 2-3's of...........	1991	17,087,000	J & J	97½	96¾	....	....	......
" registered......................			J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871		2,274,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....		10,416,565	....	18⅞	10	18	15⅛	356,000
Foreign Government Securities.								
Frankfort-on the-Main, Germany, bond loan 3½'s series 1......	1901	14,060,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Japanese Gov. 6% ster loan.	1911	£10,000,000	A & O	103¼	94½	102⅛	98⅝	941,000
" " second series.....	....	£12,000,000	A & O	101¾	97¾	102	97¾	1,907,000
Imperial Russian Gov. State 4% Rente....		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's............................	1908	3,000,000	M & N	....	....	....	....	......
Republic of Cuba g. 5's extern debt.	1904	35,000,000	M & S	108¼	103¼	105¾	105¼	144,500
" registered.....................			M & S	...	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................		....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200..........................		£21,897,960	......	101⅛	99½	100	100	12,000
Small bonds denominations of £20.....		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......
U. S. of Mex. 4'5 gold debt 1904 ser. A..	1954	39,870,000	J & D	95	92	94½	94	457,000
" " " ser. B..	1954		J & D	....	....	....	....	......

BANKERS' OBITUARY RECORD.

Cook.—David A. Cook, who has been for the past sixteen years National Bank Examiner for Illinois, died at his residence in Ottawa, Thursday, September 21, 1905.

During all these years only five banks in his territory have failed. Two of these resumed business, the third paid the depositors in full, and the remaining two are still in the hands of Receivers, having failed but recently.

Gray.—G. B. Gray, Cashier of the Commercial National Bank, Houston, Texas, died October 10, aged forty years.

Howland.—George Howland, President of the National Bank of Barre, and Vice-President of the Barre Savings Bank and Trust Co., died recently, aged seventy-four years.

Kaufman.—I. B. Kaufman, Cashier of the Citizens' National Bank, New Bethlehem, Pa., died recently, aged forty-two years.

Lord.—Charles V. Lord, President of the Veazie National Bank, Bangor, Me., died September 26, aged sixty-nine years. He occupied a leading position in the business life of Bangor, being actively connected with many of its financial and manufacturing institutions. The bank of which Mr. Lord was President at the time of his death was founded by his grandfather as a State institution, and a member of the same family has always been at its head.

Mallaby.—Leonard B. Mallaby, Assistant Cashier of the Phenix National Bank, died October 20, in his sixty-first year. He had been connected with the bank for forty years.

Somes.—John E. Somes, Vice-President of the Cape Ann Savings Bank, Gloucester, Mass., died September 29. He was born at Gloucester in 1841.

Stuart.—John Stuart, President of the State Bank, La Salle, Ill., died September 30. From 1862 to 1885 he was almost continuously an alderman of the city, and for the past eleven years had been engaged in the banking business.

Warren.—George B. Warren, President of the United National Bank, Troy, N. Y., died October 8. Mr. Warren was born in Troy, June 9, 1828. Both his father and grandfather were Presidents of Troy banks.

THE

BANKERS' MAGAZINE

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

FIFTY-NINTH YEAR. DECEMBER, 1905. VOLUME LXXI, No. 6.

THE JAPANESE FUNDS deposited at London, Berlin and New York, and amounting to about $170,000,000, are proposed as a proper basis for an "international currency," in a paper published elsewhere in this issue of the MAGAZINE.

As is well known, these funds represent proceeds of some of the loans negotiated by the Imperial Japanese Government during the late war with Russia. That the proceeds of these loans were allowed to remain, either in whole or in part, in the centres named is somewhat exceptional, the usual course being for the borrowing country to take gold from the markets where the loans are obtained. But the Japanese financiers are close students of the international money markets, and they doubtless saw that the withdrawal of large sums within a short period from any of the leading money centres might cause a world-wide disturbance. Also, having heavy purchase to make abroad, they could gradually use the funds, drawing against them as needed. Moreover, the part of the money not in actual use could be advantageously and safely lent at interest, which would inure to the benefit of the Japanese Government.

Apparently, for Japan to allow these balances to remain abroad, while at the same time a new loan was being negotiated, might seem purely altruistic. But probably this policy was really dictated by enlightened self-interest. The Japanese financiers were farseeing enough to discern that it was not a wise policy to withdraw the funds from the great money centres in the face of an impending loan. If the money belonging to Japan and now held in these centres had been withdrawn at any time within the past six months, it would have been less easy for the money markets of the world to have met the Japanese requirements for fresh loans. Thus, by allowing the funds to remain undisturbed, Japan undoubtedly derived a substantial advantage.

But to forego the direct employment of these funds indefinitely will be more than Japan can well afford. To utilize the foreign credits, and at the same time to avoid the disturbance their withdrawal might occasion, would seem to be a desideratum worthy of attention. Whether the plan set forth in the paper referred to is practicable in all its details, or whether it would, under all the circumstances, commend itself to the Japanese authorities—these are matters as to which the Finance Department at Tokyo alone can judge.

While the plan, taken altogether, is decidedly novel, some of its underlying principles are by no means new. The reserves of the National banks in the United States are put to a somewhat similar use; reserves in country banks being deposited in reserve cities, the banks in the latter sending a portion of the deposits to a central reserve city, and the banks here again lending out a portion to their dealers, each step representing a lending operation. The gold-exchange currency systems in operation in the Philippines and in Mexico also have foreign funds deposited abroad as a basis on which exchange may be drawn. Thus, it will be seen, the principle of the plan in question is already in successful use, but its application in the manner proposed is new.

Although there is some indication that the paper circulation of Japan is at the present larger than is required, this redundancy will probably prove only temporary, it having been engendered by financial conditions growing out of the war. When the Land of the Rising Sun once more turns its undivided attention to industrial development, active and profitable employment will no doubt be found for a much greater volume of money than is now in existence in that country. As the so-called international bills, based on the foreign funds, would be substantially gold certificates, they would not be open to the objections commonly urged against an increase in the supply of paper money.

THE REPORT OF THE COMPTROLLER OF THE CURRENCY for the year ending October 31, published in another part of this issue of the MAGAZINE, contains much statistical and other information regarding the progress of the National banks. Most of the recommendations made by the Comptroller relate to the subject of bank examinations, particular stress being placed upon the present method of compensating the examiners by fees instead of paying them a salary, as recommended by Comptroller RIDGELY and all his predecessors in recent years. It is difficult to understand why these suggestions, so manifestly conducive to the greater safety of the National banks, have been treated with indifference by Congress. As this body shows no inclination to heed the Comptroller's advice, perhaps it would be well if the bankers throughout the country would write to their Senators and Representatives and urge them to give this matter their attention.

THE SAFETY OF THE NATIONAL BANKS is adverted to in the Comptroller's report. He points out that of the 7,966 National banks which have been organized, 460 have failed, or 5½ per cent. of the whole number, as against about 17½ per cent. of banks other than National in the same period. The National banks which have failed have paid their creditors about seventy-eight per cent. of the amount due them, while the other banks have paid only about forty-five per cent. Of the billions and billions of dollars they have had on deposit, the National banks have lost for their creditors in the whole period of their existence only about $32,000,000. In the Comptroller's opinion these records in favor of the National banks are mainly, if not entirely, due to the wise provisions and restrictions of the National Bank Act and examination and supervision by the national authority.

Despite the fact that, taken as a whole, the National banks have made a better record for safety than other classes of institutions, the latter seem to be holding their own remarkably well, as the following statistics, furnished by the Comptroller, will show:

The number of State and private banks reporting and non-reporting are now 14,242, with capital of $748,263,149 and deposits aggregating $8,002,662,822. The total number of National, State and private banks in the United States and island possessions is therefore 19,910, with aggregate capital of $1,539,830,380 and individual deposits of $11,786,321,316. The number of National banks in active operation has increased since 1902 by twenty-five per cent., and the figures presented indicate that banks other than National have increased at the rate of about twenty-two per cent. during this period. In 1902 National bank capital represented 52.4 per cent. and deposits 32.3 per cent. of aggregate capital and deposits, respectively, of all reporting banking institutions. The percentage of capital of National banks to capital of all banks in 1905 was 51.41 per cent., and of deposits 32.10 per cent., showing a slight reduction since 1902. Within the period in question the capital of National, State, and private banks increased about fifteen per cent., while the deposits increased approximately twenty-three per cent.

These facts would seem to indicate that while the banks other than National, on the whole, may not offer quite the same degree of security as the National banks, this is counterbalanced to a considerable extent by some other elements that sustain the vitality of the State and private banks. Probably the greater freedom enjoyed by the banks other than National makes it possible for them to render a wider service to the community, but at a somewhat greater risk. But the chief reason for the better record made by the National banks is undoubtedly due, as the Comptroller states, to the wise provisions and restrictions of the National Bank Act and to the examination and supervision by the national authority.

There is no good reason why a State could not exercise a degree of supervision at least equal to that exercised by the Federal Government. Indeed, it is conceivable that the States might, within the comparatively narrow limits of their own domains, keep a more careful watch over the banks than would be possible under national authority. Investigation would probably show that in many of the States, where there is an efficient system of supervision, the State banks will compare favorably with those operating under the National Bank Act. But in some of the States the supervision of banks is very lax, while in a few of the States there is no supervision at all. These facts tend to modify to an important extent the inference that might be made from a first reading of the Comptroller's figures. Of course, it should also be borne in mind that he includes private banks among those other than National. Many of the private banks are strong and well managed, but there are also a considerable number whose capital is so small and whose transactions are of such a character as to render them more liable to succumb in a financial crisis than is the case with the majority of the State and National banks.

The causes that have tended to give the National banks an enviable position with respect to safety are worthy of attentive study. It is believed that with concerted effort by the bankers' associations of the respective States, the systems of State supervision may be made as effective as that exercised by the Comptroller of the Currency over the National banks.

THE PANAMA CANAL enterprise continues to be the subject of much public attention. No decision has been reached at this writing whether a lock canal is to be built at a cost of $130,000,000, or a sea-level waterway at a cost of $230,000,000. Expert opinion seems to favor the sea-level plan, but the longer time required for the completion of the canal under the latter plan will probably cause its rejection.

Although the world has managed to get along comfortably for at least several thousand years without any canal across the Isthmus of Panama, it is regarded as altogether out of the question to delay the completion of this enterprise beyond a period of ten years. This manifestation of hot haste is by some ascribed to real or supposed military and naval exigencies, while others merely see in it a renewed evidence of the restless desire of doing something—anything—and doing it quickly, which seems to be characteristic of a considerable part of the population of the country at the present time.

Undoubtedly the Panama Canal is a great undertaking, and one well calculated to arouse the enthusiasm of the American people; and if it is to be built at all, it would seem to be the part of wisdom that the greatest care be taken to prevent any irremediable mistakes at the outset of the enterprise. The expenditure of some $200,000,000, even in these prosperous times, is not a matter to be treated lightly. It would be a serious error if the canal should be built on a plan that would greatly impair the usefulness of the waterway in meeting the heavy demands that will undoubtedly be made upon it. If the best expert opinion favors the sea-level canal, as seems to be the case, that is the kind of canal that should be built, if it takes twenty years instead of ten, and $230,000,000 or more instead of $130,000,000.

THE REDEMPTION OF SILVER IN GOLD, though not expressly provided for—at least while the silver remains at par with gold, is yet clearly implied in the financial legislation of the country. To go no further back than the Act of March 14, 1900, we find this provision (section 1):

"That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity."

Of course, if silver should go to a discount, as compared with gold, there would be no doubt as to the authority of the Secretary to exchange gold for silver. But Secretary SHAW has not waited for any such contingency. In his address before the last annual convention of the Ohio Bankers' Association (printed in full on another page of this number), the Secretary said:

"Every dollar of our currency, gold certificates, silver, silver certificates, United States notes, Treasury notes, National bank notes, subsidiary silver, nickel and copper coins, are all redeemable in or exchangeable for gold at the will of the holder. This fixes the stability of our currency. Its value does not and can not fluctuate. I grant that there is no express statute for the exchange of gold for silver certificates or for silver itself. Silver certificates are, of course, redeemable in silver.

Silver certificates are simply warehouse receipts for the number of silver dollars mentioned in the receipt, and on the return thereof the coin can be demanded. But the law expressly provides that the Secretary of the Treasury shall maintain the parity of all forms of money coined or issued by the Government. The only way to make a silver dollar, the metallic value of which is but fifty cents, worth one hundred cents in gold, is to give gold in exchange for the silver whensoever and by whomsoever demanded. On this proposition the record has been made so that subsequent Secretaries of the Treasury for all time, whoever they may be, and whatsoever party they may represent, will find it necessary to overrule the decision of at least one predecessor before he can refuse gold in exchange for silver, and until such refusal silver will remain at par. There being but one way to preserve parity in time of pressure, the best way to avoid a time of pressure is to make public the Government's intention to redeem in gold at all times. Thus all forms of lawful money are exchangeable for gold, and National bank notes are redeemable in lawful money. These provisions make our system absolutely safe, and no man need look the second time at any form of our circulating medium to discover its actual or exchangeable value."

Congress has made it the duty of the Secretary of the Treasury to preserve the parity of the silver dollars, leaving the details, to some extent, to executive discretion. There can be no doubt that Secretary SHAW has acted wisely in establishing a precedent for exchanging gold for silver, without waiting for a possible contingency when the silver dollars might be at a discount. In fact, his action has probably prevented any such contingency from ever arising.

HIGH RATES FOR MONEY were a characteristic feature of the financial situation in New York last month, the rate on call loans going up at one time as high as twenty-five per cent. Secretary SHAW declined to come to the relief of the money market by increasing Government deposits with the banks, apparently taking the view that the high rates for money were caused, to a considerable extent, by the demand for loans for speculative purposes. The Secretary declared that he would not intervene unless he was convinced that the legitimate business interests of the country were threatened. That the Secretary is able to exercise that fine sense of discrimination which enables him to tell exactly where business stops and speculation begins, is fortunate for the legitimate business interests of the country, but hard on those who are speculatively inclined. But those who believe all speculation harmful, will be pleased to see the Secretary take this firm stand against it.

At the same time, in refusing to help the speculators out of a pinch, the Government is not altogether logical. By maintaining an inflexible currency system—one that encourages the issue of bank circulation when money rates are at the lowest limit, and by other arbitrary interference with the conditions that should govern the money market, the Government has undoubtedly promoted speculative activity; and why should it not, in fairness, come to the aid of those who have been encouraged, and perhaps misled, by this mischievous policy?

Not only does the present system of bank issues tend toward a fixed volume of paper, but even if the amount in circulation should be redundant, cancellation and retirement of more than $3,000,000 a month is prohibited. Of course, Congress can not determine, with any degree of accuracy, whether $3,000,000 or $30,000,000—or any other definite sum —is the proper amount to retire in any one month. That is a matter to be decided solely by the condition of the money market.

The subject of an elastic currency has been exhaustively discussed in these pages in recent years, and the ground need not be gone over again. There can not be an elastic currency without some provision that will not only induce the issue of notes, but that will compel their retirement when no longer needed.

Primarily, however, the high rates for money during the crop-moving season are not due to the inelasticity of the currency, but to banking methods. This autumnal demand for money is well known and could be provided for by the exercise of a little foresight. Possibly the banks do not find the high rates for money at such times at all distasteful. But still, it is skating on thin ice. A twenty-five per cent. money market does not strengthen the position of New York as a financial centre.

Although, as stated, the currency system is not, primarily, the cause of the annual monetary stringency, it is nevertheless true that the situation is greatly aggravated by the inelasticity of the National bank note issues. The large increase in the circulation, unchecked even by the low rates for money prevailing for some time, undoubtedly led to heavy speculative commitments, and it was the demand for credit to carry these over the period when money naturally flows to the West that caused the November flurry in money at New York.

THE RISE IN THE PRICE OF SILVER within the past few weeks has brought it up close to the parity of the new coinage systems of Mexico, the Philippine Islands, Japan, Panama, and Peru. Fears are entertained in some quarters that the price will go high enough to send the coins of these countries to the melting-pot unless immediate steps are taken to protect them. There is probably little ground for immediate apprehension on this point. Possibly some exports of silver from these countries will occur, but they will represent in a measure the legitimate movement of currency from communities where it is not needed to those where it is needed. The acute need at present seems to centre in Manchuria, where half a million men of the Japanese army, and about an equal number of the Russian, require a large volume of currency with which to carry on their every-day transactions. As the armies are repatriated, this demand is likely to fall off, the silver will flow back to the countries from which it is now withdrawn, and its price will cease to advance.

The demand for silver in Manchuria is not the only factor, however, in the rise in price of the metal during the last three years. When the governments of Mexico and China appealed to the United States at the close of 1902 to co-operate for securing more stable exchange between the gold standard and the silver countries, silver was at its lowest ebb, with a minimum London price of 21 5-16 pence. It recovered somewhat from this decline, but did not begin to advance above a very low average until the summer of 1903, when the American and Mexican Commissions on International Exchange were laboring in Europe to bring about an agreement in regard to the money systems of the Oriental dependencies of leading countries. The advance in the price has since then, in spite of slight interruptions, been comparatively steady, until silver has risen above the average of the ten years ending with 1902 and is close to the price of 1896. The hiatus in the demand for silver apparently occurred in 1902. Governments which had abandoned silver as a standard were then melting up their old coins to meet demands for subsidiary coinage, and former silver countries were abandoning silver for gold. The stock of old coins which could be spared for recoinage seems now to be practically exhausted, and these countries are likely to appear in the market as purchasers of silver. The demand for silver for use in the arts is also increasing. These combined conditions have contributed to an increased demand for the metal, which has naturally enhanced its price.

In spite of this revival of demand, it does not seem likely that silver bullion will go much higher in the near future than the quotations for the last two or three weeks. One of the effective means of averting a demand for silver in excess of the supply will be a wider use of gold currency in the silver countries. Mexico appears to be already providing for this. Her bankers will act wisely if they introduce gold into their reserves and obtain it by the sale of silver coins, if they can do so without loss. This would at once release a considerable quantity of the white metal, while diminishing the permanent demand for it by substituting gold for silver as currency. The mere fact that a great mass of Mexican, Philippine, Peruvian and Japanese silver was hanging over the market, ready to enter it if silver went above the coinage ratio of 32 to 1, would be likely to have a steadying effect and prevent any serious impairment of the currencies of these countries by the melting and exportation of their silver coins. In the last resort, and to guard against future contingencies, it may be found advisable to reduce somewhat the amount of silver contained in the coins, but there will probably be ample time for the governments concerned to examine this question deliberately before taking action.

THE FOREIGN EXCHANGE business transacted at New York is continuously increasing. While, of course, many outside banks and bankers participate in this business, the preponderating share of the country's import and export trade done by New York makes this city the centre of foreign exchange transactions. Until within recent years but little attention was paid to the foreign exchange business, except by a limited number of houses having more or less direct connections abroad. But with the great advance in the volume of the country's exports, beginning shortly after 1893, the banks generally, particularly those in the larger cities, awoke to the importance of foreign exchange as an additional source of banking profit.

That a business of such magnitude, growing up within a comparatively short time, should in the course of its progress develop some abuses, was to be expected. Undue speculation, excessive competition, and other elements that tend to derange the foreign bill market, have rendered still more uncertain a business that already contained sufficient possibilities in that direction. To correct the abuses that have grown up is manifestly desirable, and this may be done now more easily than to allow the present haphazard methods to go on unchecked until they have become so fixed and so formidable as to be practically ineradicable.

In another part of this issue of the MAGAZINE an article will be found dealing with some of the conditions bearing upon the foreign exchange market at New York. Other papers will be presented later on containing suggestions for bringing about greater stability in this important branch of financial operations.

THE SUFFICIENCY OF THE GOLD RESERVE of $150,000,000 for providing for the convertibility of all forms of our currency, under all circumstances, is open to question, especially in view of the additional burden thereupon imposed by Secretary SHAW's policy of exchanging gold for silver. This adds over $500,000,000 of gold obligations which the Treasury must be prepared to pay on demand. On November 1 there were outstanding the following amounts of silver, National bank notes and legal tenders, all redeemable in gold, directly or indirectly:

Silver dollars	$568,228,865
Subsidiary silver	115,554,205
United States notes	346,681,016
National bank notes	524,408,249
Total	$1,554,872,335

There are also some of the Treasury notes of 1890 still outstanding, as well as some minor coins, that are properly a charge on the gold reserve; but the amount of both these items is not large enough to be material.

We thus have over $1,500,000,000 of gold obligations sustained by a gold reserve of $150,000,000, or less than ten per cent. In ordinary times this is, of course, ample; but whether it is large enough to prevent a feeling of apprehension in a crisis like that of 1893, is open to question. But in addition to the gold reserve, the obligations mentioned are backed by the borrowing power of the Government, and the sale of bonds for replenishing the gold reserve is expressly authorized in the Act of March 14, 1900. It was shown, however, in Mr. CLEVELAND's second Administration that the sale of bonds for gold was not effectual in protecting the gold reserve. After trying that expedient, Secretary CARLISLE was compelled to call on a syndicate of bankers for help.

There has been a great increase in the country's gold stock since that time; but, on the other hand, there has been a vast expansion in credit and of National bank circulation, and the silver has now, by executive ruling, been made an additional charge against the gold reserve. It is hardly conceivable that we shall have another demand on the Treasury's gold holdings such as was made between 1893 and 1897. But who can tell?

In a properly-constructed financial system the maintenance of gold payments would be the duty of the banks, not the Government, but owing to unwise legislation a realization of this ideal has been made practically impossible in the United States. As the legal-tender notes and silver certificates were issued by the Government, it can not be expected that the banks will provide for their redemption in gold. Even the bank notes depend, practically, upon the Treasury for their convertibility into gold, being redeemable, in the first instance, only in "lawful money."

Secretary SHAW's action in making gold and silver interchangeable is an event of great importance, and one which ought to go far toward strengthening our currency system.

TRUST COMPANIES—THEIR ORGANIZATION, GROWTH AND MANAGEMENT.*

BOOKS, RECORDS AND FORMS FOR THE TRUST DEPARTMENT —*Continued.*

SUNDRY FORMS FOR THE CORPORATIONS DIVISION, TRUST DEPARTMENT.†

In the handling of a trust in which the company acts as trustee under a bond issue, the first entries are made, as already stated, in the Trust Register, such entries giving an outline of the provisions contained in the deed of trust. The next entries that need to be made are in the Tickler—memoranda of interest periods, due dates of the bonds, sinking fund payments, date of record of chattel mortgages, if any, and memoranda of miscellaneous provisions to be attended to periodically. When the bonds are engraved and duly

BOND REGISTER TRUST NO. 100

TITLE The Inter-Urban Traction Company TOTAL ISSUE $2,000,000.00

Cons. MORTGAGE 5 % Gold BOND DUE Sept 1st 1925 INTEREST PAYABLE Mch & Sept 1st

The Cleveland Trust Company. SHEET NO. 1 FROM 9.1.05 TO

BONDS RECEIVED						BONDS DELIVERED						BONDS OUTSTANDING
Date	Numbers From	Numbers To	Denomination	Amount		Date	Numbers From	Numbers To	Denomination	Authenticated by	Amount	
9 1 04	1	2000	$1000	$2000000		9 1 04	651	1000	$1000	John Smith - Pres	$350000	$350000
						4	1001	1500	1000	do	500000	850000
						5	1501	1600	1000	do	100000	950000
						6	1601	1700	1000	do	100000	1050000
						9	1701	1850	1000	do	150000	1200000
						12	1851	1900	1000	do	50000	1250000
						14	1901	2000	1000	do	100000	1350000
												1340000

BONDS RETIRED				
Date	Numbers From	Numbers To	Denomination	Amount
9 1 05	651	660	$1000	$10000

FIG. 39.—BOND REGISTER, FIRST PAGE.

signed by the proper officers of the company issuing them, they are turned over to the trust company which acts as trustee, and record of their receipt is then made in the Bond Register, a form of which is shown in Figures 39 and 40. At the top of the first page (Figure 39) is given certain general information regarding the bond issue. Under the heading "Bonds Received," a record is made of the bonds turned over to the trustee. As the bonds are authenticated by the trustee and delivered on order of the issuing company, record of such deliveries is made under the heading "Bonds Delivered;" and the last column on the page shows the total number of bonds outstand-

* Publication of this series of articles was begun in the January, 1904, issue of the MAGAZINE, page 31.

†In the preparation of these articles on Trust Company Forms, the writer wishes to acknowledge his indebtedness to the various companies which have been so kind as to supply him with copies of some of their forms, and to Mr. E. E. Newman, of the Cleveland Trust Company, who has looked over the proofs and made many valuable suggestions.

ing at any time. When, in the course of time, any of the bonds are retired, record is made under the heading "Bonds Retired," and the amount of bonds retired is deducted from the last balance shown in the column headed "Bonds Outstanding." Thus, in Figure 39, prior to the retirement of $10,000 bonds on September 1, 1905, the balance of bonds outstanding is shown to be $1,350,000. By the retirement of the $10,000 bonds, the total

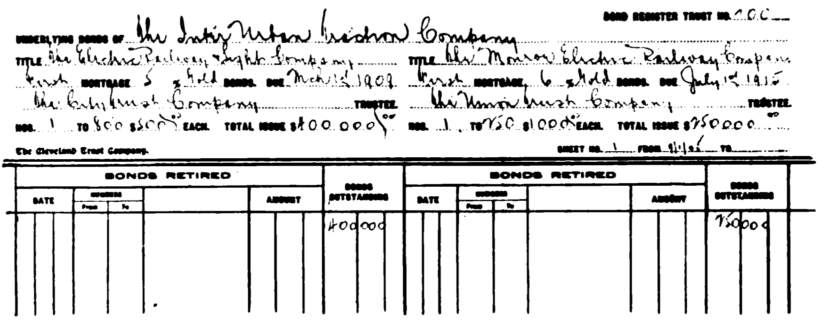


FIG. 40.—BOND REGISTER, SECOND PAGE.

outstanding is reduced to $1,340,000. This record provides the data from which may be learned the serial numbers and denominations of all bonds outstanding at any time and of the bonds remaining unauthenticated in the hands of the trustee. At the left-hand lower corner of the page (not shown in the figure), space is provided for the record of bonds cremated, if any. The advisability of cremating (or burning) retired bonds under any circumstances is a matter of dispute. If done at all, it is done in the presence of officers of

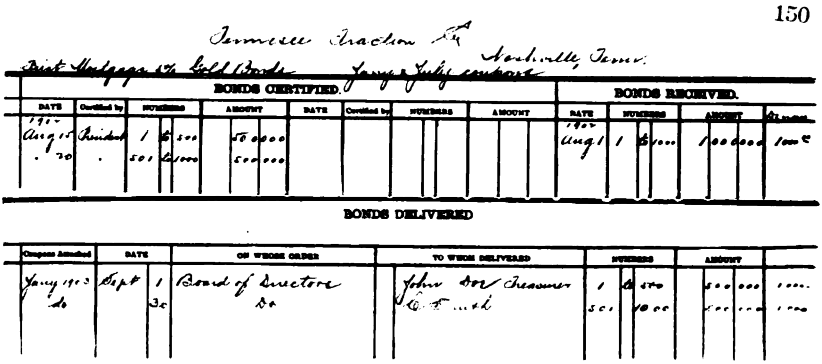
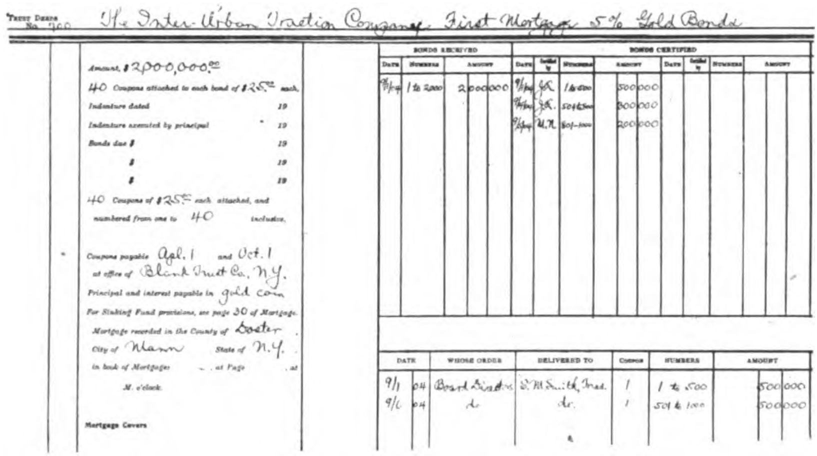


FIG. 41.—BOND REGISTER.

the issuing company and of the trustee company, all of whom sign in duplicate a "Cremation Certificate," their signatures being duly witnessed. The Cremation Certificate reads as follows: "This is to certify that we, the undersigned, have this day, in the presence of each other, destroyed the following-described securities by burning the same to ashes, viz." Thereafter follows a detailed description of the securities burned.

It often happens that there are other bonds underlying a given issue of bonds, and in this form of Bond Register the reverse side of the leaf, shown in Figure 40, is arranged for the records of the underlying bonds, if any.

The entries show that at the time of the issue of the $2,000,000 bonds of the Inter-Urban Traction Company there were outstanding two series of under-



Trust Deeds No. 700 The Inter-Urban Traction Company First Mortgage 5% Gold Bonds

Amount, $ 2,000,000.00
40 Coupons attached to each bond of $ 25.00 each.
Indenture dated 19
Indenture executed by principal 19
Bonds due $ 19
$ 19
$ 19
40 Coupons of $ 25.00 each attached, and numbered from one to 40 inclusive.

Coupons payable Apl. 1 and Oct. 1
at office of Blank Trust Co., N.Y.
Principal and interest payable in gold coin
For Sinking Fund provisions, see page 30 of Mortgage.
Mortgage recorded in the County of Doster
City of Mann State of N.Y.
in book of Mortgages at Page , at M. o'clock.

Mortgage Covers

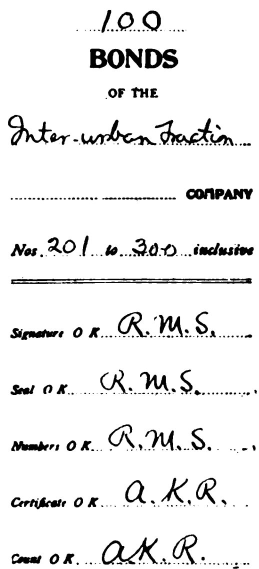
Bonds Received			Bonds Certified							
Date	Numbers	Amount	Date	Certified by	Numbers	Amount	Date	Certified by	Numbers	Amount
9/1/04	1 to 2000	2,000,000	9/1/04	J.K.	1 to 500	500,000				
			9/1/04	J.K.	501 to 800	300,000				
			9/1/04	U.N.	801–1000	200,000				

Date		Whose Order	Delivered to	Coupon	Numbers	Amount
9/1	04	Board Directors	S. M. Smith, Treas.	1	1 to 500	500,000
9/1	04	do.	do.	1	501 to 1000	500,000

FIG. 42.—BOND REGISTER WITH ABSTRACT OF TRUST DEED.

lying bonds, amounting to $400,000 and $250,000, respectively. As these underlying bonds are retired, record is made in the spaces shown. This book is made on the loose-leaf plan.

Figure 41 shows another form of Bond Register, used by an eastern company. The chief difference between this and the form shown in Figure 39 is that in this form provision is made for the record of bonds certified, in addition to the record of bonds delivered. This form could be improved by the addition of a column showing the amount of bonds outstanding, although such balance may of course be figured from the data given. This form is made up in a permanently bound book, and the opposite folio, which has a simple record journal ruling, is used for memoranda of bonds retired and of any other matters of importance affecting the account. The same form may of course be adapted to use in a loose-leaf binder.



100
BONDS
OF THE
Inter-urban Traction
COMPANY
Nos. 201 to 300 inclusive

Signature O K R. M. S.
Seal O K R. M. S.
Numbers O K R. M. S.
Certificate O K A. K. R.
Count O K A. K. R.

FIG. 43.—MEMORANDUM CARD FOR PACKAGES OF BONDS.

Figure 42 shows a form of Bond Register which includes space for an abstract of the trust deed under which the bonds are issued. With some slight changes in the wording at the left of the page, this is the form given in the Book of Forms issued by the Trust Company Section of the American Bankers' Association. At the bottom of the page (not shown in the figure), provision is made for a record of the names of the officers who executed the deed of trust for the mortgagor company and for the date when all bonds are reported redeemed. The right half of the page calls for about the same information as that called for in Figure 41.

Before certifying and delivering bonds, the trust company must of course be certain that everything necessary has been attended to. A convenient way of handling the work is to have the bonds done up in packages, and a card like that shown in Figure 43 attached to each package., Before the package is tied up, trusted clerks examine the bonds for particular features and certify to their correctness by placing their initials on the card as shown in

REQUISITION FOR BONDS.

REQUISITION FOR BONDS.

Chicago, Ill. 3/1 1905

To the Blank TRUST COMPANY OF Chicago, Trustee.

Please authenticate under the 1st Mortgage of this Company, dated Sept 1 1905, 1000 Bonds $1000.00 each, Nos. 1 to 1000 inclusive, bearing coupon due Mch. 1, 1906 and subsequent thereto, and deliver the same to the order of John Napoleon, Treas.

The Inter Urban Traction Co.

$1000,000.00 By G. W. Washington President

FIG. 44.—REQUISITION FOR BONDS.

the figure. Thus, "R. M. S." has satisfied himself by examination of the bonds that the signature of the proper officer of the corporation and the seal of the corporation appear on each bond, and that the bonds and coupons are consecutively numbered as stated on the card. "A. K. R." has examined the bonds and found that the certificate of the trust company as trustee

Received, New York, Sept. 1 1904, from the BOWLING GREEN TRUST CO., New York, Trustee, 500 Bonds of The Inter-Urban Traction Company $1000.00 each, Nos. 1 to 500 inclusive, duly authenticated by said Trust Company as Trustee, under the First Mortgage of said Company, dated July 1, 1904. Coupon No. 1 of Jan. 1, 1905 and subsequent thereto attached.

The Inter-Urban Traction Co

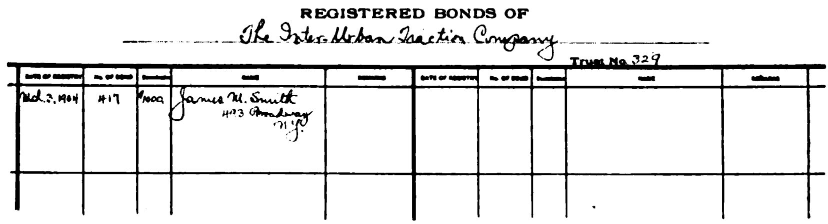
$500,000.00 By John Doe President

FIG. 45.—RECEIPT FOR BONDS.

has been signed on each bond and that the count of 100 bonds in the package is correct.

Some companies have a blank Requisition for Bonds, which the corporation issuing the bonds is expected to fill out and hand to the trust company when it desires some of its bonds authenticated and delivered. A form for such a requisition is shown in Figure 44. This matter is, however, often attended to by letter or even by telephone, and in any event, the bonds are of course delivered in accordance with the provisions of the deed of trust. When the bonds are delivered, the trust company takes a receipt for them, in a form like that shown in Figure 45.

With reference to the matter of the payee, bonds are either registered or coupon bonds. Registered bonds, strictly so-called, are rarely issued in this country, except by the National Government. Coupon bonds, both principal and interest, are payable to bearer; but provision is usually made for the registering of such bonds as to principal or interest, or both, at the option of the holder. The trust company, acting as trustee under bond issues, must therefore keep a Record of Bonds Registered, a common form of which is shown in Figure 46. Other forms of this record provide a separate column


REGISTERED BONDS OF

The Inter-Urban Traction Company

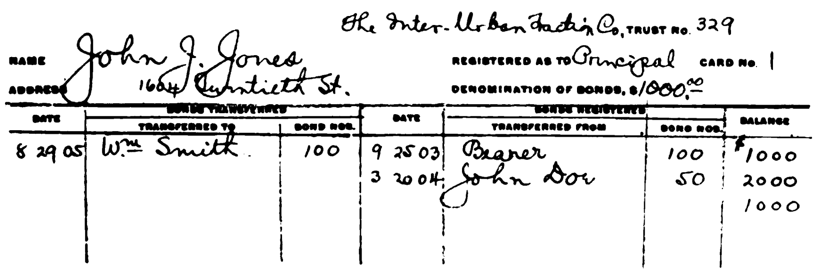
Trust No. 329

Mch. 3, 1904	#17	$1000	James M. Smith 493 Broadway N.Y.

FIG. 46.—RECORD OF BONDS REGISTERED.

for the address of the payee, and some provide a column for the name of the officer of the trust company by whom the bonds were registered. If the bonds are registered bonds, the bond numbers should appear in the record in consecutive order; but if coupon bonds, only a few of which may be registered, such order is not important. The book should be made on the loose-leaf plan, to avoid waste of space where only a few bonds of a given issue are registered.

Figure 47 represents a card form for a Record of Bonds Registered. The


The Inter-Urban Traction Co., TRUST NO. 329

NAME John J. Jones

ADDRESS 1664 Twentieth St.

REGISTERED AS TO Principal CARD NO. 1

DENOMINATION OF BONDS, $1000.00

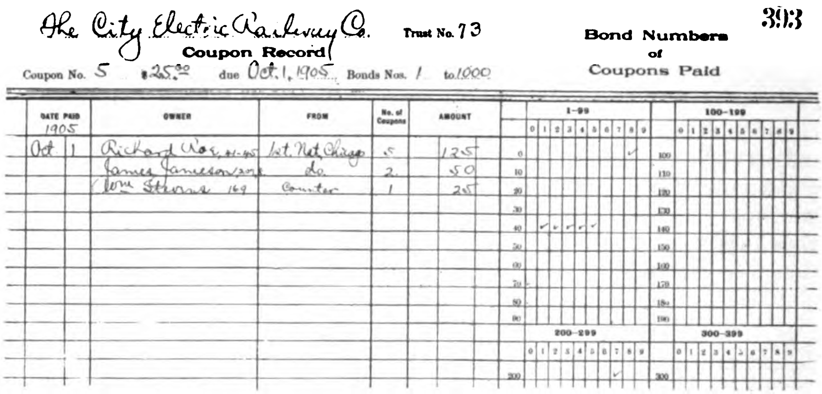
BONDS TRANSFERRED			BONDS REGISTERED			
DATE	TRANSFERRED TO	BOND NOS.	DATE	TRANSFERRED FROM	BOND NOS.	BALANCE
8 29 05	Wm. Smith	100	9 25 03	Bearer	100	$1000
			3 20 04	John Doe	50	2000
						1000

FIG. 47.—RECORD OF BONDS REGISTERED.

cards are kept in a case, an index card for each corporation whose bonds are registered being provided. After the index card are inserted the individual cards in alphabetical order of the names of the holders. This form has the advantage of showing both the transferrer and the transferee of the bonds.

In the handling of coupon bonds the trust company is called upon to act as agent for the payment of coupons as they mature, and therefore has need of a coupon record, a form of which is shown in Figure 48. In Figure 12* has been shown a form combining a coupon record with a coupon ledger

*See THE BANKERS' MAGAZINE for September, 1905, page 339.


The City Electric Railway Co. Trust No. 73 — 393

Coupon Record

Bond Numbers of Coupons Paid

Coupon No. 5 $25.00 due Oct. 1, 1905 Bonds Nos. 1 to 1000

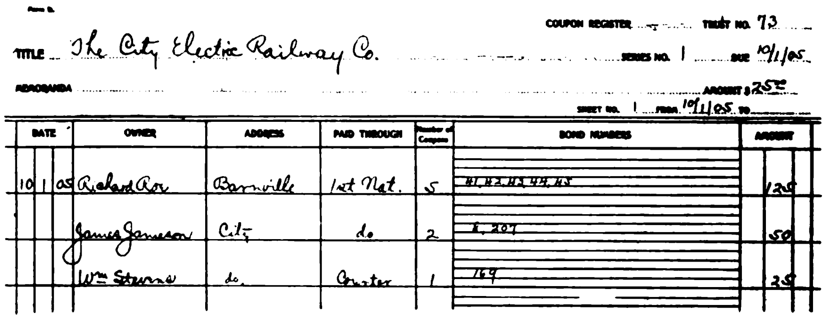
Date Paid 1905		Owner	From	No. of Coupons	Amount
Oct	1	Richard Roe, 41-45	1st. Nat. Chicago	5	125
		James Jameson, 2, 207	do.	2	50
		Wm. Stearns 169	Counter	1	25

FIG. 48.—COUPON RECORD.

account. As there stated, the combining of the two records is a great convenience and time-saver. Many companies, however, keep the two records separately. It will be seen that the form for the record of bond numbers of coupons paid at the right of Figure 48 is identical with form at the right of Figure 12, and its use has there been explained. It need be added here only that the use of this form is a decided protection against forgeries, as it shows at a glance whether the coupon from a given-numbered bond has been paid. The balance of Figure 48 is self-explanatory. It is not always possible to learn the name of the owner of coupons presented, especially when a large number of coupons comes through another bank, but it is of advantage when possible. Although coupons are payable to bearer, many companies make an effort to learn the name of the person who presents coupons for payment at the counter.

It is often of great advantage for the trust company to have a list, even if not complete, of the holders of the securities. If a refunding plan is to be carried out, or when under the sinking fund provisions the funds held are to be used for the retirement of bonds at certain periods, if a list is at hand, the trustee may communicate direct with the holders of the bonds, instead of relying upon advertisements. If such a list of holders is obtained, however, it must, of course be used with extreme care.

Figure 49 shows another form of Coupon Register, which differs from


Coupon Register — Trust No. 73

Title The City Electric Railway Co. Series No. 1 Due 10/1/05

Memoranda — Amount $25.00

Sheet No. 1 From 10/1/05 To

Date			Owner	Address	Paid Through	Number of Coupons	Bond Numbers	Amount
10	1	05	Richard Roe	Barnville	1st Nat.	5	41, 42, 43, 44, 45	125
			James Jameson	City	do	2	2, 207	50
			Wm. Stearns	do.	Counter	1	169	25

FIG. 49.—COUPON RECORD.

that shown in Figure 48 chiefly in the manner of recording the bond numbers of coupons paid. This form shows more clearly the coupons presented by each customer, but makes it much more difficult to learn whether a given coupon has been presented.

TRUST DEPARTMENT.

Illinois Trust & Savings Bank.

CHICAGO, Oct. 20 1905

The Inter-Urban Traction Co.

Chicago

Ill.

GENTLEMEN:—We send you herewith 328 Coupons, for $25.00 each, amounting to $8200.00, from bonds of your Company, as set forth in receipt hereto attached, duly paid and cancelled by us.

You will please have said receipt properly signed, detached and returned to this Bank.

Yours truly,

ILLINOIS TRUST & SAVINGS BANK.

$8200.00

TRUST DEPARTMENT.

Illinois Trust & Savings Bank.

CHICAGO Oct. 21 1905.

Received of ILLINOIS TRUST & SAVINGS BANK, the following:

328 Coupons No. 7 for $25.00 each, for interest due Oct. 1, 1905 on bonds of The Inter-Urban Traction Co. numbered 17, 18, 23, 74, 101 to 200 inclusive, 784, 785, 813, 820 to 879 inclusive, 890 to 925 inclusive, 1101 to 1205 inclusive, 1379 to 1392 inclusive, 1406 to 1410 inclusive, 1453, duly paid and cancelled by said Bank

The Inter-Urban Traction Co.

By Ralph R. Rate, Treas.

FIG. 50.—COUPON REMITTANCE FORM AND RECEIPT.

At convenient intervals, or upon the request of the corporation issuing the bonds, the coupon clerk returns the paid coupons (which have been cancelled as paid). Trust companies usually have a printed form for such remittance,

Bowling Green Trust Company,
26 BROADWAY.
NEW YORK

Oct. 20 1905

The Inter-Urban Traction Co.
Chicago, Ill.

Dear Sir:

We forward you to-day by Express a package of Coupons, aggregating Eighty-two Hundred Dollars, properly cancelled, the said coupons having been paid by us out of funds deposited by your Company for that purpose.

Please sign and return the accompanying receipt.

Respectfully,
BOWLING GREEN TRUST CO.
By R.O.O.

DESCRIPTION OF COUPON	COUPON DUE		COUPON NO.	NUMBER OF COUPONS	@	AMOUNT			TOTAL		
201 to 300 incl.	10/1	05	7	100	25	25	00				
307, 308, 319-325, 328, 394, 395	10/1	05	7	12	25	3	00				
418 to 475 incl., 480 to 496 incl.	10/1	05	7	75	25	18	75				
501 to 580 incl., 587, 588, 590.	10/1	05	7	83	25	20	75				
1001 to 1069 incl.	10/1	05	7	69	12½	8	62	50			
1112, 1118, 1127, 1143, 1144	10/1	05	7	5	12½		62	50			
307, 308, 319-325, 328, 394, 395	4/1	05	6	12	25	3	00				
307, 308, 319-325.	10/1	04	5	9	25	2	25			82	00

Received Oct. 21 1905 from the Bowling Green Trust Co. of New York, the above described coupons aggregating Eighty-two Hundred Dollars the said coupons having been paid by Bowling Green Trust Co. out of funds deposited by this Company for that purpose.

The Inter-Urban Traction Co.
By Ralph R. Rote, Treas.

FIG. 51.—COUPON ENCLOSURE FORM AND RECEIPT.

consisting of a letter notifying the corporation of the remittance, accompanied by a receipt to be returned to the trust company. Two such forms, which explain themselves, are shown in Figures 50 and 51. The form shown in Figure 51 is of advantage where coupons of different denominations or of different numbers are to be sent in the same remittance, as often happens.

A trust company needs some means of keeping record of the fees charged to and paid by its customers in the Corporations Division of the trust de-

FEE LEDGER

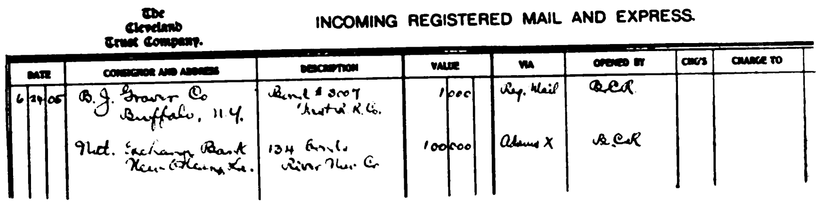
NAME The Inter-Urban Traction Company TRUST NO. 100 CARD 1
ADDRESS BILL REND'D

DATE			DESCRIPTION	LEDGER	DEBIT		CREDIT		BALANCE	
9	1	04	Services certifying $7,000,000.00 bond issue		$70	00				
			Recording trust deed in Union County			12			70	12
	15		Cash rec'd				70	12		0
3	1	05	Services paying coupons #1 $33150.00 @ ¼ %		84	38			84	38
4	1	05	Cash rec'd				84	38		0

FIG. 52.—FEE LEDGER.

partment. In the Estates Division of the trust department, such fees are usually charged on the regular accounts. Figure 52 shows a form of Fee Ledger. This is a card ledger, the cards being kept in a case, arranged alphabetically with index cards.

The record of registered mail and express received by and sent from a trust company concerns all departments of the institution; but the trust de-

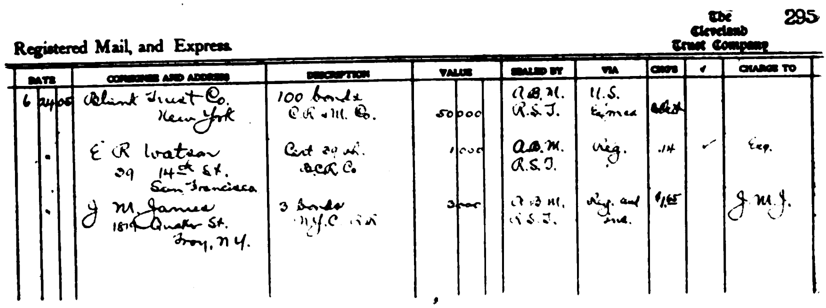

The Cleveland Trust Company.

INCOMING REGISTERED MAIL AND EXPRESS.

DATE	CONSIGNOR AND ADDRESS	DESCRIPTION	VALUE	VIA	OPENED BY	CHG'S	CHARGE TO
6 24 05	B. J. Grover Co. Buffalo, N. Y.	Bond # 3007 Buffalo R. Co.	1000	Reg. Mail	B.C.R.		
	Nat. Exchange Bank New Orleans, La.	134 Bonds River Ter. Co.	100000	Adams X	B.C.R.		

FIG. 53.—RECORD OF INCOMING MAIL AND EXPRESS.

partment is so much concerned with the record that it seems best to include this form here. Figure 53 shows a form for the record of incoming packages,


295

The Cleveland Trust Company

Registered Mail, and Express

DATE	CONSIGNEE AND ADDRESS	DESCRIPTION	VALUE	SEALED BY	VIA	CHG'S	✓	CHARGE TO
6 24 05	Blank Trust Co. New York	100 bonds C. K. & M. Co.	50000	A.B.M. R.S.J.	U.S. Express			
"	E. R. Watson 29 14th St. San Francisco	Cert 20 sh. B.C.R. Co.	1000	A.B.M. R.S.J.	Reg.	.14	✓	Exp.
"	J. M. James 1814 Quaker St. Troy, N. Y.	3 bonds N.Y.C. R.R.	3000	A.B.M. R.S.J.	Reg. and Ins.	1.65		J. M. J.

FIG. 54.—RECORD OF OUTGOING REGISTERED MAIL AND EXPRESS.

and Figure 54 a form for outgoing packages. These records are very valuable if not indispensable.

CLAY HERRICK.

(*To be continued.*)

BANKS IN IRELAND.—According to a recent report by Consul Moe, of Dublin, the deposits and cash balances in the joint stock banks of Ireland amounted in December, 1904, to $224,418,647, exclusive of $10,764,698, belonging to the Government and other public institutions, deposited in the Bank of Ireland. The year before the amount was $220,934,233. The balances in the post-office Savings banks were $47,920,425, against $46,460,475 the year previous. In the postal savings banks and the trustees' savings banks together there were $59,867,683, against $58,417,466 the year previous. This is the highest amount ever recorded. The increase in the last six months of 1904 was nearly $10,000,000 more than during the previous half-year, but $647,244 below the average semi annual increase for the previous twenty-one half-year periods.

FOREIGN EXCHANGE.

I.

THE FRUITS OF COMPETITION.

If the last half-century is any criterion, it must be evident, even to the casual observer, that the next half-century will see commercial intercourse between the United States and foreign countries grown to fabulous proportions. In our natural resources, our increasing wealth and our inevitable trade development, we have the fundamentals of a creditor nation. Possessing these, and supplementing them by native energy and initiative, it is not in the least prophetic to assert that we, as a nation, are on the eve of a trade development which will carry our articles of commerce in vast quantities to all quarters of the globe. The increased and increasing facilities for this commercial expansion are the forerunners which point the way. The perfecting of these facilities, however, is attended by problems which do not solve themselves: the proprietors of such facilities are both collectively and severally responsible for their fitness, stability and efficiency. Accountability for these qualities cannot be evaded. If unfitness obtains as to any of the facilities which go to make up our commercial propaganda, those responsible for it must either devise and apply remedies, where such are possible, or stand charged with being grossly indifferent to the welfare not only of the immediate business in which they are engaged, but of our general commercial system as well.

In view, then, of the leading role which our foreign bankers* must play in this inevitable trade development, and the haphazard methods which obtain all too generally in the conduct of their business, there is evident necessity for an organization among them designed to control, regulate and give all possible stability to the rates and credit of the exchanges arising from this international commerce. The wisdom of concerted effort in promoting the general interests of any commercial body is not open to question. Associations of this nature are operative in practically all classes of trade and business; they develop and stand for measures which make for the common good; they engender desirable business fellowship; they develop a spirit of co-operation which is beneficial in many nameless ways. Yet, notwithstanding the favorable results which such an organization among them would undoubtedly accomplish, foreign bankers do not seem alive to its necessity. Mutual discussion and action as to their common good, instead of keeping pace with the development and importance of their business, has actually grown less and less, until an attitude of seeming indifference to other than individual welfare is now the vogue. Without an organization having for its purpose the promotion of their interests as a body, without collective discussion as to conditions, ends or tendencies, without business

*The term "foreign bankers," wherever used in this and subsequent articles, is meant to include all banks and trust companies which do a foreign exchange business, as well as foreign bankers proper.

fellowship, without even personal acquaintance, save in comparatively few instances, foreign bankers are apparently imbued with the idea of succeeding individually; forgetting, or so it seems, that they, by the very essentials of their business, are bound together in such a far-reaching network of dependency that individual welfare cannot be safely or sanely promoted except in keeping with the welfare of all.

This principle applies more forcibly to the business of foreign banking than to any other in our entire commercial system. Of this fact we have abundant evidence in the abuses and dangers which a lack of its recognition has produced. The evil effects of abusive or unsafe methods are nowhere more quickly or keenly felt than in the banking world, which truth is its own best argument for measures to prevent them. This individual struggle to succeed has brought into existence many practices which are unsafe, unprofessional and wholly unworthy of bankers. The quoting of rates at whatever point necessary to win counter customers away from a competitor; the prostitution of foreign exchange facilities by using them to indirectly influence business in other channels; the issuing of commercial credits without margins commensurate with the increased risk attendant upon such operations; the cheapening process of seasoning bills too rapidly; the buying and selling at rates which by no calculation can be made to represent a fair profit on their capital and facilities, not to speak of insurance on the risk involved; the cold-blooded strife which continually tempts one to win by fair means or foul—these are some of the fruits of the present competition between foreign bankers. Such practices evolve improper business tactics; they make for lower instead of higher standards; they are destructive, not constructive. Moreover, they tend to deaden the nobler impulses of men, which fact alone, were there none other to condemn them, puts them beyond defense.

This viewpoint, be assured, is not merely that of an idealist or visionary. Indifference to these facts does not dispose of them. Business ideals are quite as essential as business principles, and ultimately hold us to equally strict account. To those, however, who choose to consider the matter from the more material standpoint, there is offered the further fact that this struggle by foreign bankers to win individually not only tends to destroy business ideals, but tempts those concerned to operate in defiance of safe business principles. For it may be laid down as a principle essential to safety, that the foreign banker must, between the bills which he buys and his own which he sells against them, derive a profit which shall not only be a fair return on the facilities and capital which he provides, but insure him against the risk involved as well. It is idle to contend that such minimum can be safely abridged. But being unable individually to command this minimum of safety, the foreign banker is continually under pressure either to disregard it and meet all competitive quotations, or to allow his prospective customer to seek someone who will. Faced thus on the one hand by these competitive quotations and on the other by the necessity of producing results, it would be strange, indeed, if he did not often find himself paying first-rate prices for second-rate bills, extending his credit limits beyond the dictates of prudence, and in many other ways making compromises with his sense of what is safe. Whoever contends that such duress is in any way compatible with sound banking must, to say the least, have abiding faith in the resistive power of human kind. Some foreign bankers, because they refuse to abridge this minimum of safety, have, in the main, given up the purchase of commercial bills, and now seek profit in other and safer channels. Those who, under the present competitive system, still purchase them in great qualities without adequate profit to themselves, may fare well enough as long as the financial skies are clear. But it is improvident banking none the less, and there needs only the inevitable financial crash to rudely awaken them to the danger lurking in such a policy. When the inevitable loss comes, as come it will, the foreign department will be forced to make good by drawing on a general surplus fund to which, in all probability, it has not aforetime contributed its quota of profits. Financial strength may make this kind of foreign banking practically safe, but no amount of capital or surplus can make it fundamentally so.

The lack of fair profit in the present competitive method of trading in foreign exchange has another equally serious result: it tempts the foreign banker to resort to the doubtful expedient of seeking, through an immense speculative turnover, the returns which he should derive from regular and more legitimate channels. This expedient is harmful in that its effect is always to accelerate, and often directly produce, artificial fluctuations in rates which properly should be left to their natural course. Further, it is harmful in that it gives rise to the speculative broker—a business genus sprung up in these later years, whose office is, through the medium of open contracts, to pit his market judgment against that of the banker. If he has any other, it is not apparent. The necessary propaganda of foreign exchange does not require him; he neither trades on orders nor draws his own bill, and cannot, therefore, have any legitimate requirements for remittances. In the speculative propaganda, however, this type of broker is a very important factor: he enlarges the field of operating by buying and selling when no one else will. Often it is upon his initiative entirely that market movements are begun; after which he, along with the banker with whom he competes, adds his quota of artificial impetus to the fluctuation in progress. Anyone who compares the rate fluctuations of the past few years with those of former times will find convincing evidence that the influence of this speculation is not assumed. Besides, such terms as "short," "long," "reaction," "oversold," "short covering," "unloading," and others which apply to highly speculative markets, have become a part of the foreign banking vernacular; which is in itself proof that this speculative turnover is no negligible factor. Nor does it require any genius to observe that the countenance given these operations is not growing less, and therein lies cause for reflection. If men are to play with the world's greatest and most vital commodity much as boys play with marbles; if regard for the commercial sacredness of money lays no restraining hand on speculation in it; if it is to be bought and sold with little or no thought as to its office or its power, then truly we are approaching evil days.

But, laying aside the right or wrong of this speculative turnover, there remains the question of its efficancy. The assertion is here ventured that the foreign banker who attempts it, after all his extra work, after all his increased endorsement liability, after all the anxiety attendant upon it, will at best show no greater actual gain at the year's end than a fair and stated profit on a comparatively small turnover would have afforded him. Indeed, he cannot tell when he really has made a profit; for what appears as such at the year's end may, through operations less fortunate, be suddenly offset by a corresponding or greater loss. Considering the certainty of his calculations being often thwarted by factors which he cannot foresee or prevent, the possibility of wresting profit from such adverse odds by means of speculation seems almost nil. The violent fluctuations in foreign exchange rates during the past ninety days attest it. Local call money rates, continental rates on London, foreign bank rates, stock speculation, arbitrages, sterling loans, the cotton market, international bond dealings, the commitments of the speculative broker, wars and rumors of wars—these are a few of the factors which directly or indirectly influence the rates for foreign exchange. The foreign banker who attempts a speculative turnover in such a maze of probabilities and emerges at the year's end with profits would, to say the least, be a speculative genius of the highest order.

It must be evident, even to the layman, that a great majority of the trading methods which obtain at present in the foreign exchange market tend to irregularity of rates—and that in a market where stability of rates should be a cardinal virtue. It is not contended that these disturbing factors can all be eliminated, or that rates would not still fluctuate greatly if they were. But in view of the fact that the necessary volume and the variety of the foreign exchanges are in themselves productive of sharp fluctuations, it is sheer business folly to allow these fluctuations to be increased in range and frequency by unnecessary means. The concerted effort should be to neutralize them as much as possible; the least we can do is to leave them to their natural course. This is a plain duty which every participant, whether banker or broker, owes to the welfare of the very important business in which he is engaged. Those of us who have to do with making the local market owe it additionally to the merchant and to the interior banker, whose operations in foreign exchange arise out of the legitimate and vital commerce of the country. Surely no one believes it fair ever to subject them to making their purchases or sales in an artificial market, when they have no alternative.

It is not supposed that anyone will seriously defend the existence of the abuses and dangers herein set forth, or deny that their influence makes for looser and lower business standards. Nor can it be easily imagined that anyone, seeing the chaos resulting from it, will contend that our present system of trading in foreign exchange is the best that can be devised. In this business, as in all others, there are safe and orderly principles which must be discovered and made operative; there are moral standards which must be created and severally maintained. To lose sight of these facts is to invite the very abuses of which complaint is so often made. The present need is not for the foreign banker who can devise mere schemes for his personal aggrandizement, but rather for the one who realizes that his individual welfare cannot be separated from that of the entire body of foreign bankers; and who, therefore, feels that to redeem the foreign exchange business as a whole from the chaotic state to which it has come, is to redeem it thus for himself.

FRANKLIN DICKEY.

NEW YORK.

[This series of articles will be continued in following numbers.]

Kansas Bank.—John Q. Royce, State Bank Commissioner, recently received a report from the Comptroller at Washington showing deposits of $61,000,000 in Kansas National banks. In State banks the deposits are $57,000,000, making a total of $118,000,000, an increase of $8,000,000 in twelve months.

NATIONAL BANK EXAMINATIONS.

The following article on National bank examinations was prepared for The Bankers' Magazine by Geo. M. Coffin, Vice-President of the Phenix National Bank, New York city, and formerly Deputy Comptroller of the Currency. Mr. Coffin is a native of Charleston, S. C. After being educated there and engaging in business for some years, he entered the office of the Comptroller of the Currency, under Mr. Trenholm, in May, 1886, and was soon after made Chief of the Division of Issues. In 1888 he was transferred to the head of the Reports Division, the duties of which included the supervision of examiners' reports. He greatly improved the system of handling the work coming under his direction. The present form of examiners' reports was adopted by Comptroller Lacey at the suggestion of Mr. Coffin. In March, 1896, Mr. Coffin was promoted to be Deputy Comptroller, on the unsolicited recommendation of Comptroller Eckels. Mr. Coffin's work in the Comptroller's office extended over a period of twelve years, during which he enjoyed the confidence and esteem of Comptrollers Trenholm, Lacey, Hepburn, Eckels and Dawes. In 1898 Mr. Coffin resigned as Deputy Comptroller, to accept the Vice-Presidency of the Phenix National Bank of New York.

There has been much recent discussion and criticism of the present system of National bank examinations, and as its defects can be cured only by the action of Congress, agitation of the subject now is timely in view of the recent assembling of that body. Time and again, various Comptrollers of the Currency, realizing the inefficiency of existing law, have recommended to Congress the necessary changes; but their appeals have fallen on deaf ears, and so far they have been unable to overcome the inertia of that legislative body.

The law under which National bank examiners are appointed and their powers and duties defined is contained in Section 5,240 U. S. R. S., which provides that "suitable" persons shall be appointed by the Comptroller "with the approval of the Secretary of the Treasury," with power to make thorough examinations into all the affairs of every National bank, and if necessary to examine the officers and agents thereof on oath; also that they shall make full and detailed report of the bank's condition to the Comptroller. One restriction is that no director or other officer of a bank shall act as its examiner.

For over forty years the law has stood substantially as it was first enacted, except as to the compensation of examiners. In 1864 the law provided pay at the rate of $5 for each day employed in the examination and "two dollars for every 25 miles" traveled in the performance of the duty. Now the remuneration is by a scale of fees graded from $20 up to $75 for each bank, according to its capital stock, except for banks in reserve cities and the Territories, fees for which are fixed by the Secretary of the Treasury, upon the recommendation of the Comptroller.

From an experience of eight years (from 1888 to 1896) as Chief of the Reports Division in the Comptroller's Office, and two years as Deputy Comptroller, the writer is of opinion that there are two serious defects in the law as it now stands, and these are:

I. The *system of fees* out of which the examiner must pay the cost of his traveling and hotel expenses. Not more than one bank can be examined on the same day and none on Sundays or holidays, while the making up of reports and the correspondence consume considerable time, so that in some fields the net compensation is not sufficient to remunerate a competent man. The most pernicious feature of this fee system is its tendency to make the examiner hurry through his work and slur it by not giving sufficient time to each bank, in order to earn the maximum of fees in a minimum of time.

II. The *method of appointment*, which opens the door to the baneful effects of political influence on positions which should be filled with men selected solely with regard to their character, ability and general fitness essentially necessary to the important and delicate duties required. In the banks which they examine, the rules of tenure during good behavior and promotion for merit almost universally prevail, and there is no good reason why the same rules should not apply to bank examiners. Instead, with every change of administration, changes are made without due regard to the good of the service under the pressure of political or other influence, with the result that some of these positions are filled by men entirely unfitted by previous training for their important duties, who are therefore not "suitable persons," as the law prescribes. As an illustration of the results of the present system are a few examples taken at random from actual occurrences of recent years.

1. A bank which had been repeatedly examined during some four years by several examiners appeared from their reports to have $100,000 capital and $20,000 surplus, both unimpaired, with some assets regarded by them as "slow" but probably good. A slight run caused it to close its doors, and it was found that out of some $300,000 loans and discounts $250,000 had been "borrowed" by three directors and was absolutely worthless, while next to nothing was realized from the remaining assets.

2. A bank in a reserve city was examined in the usual course, and the examiner's report estimated a loss of some $20,000 on its entire assets. A month or two after, the directors, of their own accord, wrote off over $50,000 of losses, leaving quite an amount to be written off later. At the same time there was and had been in the bank for some time a large loan in which some of the directors were interested, but no comment was made until the Comptroller's attention was called to the matter by a director, when at the next examination this loan was severely criticised.

3. A bank with $200,000 capital and $60,000 surplus was duly examined and the examiner's estimate of loss was about $20,000. The failure of another bank soon after called the attention of a director to this bank, and, making a personal examination of its affairs, he discovered worthless assets to the amount of $160,000, which were provided for by a fifty per cent. assessment on the shareholders and writing off the entire surplus.

In each of these cases the examiners were men of intelligence and undoubted integrity and regarded as doing good work. An hour's discreet inquiry outside of the bank by the examiner in each case as to standing of borrowers, in accordance with his instructions, would have put him on the track of learning the true value of the assets. In one case the examiner did not even make inquiry of the officers of the bank as to value of questionable assets. One examiner, not now in the service, when the writer suggested that discreet inquiry be made outside the bank under examination as to any doubtful assets, as prescribed by his printed instructions, expressed the opinion that it would not be proper to do this.

These examples are sufficient to demonstrate the defects of a system under which they are possible. While examiners, as a rule, are men of high character and do much good and effective work, still the lack of training in some of them and the fee system are both obstacles to the performance of better service. There can be no question that the sound condition of the great majority of National banks is due more to their good management by honest and able men than to examinations; and if such managers were disposed to speak frankly from their experience of examiners they had known, we would hear some interesting and amusing accounts of incompetency. But good bankers are not disposed to incur the examiner's ill-will by reporting his shortcomings, which, on the other hand, are only too welcome to the crooked bank manager.

Further proof of the banker's lack of confidence in Government examinations is the increasing number of special examinations of banks made by audit companies and expert accountants, which cost much more than do those of the Government. Frankly stated, the Government examinations do not now command the respect and confidence of which they should be fully worthy. Congress therefore, ought to do two things to improve this service:

1. Provide compensation for examiners by salaries (instead of fees), allowing also actual cost of traveling and hotel expenses.
2. Place examiners under civil service rules, as are now all officers and clerks employed in the Comptroller's office, from the Deputy Comptroller down, making their selection and promotion depend entirely upon character, special training and general fitness for this important work.

No one with any experience of human nature will imagine for a moment that any system of examinations can be devised which will completely prevent bank failures, but if there are defects in the existing system, the Government, which undertakes the supervision of these banks, owes it to depositors and shareholders to correct them with the least possible delay, and to provide a service fully equal to any now furnished by private enterprise, free from any suspicion of sinister political influence.

The recent disastrous failure of a National bank in Pennsylvania with political affiliations and the dismissal of the examiner for incompetency is the latest and strongest argument for such changes in the law as are urged in this article.

GEO. M. COFFIN.

Prosperity in South Carolina.—"The State," published at Columbia, S. C., in its issue of October 1 presents letters from nearly all the banks of the State regarding business conditions. It summarizes these letters as follows:

"The condition indicated in South Carolina at this time is one of remarkable and general prosperity. Ten cent cotton, even with a short crop, means 'good times' for the farmers and that means good times for the merchants and banks. The effect is seen as well in the crowded dormitories of the schools and colleges, reports from which have already been published in 'The State.'

The remarkable thing in these letters is the statements which occur in very many of them that the farmers are large depositors. Another thing is the fact several times mentioned that the demand for farm lands is good and that the prices of good farms are steadily advancing."

In 1895 the total deposits in the banks of South Carolina were $13,065,240, compared with $28,183,940 in 1905.

A PRACTICAL TREATISE ON BANKING AND COMMERCE.

LOANS.

DIFFERENCE BETWEEN THEM—LOANS TO VARIOUS CLASSES—TO FARMERS—TO GRAIN MERCHANTS—WAREHOUSE RECEIPTS OF VARIOUS KINDS AND THE LAW RELATING THERETO.

When a banker has acquired sufficient information as to persons and securities to enable him to part with money with reasonable assurance of its return when promised, he may enter upon that difficult field of operations which will prove either the making or the marring of him, viz., the conducting of Loans and Discounts. It is obviously in this department of a banker's business that the connection between Banking and Commerce is most clearly shown, and most constantly in operation. The public at large has to do with banking corporations as issuers of circulating notes and receivers of deposits, but in making loans and discounting bills, banks have to do with the Commercial classes almost exclusively. It is well, however, at this stage, for the sake of clearness to reiterate that the word "commerce" is used throughout this work in a broad and comprehensive sense. Besides the merchant, properly so called, the whole class of manufacturers is included, inasmuch as they require to *sell* what they produce and to *buy* their raw material. For the same reason, the whole farming class is included; for the farmer appears on the market both as a *seller* and a *buyer*. He sells his products, and he buys his machinery and materials.

Banking is distinguished from money lending in that it requires an active "*turn-over*"; hence loans for periods of years are entirely foreign to its scope, as, also, are loans of money which, even if made to a business firm, cannot be repaid periodically out of its active operations. To loan a manufacturer money to build or equip a mill is a violation of prudent banking, even though the security may be good. The whole operation of loaning money on security of land, buildings, ships, or mines, belongs to another category of business than banking. This has been so recognized by the Legislature of Canada in granting charters to banking corporations, that they are absolutely prohibited from lending money on immovable property.

This, therefore, being understood at the outset, let us enquire what line of loans are called for by the operations of commerce? On what ground, and with what documents of security, can a merchant or manufacturer properly approach a banker when he desires the use of the bank's money?

DISTINCTION BETWEEN LOANS AND DISCOUNTS.

This question opens up a variety of considerations, the first of which is the distinction between loans and discounts.

Though both classes naturally arise in the dealings of bankers with commercial customers and both are exactly alike in that they draw money from a bank, there are fundamental differences between them in their origin, nature, and practical working. The main difference is this. When a merchant or manufacturer has made a sale of goods and received in return a written promise to pay for them at a definite time, he is in possession of a valuable document, which he may offer to a banker for *discount;* that is, he will ask the banker to give him the amount promised in the document, deducting the interest thereon. This deduction of interest beforehand is what the word "discount" means. The merchant, of course, signs his name to the document, and this signature, in law, operates as a guarantee of payment, should the other party not fulfil his promise.*

The banker, therefore, having a document founded on a sale of merchandise (for value received, as the technical expression is), has a *prima facie* assurance that merchandise of sufficient value to ensure payment has passed from the seller to the buyer. This transaction between the banker and his customer has a close analogy to the purchase and sale of a commodity; the bill being the commodity, and the net proceeds of the discount the price paid for it. And it has been contended by an able writer on banking that this is the proper mode of viewing it; that is, as a *sale with guarantee;* and that the proper title of all such transactions in a banker's books and elsewhere is not "Bills Discounted," but "Bills Purchased." This practice has been adopted by some bankers, and it has the advantage of making a clear distinction between two classes of transactions, the confounding of which on this continent has worked very serious mischief.

A banking loan is a different matter in several respects. To begin with, it is, as a rule, applied for at an earlier period. The customer has no promise from a buyer to offer; in fact, in many cases, he has not any salable goods in possession when he negotiates the loan. What he desires is to borrow the money in order to *produce* the goods; or, in some cases to *bring the goods* to his warehouse. The transaction, to go to the root of it, is *borrowing money*, instead of *selling a document.* It is important to keep the distinction clear; but this is more difficult on this side of the Atlantic than in Great Britain, owing to the prevailing practice of having borrowings represented by promissory notes, made in the same form as those given for a purchase of goods.†

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*This is the usual course of business. But there are cases, especially in large financial centres, where a banker or bill-broker agrees to relieve the merchant from being so called upon. In that case, the merchant when endorsing the bill, adds the words "without recourse," meaning (and this is the legal effect of the term), that he is not to be called on for payment in case the bill is dishonored. The banker, of course, charges a higher rate for such a transaction.

†The notes which represent borrowings are often treated by Canadian banks in the same manner, and entered in the same books as trade bills discounted, although the transactions they represent are radically different. The practice in England and Scotland renders such confounding of loans and discounts impossible. Loans or advances are made by means of what bankers here call "overdrafts;" the balance of the current account of the customer being allowed to run on the debit side for a specified term, up to a specific amount agreed upon. Such debit balances are usually secured. The security, however, is not given by the simple endorsement of a promissory note, but by a formal guarantee duly signed, sealed and delivered; or it may be by a mortgage of such property as the law allows to be taken as a basis for bank advances. This mode of making advances is called in Scotland the "Cash Credit" system. But the system of English banks is practically the same. Both agree in establishing a distinction between money lent to a customer and trade bills discounted for him.

When a loan or standing credit is proposed to a banker, there arise these practical considerations: For how much? For how long? For what purpose wanted? On what security? The two first can be answered in a few words, but with regard to the two last, long explanations may be needed; and much consideration and consultation before an answer can be given. Here the difference between a loan and a discounted bill becomes very apparent; for when a trade bill is offered, three of the foregoing questions are answered by the bill itself. For it tells for how long, for how much, and on what security; and that without a word spoken by the customer who offered it. But when he desires a loan, a customer must explain himself on every one of these points, and be prepared to answer questions as to the two last.

There are as many varieties of loans as there are of *occupations* in the district where transactions arise and each variety has its own special conditions. All these may be summed up in the five following classifications:

1. Loans connected with Agricultural pursuits, and with the dealing in their products.
2. Loans connected with the products of Woods and Forests.
3. Loans connected with Manufacturing industries, as well as mining, fishing, etc.
4. Loans arising out of the Importing trade; and the dealing in manufactured articles.

All these are distinctly commercial.

But there are also loans to various classes of corporations, such as railways, power companies, municipalities and Governments; or, to capitalists other than merchants or to private individuals. Before proceeding to consider in detail the loans indicated, one general remark may be made with regard to all, viz., that *every legitimate loan from a banker will rest on a foundation of salable merchandise or collectible debts.* Loans, credits or advances that rest on fixed property, no matter how safe they may ultimately be, are not such as a banker can properly make, or should be asked for.

Even when security or real estate may lawfully be taken by a bank, as is the case in England and Scotland, it is always understood that merchandise must be possessed by the borrower to cover it. The property is not considered as the foundation of the loan, as is the case with a mortgage company or capitalist, but as *collateral.* The means of ordinary repayment are always considered, and this must consist of merchandise.

This being premised, various classes of banking loans will now be brought under review, for the purpose of pointing out the conditions which govern them respectively, and the proper mode of dealing with them.

Loans Connected With Agricultural Pursuits.

First amongst these come loans or advances to the cultivator of the soil, the farmer. Loans to farmers are the common staple of the business of branches of banks in rural districts, and the accusation made against chartered banks, that as a rule, they refuse to make such loans, is without foundation. But a bank cannot be expected to lend money to every farmer who applies for it.

If a farmer wishes, as he sometimes does, to borrow money to build a new house, or to make a payment on his land, or to improve his barns and stables, still less if he wants to buy more land, he cannot be surprised if the banker refuses to lend, for none of these will furnish the means within themselves of repayment. That could only be had by forcing the guarantor, or by selling the borrower's property. Further, if the applicant is known to be dilatory, or unsteady, or unreliable in his representations, he cannot expect a banker to part with his money in his favor, no matter how good a guarantor he offers. The fact that a farmer's land is heavily mortgaged, or that he does not own the property at all, are circumstances very unfavorable to borrowing, but if the farmer is a man of respectable character whose promise can be relied upon, and can offer a good guarantor, he may reasonably ask for a loan from a bank for the following purposes:

1. He may require an advance for the purpose of buying seed, preparing his land for a crop, meeting the expenses of gathering in and harvesting, all having in view the resulting crop.

2. A farmer whose principal occupation is breeding horses, cattle or sheep may reasonably ask, and the banker may reasonably lend, as much money as will buy such stock as will, when fattened, *be sold off the farm.* In this case as in the former the money loaned will furnish from within itself the means of repayment. But, obviously, more care is needed for this kind of business than the other.

3. In a dairy district a farmer whose principal product is butter or cheese, or raw material for making them, will, as a rule, need to borrow less than one who has to depend on his crops, for returns of dairy products are more rapid. But he may reasonably ask an advance for such a moderate amount as is required to buy fodder at certain seasons, or as is represented by the amount accumulating at his credit in the books of a cheese factory. (Care, however, is needed here, for this money is sometimes not forthcoming.)

But in the two last cases a banker needs to watch that his money is not used to buy stock *for the working of the farm;* and that cannot be sold without detriment. If he does, although the position is not so unpleasant as if his money were locked up in the land, he will still have a dead loan or lock-up on his hands, and commonly require to obtain payment by an unpleasant amount of pressure. In all dealings with farmers the banker will need to take care that his money is not used *to pay debts.* Almost every farmer has other creditors. Hence it is reasonable that a farmer shall be asked to state his position, what he owes, when it is due, and whence will come the funds to pay it.

In a country district a banker will naturally acquire such a knowledge of a farmer's business as will enable him to judge whether he is borrowing a reasonable amount, considering the size of his farm, or the extent of his dairy operations.

Some bankers, whose whole experience has been with city business, have a dislike to lending money to farmers, as a slow and unprofitable style of business. But in the rural parts of Canada, and the United States, as well as in England, dealing with farmers has generally been found desirable and satisfactory. Loans to farmers rarely result in loss if made with any degree of prudence, and often result in borrowers becoming steady depositors.

Passing from the farmer himself to the man who deals in his products, we are introduced to a class of loans of a more extensive character. Indeed, the operations of the men who buy the products of the farmer are so large as to have given rise to several well-marked lines of subdivision. One class confine themselves to *grain*, others to *cheese and butter*, others to *wool*, others to *cattle*, others to *hogs*.

The country storekeeper, indeed, may buy from the farmers about him more than one of this variety of products; but at the next move, there will be found a differentiation. The larger grain merchants buy grain and nothing else, the wool merchants wool, and so on with the rest. The dealings of each of these classes with a banker are of a character involving a different style of risks, and demanding a distinct line of treatment.

THE GRAIN TRADE.

The most important of these is the grain trade.

This trade is one of large transactions, quick returns, considerable risk, and small average profits; with possibilities, however, of heavy gains at one time, and heavy losses at another. It is a trade, too, in which large speculative operations are constantly going on in great centres. It affords fewer instances than any other of permanent prosperity, and more instances than any other of men who after a lifetime of dealings aggregating millions have ended their career in poverty. Yet no trade renders more valuable service to the country. The movement of crops to market sets all the wheels of commerce in motion. The men, therefore, who perform this service are entitled to honorable recognition in the community, and to a considerate hearing from a banker when they apply for advances. But in dealing with such applications the banker will need to exercise all the faculties of judgment, caution and experience he possesses. The accounts of grain merchants are among the most *profitable* and, in many respects, the most indirectly advantageous that a bank possesses. They can be carried on with much facility in Canada, owing to the admirable system of circulation the country enjoys. The turn-over is large, the returns rapid, and the advances give rise to numerous bills of exchange, both inland and foreign, yielding collateral profits. Yet a prudent banker will never forget that the business is accompanied with unusual risks. When, therefore, a grain merchant proposes to obtain advances, the first consideration will be how much *capital he has of his own*, and in what shape that capital exists. For the amount of such capital and the shape in which it is held furnish an exact index to the amount he may reasonably borrow. No man has the right to hold grain on borrowed money, without having his own capital as a margin against loss to the lender. How much per cent. this margin should be, will depend on the season and the state of the trade; but, obviously, the higher the price, the higher per cent. should be the margin. In such circumstances there is more room for a fall, and more chance for a holder and even the bank itself to lose. When, therefore, a banker knows with reasonable assurance what his proposed customer's capital is he can calculate how much it would be reasonable to lend him.

But this is only the first step. It would be most unwise for a banker to lend any man money to buy grain, unless the borrower had a good knowledge of the trade. Yet this is often wanting. The grain trade is the easiest of all trades for a man to venture upon. If he has a little money he can open an office anywhere and announce himself a buyer of wheat. If in the country, farmers will certainly come to him and sell for cash. If in a city he can go on Change like any other man, or employ a broker to do it, buying and selling to his heart's content, as long as he has money to put up a margin. He needs no warehouse, no store, or factory, or water power, or, in fact, anything whatever such as men need in other lines of business.

This facility is the special danger of the business; and experience proves that when a man enters upon it in this style he will, before long, be ruined.

The *temperament* of the borrower is a matter to be considered. The grain trade is a dangerous one to a man of sanguine temperament. A man of this sort who has borrowed, let us say, $10,000, from a bank, may, instead of buying that amount of wheat, be drawn into putting up the money as a margin for his share in some deal or "corner." This has happened, as will be seen in a subsequent chapter. The risk of $10,000 worth of wheat he could legitimately carry; but the risk of ten or twenty times as much would plunge him far out of his depth.

Even if he avoids speculation, a sanguine man is apt to persist in holding for a rise when he ought to sell, and pay off his advances. To a banker's remonstances, such a man always has a plausible theory, which to him is a demonstration, why prices must inevitably advance. He therefore holds on until a loss is incurred sufficient to ruin him. An example of this is also given.

It may indeed be laid down as an axiom that none but a cautious man is fit for the grain trade. He should also be a man of moderate ideas, and willing to sell when a sound profit can be made. One of the few survivors of the heavy grain dealers of former years, in this country, has attributed his being able to stand while others were falling to the fact he was always willing for *some other person* to take the *last cent of profit.*

Another important point, but one often lost sight of, is that a grain merchant needs to have a certain line of *customers;* exactly as a dry goods merchant has. The man who buys grain in the market for all the world in general, so to speak, without any idea who is going to buy *from him*, is one of those whose mercantile course is generally short. Such buying does not deserve the name of trade. It is simply speculation. All successful grain merchants buy with a definite purpose in view. They have a connection, at home or abroad. They know that certain varieties are wanted by certain people, or in certain markets. Commonly, or frequently, they have orders from millers or distant merchants. Millers who are perfectly good, but whose operations are not large enough to go into a wide market themselves. These are legitimate customers. So are the merchants of foreign cities like Liverpool, London, Glasgow or Antwerp, who maintain a constant correspondence with Canada indicating their particular wants, and not seldom making firm offers to buy. These are all legitimate forms of outlet to a grain merchant on this side the Atlantic. But the man who buys without any specific purpose, and sends his stock to a foreign market on consignment, trusting to the mere chances of the market, and having no idea who will be the real buyer of his stock, is pursuing a road which sooner or later leads to ruin. Of this also a conspicuous example is given in a subsequent chapter.

Loans on Warehouse Receipts.

The amount of a reasonable credit to a grain merchant has already been discussed. It remains now to consider the important question of *Security.*

Except for such moderate amounts as may be advanced to the grain dealer of a small village—generally the storekeeper—the time when personal guarantors or endorsers were commonly offered has long passed by. The amounts are too large for such a form of security to be taken. But as there was necessity for the trade to be carried on, and an almost universal necessity for bank advances to do it, special forms of legislation were devised by which the grain itself could be pledged as security. The ordinary chattel mortgage was seen to be ineffectual, as too slow in operation, and too formal in character for so quick-moving a trade. A special style of pledge was therefore legalized, giving the same rights and powers as a mortgage, yet of so simple a character that men of business could use it without the intervention of a lawyer. This special style of pledge was a *warehouse receipt*, and was so framed as to give the bank advancing upon it, in theory at least, the same power over the commodity as if he had it locked up in a warehouse of his own, always supposing the document to be *genuine*.

The idea of such security has been developed as circumstances arose by amending and enlarging enactments, some of them anything but reasonable, but in its original and natural form the document was an acknowledgment by the keeper of a warehouse that he had so many bushels of grain in his possession, which he would deliver to the owner when called for, or to his order. Such receipts were natural as between the owner of grain and the owner of the warehouse, and were in use long before there was any special legislation about them. The legislation was to enable the owner of grain to make a legal *transfer* to a bank, not of the document merely, but of title to the grain itself, so that a banker would become as much the owner of the grain as if he had bought it; with, however, two important limitations. The banker was debarred from selling the property without giving ample notice and could of course only sell what would cover his advance. Both were most reasonable. But, on the other hand, the banker's right to the grain, after making an advance upon it, was made absolute as against the claim of any other creditor, even of the party who had sold the grain, in case he had not been paid for it. This provision was absolutely necessary to the safety of loans made on the security of such property, and the whole trading community have acquiesced in them as being for their advantage. For they well know that the more perfect the security, the more easy it is to obtain advances on it, and, other things being equal, the more moderate the rate of interest.

The law contained another provision of a perfectly equitable nature, viz., that the document could only carry such powers when it had been lodged at the time the advance was made. It was seen to be unreasonable that a man should be able to pledge grain to a banker as security for an old debt, and that such banker should have a preference even over an unpaid vendor.‡ The law intended that the loan secured by the pledge should always be connected with the pledge itself.

But as time went on, and circumstances transpired, two amendments were made. The most important of these was that a man might pledge grain (and other specified agricultural products) *when stored in his own warehouse;* and that this pledge, when properly transferred, should give a banker the same rights as the receipt of a warehouse keeper would give. This was to meet the case of grain buyers in towns and villages, where no public warehouses exist, and whose purchases were therefore stored in warehouses or sheds of their own. It had reference also to the dealers in other agricultural products, such as cheese and pork, who, even in large cities, almost universally store their goods in warehouses which they either own or lease.

‡There is, however, nothing to prevent a borrower from giving a warehouse receipt to a bank as security for an antecedent debt if he pleases. But in that case the document will give the bank no right to hold the grain as against other creditors. The banker can only take the receipt for what it is worth.

The other amendment was intended to obviate the difficulty experienced by dealers of small capital in complying with the clause that a warehouse receipt to be effectual must be lodged at the time of the advance. The dealer in this case must have bought and warehoused the grain before getting an advance upon it. But many dealers had not capital enough to do this, or had their capital in other forms than money. They required money at the very outset, especially when deliveries were active and heavy. Formerly such men would get these preliminary advances on the security of an endorser; but as this became necessarily difficult, the law was amended so as to allow a warehouse receipt to be a valid security even if lodged after the advance was made. But only with the proviso, that the *borrower must, at the time of getting the advance, have given a written promise to lodge the warehouse receipt in question.* The law thus carried out its original intention to make a distinct connection between the advance and the security.

These amendments were all intended to facilitate borrowing by grain dealers (and dealers in other products of the farm) by enlarging the power to create warehouse receipts and use them as security. But bankers have long ago found out that though the amendments enlarged the powers of borrower and lender, they were far from enlarging the security in the same proportion.

For the difference in the security afforded by a receipt given by a warehouseman for property stored with him by another, and the pledge of a man who has stored goods in his own warehouse is almost inconceivable. In the one case, the banker has the written assurance of a perfectly independent party, that the grain exists, that he has got it for safe keeping, and that he will not part with it except on the return of the document. In the other case, there is no independent person to give the assurance. But this is the feature that gives its peculiar value to such a document. Take this away and the banker has absolutely nothing but the honor of the borrower to fall back upon, guarded of course by the same penalties as are applicable to the man who holds the property of another.

There is as much difference, therefore, in point of real security between an independent warehouse receipt and a man's own pledge, as there is between a man's own promissory note, and a good trade bill. Yet such pledges have their value. If the grain exists, a pledge will hold it against creditors; though it is always in the owner's power to remove it. And as to whether the pledged grain exists, there is the point that to write out a pledge for grain that does not exist is so deliberate a fraud that it is perhaps as rare as forgery.

The same lack of real security (though there is an appearance of it) is found in the taking of a written promise to lodge a warehouse receipt. The only value it has is, that, if when a warehouse receipt comes to be pledged, that receipt will hold the grain although the advance was not made simultaneously with its delivery.

MEMORANDA ON WAREHOUSE RECEIPTS.—EXTRACTS FROM AN ADDRESS ON OWN RECEIPTS AND PLEDGES, TO THE STOCKHOLDERS OF THE MERCHANTS' BANK.

As the productions of the country became more and more diversified, it was important to grant facilities for enabling banks to lend money to purchase them.

So from time to time, the scope of the act, i. e., The Warehouse Act, was enlarged. And the intention of the Legislature in these successive enlargements is clearly shown by the title of one of the acts. It was called "an act granting additional facilities in commercial transactions," a very proper title, too.

So when hogs became an important farm product, pork was included; then hides and wool, then, as maltsters and distillers were large purchasers of farm products, maltsters and distillers were included. Finally, the matter was summed up in general terms of the products of agriculture, the forest, the mine, the sea, lakes and rivers, together with live and dead stock, in addition to which manufacturers were allowed to borrow on pledge of goods of their own manufacture, or raw material therefor.

Down to the very last revision of the Warehousing Act, the great object was kept in view of affording facilities for obtaining money on goods, wares and merchandise; without which the true value of all our products would never be obtained, and the wheels of commerce and industry stand still.

The men who sat on the various Parliamentary committees on this subject were nearly all men of business, who had a practical acquaintance with the needs of the country. They knew the vital importance of affording banking facilities to the dealers in the country's products, and from time to time, as the act was reconsidered, they kept this object steadily in view. Yet they showed their wisdom in the safeguards with which they surrounded the business, and particularly with regard to the right of an unpaid vendor. And to show how equitably the matter is worked, though transactions of this kind have amounted to millions every year, and to hundreds of millions in all, the claims that have been made by unpaid vendors have amounted to an infinitesimal fraction.

But now a mode of looking at this class of business has arisen (through decisions of Judges) which will, if carried on, go largely to defeat the object intended by the Legislature. This is founded on what I must consider to be an extraordinary misconception. It has been asserted in various quarters that the general principle of legislation is that banks shall not make advances on goods, wares and merchandise, and that the cases in which it can be done must be taken as exceptions to a general rule. This idea is not only contrary to the fundamental rules of all banking, but to the spirit and intention of all the foregoing legislation. To legislate that banks shall not make advances on goods, wares and merchandise as a general rule, would be equivalent to a legislation that a saw miller shall not manufacture deals as a rule, or that a dry goods merchant shall not, as a rule, sell cotton, or that a farmer, as a rule, shall not grow wheat.

The very essence of the business of a banker is to advance on goods, wares and merchandise, either in the shape of discounting bills representing goods sold, or making loans to enable goods to be purchased or held. And the whole object of the Warehouse Receipt legislation is to enable such advances to be got at the cheapest rate by basing them on actual merchandise. The restrictive clause of the Act is, that advances on goods shall not be made except as provided by the Act. But the Act itself opens the door to a wide enough range of transactions, and the limitation plainly means that banks shall not lend on goods as a pawnbroker does, or keep warehouses to store them in as the Bank of Germany does, and also that a storekeeper or a dry goods merchant who buys goods on credit shall not have the power of pledging them for bank advances. It is true that the Act gives the lender of the money, when he advances on goods, a right to them, even over an unpaid vendor—a very strong provision, and showing how strong was the desire of Parliament to facilitate loans on merchandise. But it is safeguarded by restricting the operation of the Act to cases in which, as a rule, there *is no* unpaid vendor. Any other limitation, I venture to think, should always be interpreted reasonably and liberally, and with due regard to the great object intended to be accomplished by the Legislature, and to the vast importance of such advances to the country at large in its increasing development.

An Act of Parliament, as we know, may be variously interpreted; in fact, it is impossible to frame clauses that are not susceptible of divers interpretations. If such interpretations are of a nature to hamper and embarrass banks in assisting merchants to handle the products of the country, they cannot be for the good of the community, but very much to its detriment.

G. H.,

Former General Manager Merchants Bank of Canada.

FOREIGN CAPITAL IN MEXICO.—Consul Harris, of Chemnitz, reports vast opportunities for the investment of foreign capital in Mexico, citing the fact that a great deal has gone in already and that the fields are favorable. He quotes the "Chemnitz Tageblatt" as follows:

"During the past thirty years the industrial development of Mexico has been the development of the banking system and foreign capital in that country. In 1876 there was only one bank of any importance in Mexico. To-day there are thirty-three under Government supervision which have the privilege of issuing notes to twice the value of the paid-up capital The National Bank of Mexico is permitted to issue notes to the extent of three times its capital, but has never made use of the privilege. The thirty-three banks already referred to have a capital of about $100,000,000, with $20,000,000 in reserve. At the present time there are representatives of Canadian banks in Mexico for the purpose of studying the industrial conditions of the country. In 1904 over $3,000,000 English capital was invested in the mining region of Durango.

Mexico unquestionably presents a favorable field for foreign capital. Aside from the gold, silver, lead, copper and coal mines, located in the central and northern States of the Republic, petroleum has been found in various parts of the country to such an extent that it promises to become an efficient substitute for wood and coal. The forests of Mexico, at least those within reach, are being destroyed as rapidly as those in the United States and Canada. The great expense attendant upon the importation of coal has forced the price of fuel for factories and railroads up to the highest limit, so that wherever possible the former are utilizing water power to the fullest extent, and the latter are beginning to construct their locomotives for petroleum."

REISSUE OF COUNTERFEIT $10 UNITED STATES (BUFFALO) NOTE.—The counterfeit of the $10 United States note, check letter C, has been reissued with a marked improvement in the color and form of the figures in the Treasury number. They more nearly approximate the genuine. The number of the note under inspection, which passed in New York city, is 15233105. There has been a slight improvement also in the color of the back, which is not so dark as the first issue. The back plate number of this note is 54.

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.

NOTICE OF PROTEST—NOTICE GIVEN TO A FIRM.

New York Supreme Court, Appellate Division, First Department, May, 1905.

TRADERS' NATIONAL BANK *vs.* FRANK CAZEMORE JONES.

The firm of C. F. Beckwith & Co. of Scranton, Penn., executed two promissory notes payable to the order of one Jones, a member of that firm. The notes were first indorsed by Jones and then by the firm of Beckwith & Co. and were delivered before maturity to the Traders' National Bank. The notes not being paid at maturity, notice of protest was served upon the firm. With it, under separate cover addressed to Jones, in care of the firm, was a notice of protest directed to Jones which the firm were requested to forward to him. Beckwith, the other member of the firm, immediately mailed such notice of protest to Jones at the latter's regular address for receiving mail in the city of New York.

In an action brought by the Traders' National Bank against Jones to charge him as indorser upon the notes, it was

Held, that while Jones was presumptively an accommodation indorser for the firm which made the notes and while the firm could not, therefore, in their own behalf, give him a valid notice of protest, the firm could and did, on behalf of the plaintiff bank, and as its agents, give such a notice of protest.

Semble, that the service of the notice of protest upon the firm of which Jones was a member, had the plaintiff alleged that Jones was such member, would alone be sufficient to charge Jones with liability as indorser;

LAUGHLIN, *J.*: The action is brought to recover of the defendant, as indorser, the amount of two promissory notes and protest fees. The question presented for determination is whether the evidence shows as matter of law the giving of due notice of protest to the defendant. Both notes were made at Scranton, Penn., by the copartnership firm of C. F. Beckwith & Co. of that city. They were payable to the order of the defendant, indorsed by him and then indorsed by the makers and delivered to the plaintiff before maturity at whose bank they were payable. The notary who protested the notes was called by the plaintiff. His testimony is sufficient to show due presentation, demand, dishonor and protest, but concerning the mailing of the notice of protest to the defendant it was indefinite and uncertain both as to time and address and conflicted with other evidence presented by the plaintiff. He testified that he addressed the notice to the defendant at some place, the number he could not remember, between 60 and 70 Central Park West, city of New York, and that he obtained the defendant's address from C. F. Beckwith, one of the makers; but he does not expressly state that he addressed the envelope according to the address he received from Beckwith. Beckwith was also called by the plaintiff and gave the defendant's residence, place of business and other addresses for receiving mail at that time, none of which, however, was Central Park West, and further testified that the defendant had had an apartment in Central Park West, but does not specify the time or place. He was not asked concerning the address that he gave the notary. Beckwith testified that the defendant was a member of his firm. It may be that the jury would have been justified in finding that the notary addressed the notice to an address given by Beckwith, the defendant's partner, and that this would be a full compliance with the duty of exercising proper diligence to ascertain the post office address and notify the indorser of the dishonor of the paper which is a condition precedent to his liability. (Spencer vs. Bank of Salina, 3 Hill, 520; University Press vs. Williams, 48 App. Div. 188; Requa vs. Collins, 51 N. Y. 144; Gawtry vs. Doane, Id. 84, 92.) The court, however, was not warranted in attempting to reconcile this conflict of testimony and in deciding the question as one of law. The verdict, therefore, cannot be sustained upon the direct notice to the defendant.

The notary gave due and timely notice of protest to the defendant's firm, who were both makers, and, in form at least, subsequent indorsers. If the plaintiff had alleged that the defendant was a member of the firm I am of opinion that he would be chargeable with knowledge of the dishonor and with the notice given to his firm as indorsers (Gowan vs. Jackson, 20 Johns. 176; Halliday vs. McDougall, 22 Wend. 264, 272; see, also, Neg. Inst. Law [Laws of 1897, chap. 612], §§ 170, 185, 186); but this was not pleaded, and, since it was not an issue, there is no justice or propriety in seizing upon this item of evidence, although admitted without objection that it was not pleaded, for the purpose of holding the defendant. The verdict should stand or fall upon the issues as tried. The notice to the firm, however, was received either on the day the note fell due or on the morning of the day following. With it came under separate cover, addressed to the defendant, care of the firm, a formal notice of protest by the notary in behalf of the plaintiff directed to the defendant, and the firm were requested to forward the same to him. Mr. Beckwith testified that immediately upon receiving this notice he inclosed it in an envelope and addressed it to the defendant at his regular place for receiving mail in the city of New York, which was in care of his counsel on this appeal.

The notary, who was a member of the bar of Pennsylvania, testified that the statutory law of that State required that the notice of protest to an indorser, when served by mail, be addressed either to his residence or place of business or last place of residence. If this testimony is to be construed literally it indicates that the rule in Pennsylvania is more restricted than the requirements of the law merchant or of the Negotiable Instruments Law as adopted in this and many other States, including Pennsylvania (Laws of Penn. of 1901, No. 162), in that under them, if the indorser has not designated an address on the instrument, notice to any address where he is accustomed to receive mail would be sufficient. (Ransom vs. Mack, 2 Hill, 587; Van Vechten vs. Pruyn, 13 N. Y. 549, 555.) This question would not have arisen had the plaintiff's counsel introduced the statute instead of taking the opinion of the attorney, which was manifestly not only erroneous on the law, but, as he construed the law, it is doubtful whether the notice would be sufficient. We think that the verdict may be saved, however, upon the theory that this evidence was incompetent to prove statutory law (Code Civ. Proc. § 942; Hynes vs. McDermott, 82 N. Y. 41, 54; Lincoln vs. Battelle, 6 Wend. 475; Chanoine vs. Fowler, 3 id. 173), and even if the plaintiff, having introduced it, is bound by it, it is insufficient to establish that the law of Pennsylvania on this point is different from the law merchant and should be so construed as to be consistent therewith.

Although it presumptively appears from the face of the notes and the indorsements that the defendant was an accommodation indorser for the makers (Smith vs. Weston, 159 N. Y. 194; National Park Bank vs. German American M. W. & S. Co., 116 id. 281), and, therefore, would not be liable to them and consequently they could not in their own behalf give him a valid notice of protest (Neg. Inst. Law, § 161; Cabot Bank vs. Warner, 92 Mass. [10 Allen] 522; Harrison vs. Ruscoe, 15 M. & W. 231; Stanton vs. Blossom, 14 Mass. 116, 120; Story Prom. Notes [7th ed.], § 303), yet they could on behalf of the bank and as its agents give the notice by forwarding it immediately as was done. (Neg. Inst. Law, §§ 162, 163; Sewall vs. Russell, 3 Wend. 276; Chanoine vs. Fowler, supra; Lawrence vs. Miller, 16 N. Y. 325; Smith vs. Poillon, 87 id. 590; Eagle Bank vs. Hathway, 46 Mass. [5 Metc.] 212; Rowe vs. Tipper, 13 C. B. 249; Chapman vs. Keane, 3 Ad. & El. 193; Lysaght vs. Bryant, 19 L. J. C. P. 160.)

It follows, therefore, that the judgment and order should be affirmed, with costs.

INGRAHAM and McLAUGHLIN, *JJ.*, concurred; PATTERSON, *J.*, concurred in result; VAN BRUNT, *P. J.*, dissented.

LIABILITY OF STOCKHOLDER—STOCK HELD AS PLEDGEE.

United States Circuit Court of Appeals, Sixth Circuit, May 11, 1905.

HULITT *vs.* OHIO VALLEY NATIONAL BANK.

As a general rule, the question of liability for an assessment on the shares of an insolvent National bank depends upon who was the actual owner of the stock when the operations of the bank were suspended.

For the purpose of the National Banking Act, the pledgor of stock not transferred on the books is to be regarded as the owner until and unless something further transpires which operates to transfer the ownership to another.

Defendant bank held stock of a National bank as collateral security for a note at the time the maker of the note died leaving it unpaid. Subsequently defendant caused the stock, which was indorsed in blank by the pledgor, to be transferred on the books of the bank to one of its employes who was irresponsible, and who paid no consideration for the transfer, but in fact held the stock for defendant. Defendant then made an indorsement on the note of a sum as proceeds of a sale of the stock made on the day of the transfer, and proved the balance due on the note against the estate of the pledgor, and was paid dividends thereon.

Held, that such transaction operated to transfer the ownership of the stock from the pledgor's estate to defendant, which was liable for an assessment thereon on the subsequent failure of the issuing bank.

In error to the Circuit Court of the United States for the Southern District of Ohio.

Before LURTON, SEVERENS and RICHARDS, *Circuit Judges*.

SEVERENS, *Circuit Judge*: This suit was brought by the plaintiff in error, who is the Receiver of the First National Bank of Hillsboro, Ohio, to recover an assessment levied by the Comptroller of the Currency upon the shareholders of the bank on account of their extraordinary liability to creditors, the bank having become insolvent. The defendant in error is charged as the owner of twenty shares of the stock of the Hillsboro bank. To the petition the defendant filed an answer making a general denial of the plaintiff's allegations in respect to its ownership of the stock. The case was heard in the court below upon an agreed statement of facts, which is embodied in a bill of exceptions, and is as follows:

(1) On March 18, 1893, one Overton S. Price procured a loan from the defendant in the sum of ten thousand ($10,000) dollars, giving his promissory note therefor, together with certain collateral securities recited in the body of said note, a copy of which note, with all indorsements thereon, is hereto attached, made part hereof, and marked "Exhibit A."

(2) On December 25, 1893, said Price deceased, leaving said note at that time past due and unpaid. No payments have ever been made upon said note, except as hereinafter set forth. There is still a balance remaining due and unpaid upon said note.

(3) On June 18, 1894, the defendant made a formal transfer of the pledged stock of the First National Bank of Hillsboro, Ohio, and the Dominion National Bank of Bristol, Va., to one Henry Oetjen, an employe of the defendant, who was pecuniarily irresponsible. Said shares were transferred upon the books of said banks, respectively, and new certificates therefor issued in the name of said Oetjen, and delivered to him on July 7, 1894. No money consideration passed to the defendant for said transfer, and none was expected, nor did the defendant at that time credit said note with any sum by reason of said transfer, nor was any credit at that time indorsed upon said note or entered in defendant's books. Said Oetjen indorsed in blank the certificates of stock which were issued to him.

(4) Said transfer was made upon the understanding and agreement between said Oetjen and the defendant that the former should hold said stock as security for the indebtedness of the estate of said Price upon said note, applying any amounts which he might realize from said stock as credits upon said note; that in pursuance of this agreement and understanding said Oetjen subsequently paid the defendant, on account of said note, a sum of money received by him from said Dominion National Bank on account of a reduction in the capital stock, and also the amount of certain dividends which he received from time to time upon said Dominion National Bank stock, until the same was finally sold by said Oetjen, whereupon the proceeds of said sale were likewise applied by him upon said note.

(5) That on February 19, 1896, the defendant prepared proof of claim against the estate of said Price, and at that time, believing the stocks transferred to said Oetjen to afford a reasonable security for said Exhibit A to the amount of Forty-four hundred and eighty-four ($4,484.00) dollars, indorsed the credit for that amount upon said note, which appears upon Exhibit A, and filed its proof of claim against said estate for the balance of the indebtedness upon said note; that no consideration was paid for said credit

and the same was not entered upon defendant's books; that all dividends arising upon said distribution of the estate of said Price were applied upon said note.

(6) That said First National Bank of Hillsboro, Ohio, continued to do business until July 16, 1896; that from the date of said transfer the stock in said bank at all times appeared on the books of said bank in the name of said Oetjen; that there was nothing on the books of said bank at any time to connect this defendant with said stock or to indicate that this defendant had any interest whatever in the same; that defendant at no time performed any act of ownership of said stock, or exercised, or attempted to exercise, any of the rights of a stockholder of said bank or of the Dominion National Bank of Bristol, Va., unless the acts above set forth were, according to legal intendment, of that character. Defendant caused said shares to be transferred to said Oetjen because it was unwilling to assume the risk of the statutory liabilities of a stockholder in respect to said shares.

EXHIBIT A.

"$10,000. X. Cincinnati, O., March 18, 1893.

"Ninety days after date I promise to pay myself or order, ten thousand dollars for value received, payable at the office of A. C. Conklin & Co., having deposited or pledged as collateral security for the payment of this note,

50	shrs. Citizens' Nl. Bk. Stock, Hillsboro, O.................shrs.	$100
20	shrs. First Nl. Bk. Stock, Hillsboro, O....................shrs.	100
40	shrs. Hillsboro Gas Light Co. Stock......................shrs.	50
30	shrs. Dominion Nl. Bk. Stock, Bristol, Va................shrs.	100
100	shrs. Bk. of Camden Stock, Camden, O....................shrs.	100
200	shrs. Bk. of Lynchburg Stk., Lynchburg, O...............shrs.	50

"And I hereby give to the holder thereof full power and authority to sell or collect at my expense all or any part or portion thereof, at any place, either in the city of Cincinnati, or elsewhere, at public or private sale at holder's option, on the non-performance of the above promise, and at any time thereafter, and without advertising the same or otherwise giving to me any notice. In case of public sale, the holder may purchase without being liable to account for more than the net proceeds of such sale.

"O. S. PRICE."

Indorsed: "O. S. PRICE."

"Forty-four hundred and eighty-four ($4,484.00) dollars paid on account of within note June 18, '94, being proceeds of sale of 30 shares stock Dominion Natl. Bank and 20 shares of stock 1st National Bank of Hillsboro, O."

The court gave judgment for the defendant, to which the plaintiff excepted. No opinion was filed by the trial judge, but counsel assumed, and we suppose correctly, that the conclusion of the court was that the defendant was not the owner of the shares. That is the essential question in the controversy. The proposition that, in the absence of exceptional circumstances, the question to be settled is, who was the actual owner of the stock at the time when the operations of the bank were suspended, is established by repeated decisions of the Supreme Court. Recent decisions to this effect are: Pauly vs. State Loan and Trust Co., 165 U. S. 606; Rankin vs. Fidelity Insurance, etc., Co., 189 U. S. 242.

In dealing with the present case we are limited to the facts contained in the agreed statement. We can infer no other facts unless they are necessary inferences from those agreed. It has been often said that that which is necessarily implied is as much a part of the agreement as if it were written into it. And this rule of interpretation is applied to the most solemn instruments, inter partes, as well as to statutes. But the implication must be one arising from legal intendment, and not merely a deduction of fact.

For the purposes of the banking act the pledgor of stock is to be regarded as the owner until and unless something further transpires which operates to transfer the ownership to another. The pledgee may, without himself becoming liable to the contingencies of ownership, have the stock transferred in blank by the pledgor, as was done in this case; but in such case the pledgor does not cease to be the owner in the sense intended by the law, and until the ownership is in some way divested from the pledgor the latter continues to stand for the stock.

In a suit of this character we are required to have regard to the relations of those who are concerned with the stock and their dealings with it, and to ascertain who, as between such persons, is the actual owner of it, provided, of course, there is no transfer to the pledgee on the stock book of the bank, and no fraud upon creditors is found in their conduct. From the facts agreed, we think that probably, upon the authority of Anderson vs. Philadelphia Warehouse Co., 111 U. S. 479, it should be held that the defendant did not become the owner of the stock and so liable to be assessed on account of it, down to the time of the transaction which occurred during the settlement of the estate of Price in the probate court. After the death of the pledgor, Price, and on June 18, 1894, the defendant, transferred the stock to Oetjen without consideration given or expected. It was transferred to him on the stock book of the Hillsboro bank. Oetjen indorsed the new certificates in blank. He was an employé of the bank and irresponsible, and in fact the defendant continued to control the stock notwithstanding the formal transfer to him.

While the Hillsboro National Bank was continuing to do business, and on February 19, 1896, the defendant filed a claim against the estate of Price, in the proper probate court, for the amount due on the note, less the sum of $4,484, which it had indorsed as a sum "paid on account of within note June 18, '94, being proceeds of sale of 30 shares stock Dominion Natl. Bank and 20 shares of stock 1st National Bk. of Hillsboro, O." The date, June 18, '94, was the date of the transfer of the stock it made to Oetjen. It is to be inferred that the claim was allowed, as it is stated not only that the claim was filed, but "that all dividends arising upon said distribution of the estate of said Price were indorsed upon said note." Afterwards, on July 6, 1896, the Hillsboro bank ceased to do business.

It is stated in the agreed statement of facts that the transfer of the stock to Oetjen was made upon the agreement and understanding between him and the defendant that he should hold the stock as a security for the indebtedness of the estate of said Price upon the note; but it is not stated that this agreement was made known to the representative of Price's estate. Nor is it stated that the act of the defendant in applying dividends from the estate upon the note was made known to said representative of the estate. And the maxim applies, "De non apparentibus et non existentibus eadem est ratio."

Counsel for the defendant in their brief advance the following argument:

"It is said that this indorsement was evidence tending to show that the defendant had intended the transfer to Oetjen to be a sale absolute, and not merely by way of security. If that claim were sound, still the court has found that there was no intent of that character."

But the statement of the facts could not be affected by a finding of the court any more than could a special verdict. It is, however, a mistake to say that the court found any facts. The record states that "the court, upon consideration of the pleadings, evidence, and arguments of counsel, finds the issues joined in favor of the defendant." But this means nothing more than that the court found the issues of law in favor of the defendant. The case in all particulars is like that of Supervisors vs. Kennicott, 103 U. S. 554, where the court said:

"It is true that in the judgment as entered it is stated that the court found the issue in favor of the plaintiffs; but that, when read in connection with the bill of exceptions, is no more than a declaration that the court found the law to be in favor of the plaintiff on the case as stated."

In presenting and obtaining the allowance of its claim, the defendant represented that it had sold the stock and that it had appropriated the proceeds to the payment of the note, and the adjustment of its claim was made upon that footing. When it is said in the agreed statement "that no consideration was paid for said credit," meaning the indorsement of the $4,484, the interpretation must be that no other consideration "was paid" than such as the transaction itself imports. And granting that, notwithstanding the defendant's representation, there had in fact been no actual sale of the stock, we think the result of the proceedings in the probate court upon the defendant's representation and claim was, as between the Price estate and the defendant, to transfer the ownership of the stock to the defendant for the consideration represented in the indorsement, and that the defendant could not thereafter claim against the estate that it had not appropriated the stock in satisfaction pro tanto of the sum due on the note. It may be that the representative of the Price estate might once have had some remedy to recover the stock, but he has made no claim for relief against the transaction, and it is manifest that he would now have no motive for doing so.

The stock has become worse than useless. Whatever the undisclosed motive of the defendant may have been, we think the legal import of what was actually done was that it acquired the stock, and that the estate of Price no longer held it either for the benefits or burdens of ownership. No one could believe that the defendant when its claim was adjusted by the probate court expected to make further answer to the estate for this stock, or intended anything else than a conversion of it into its own property at the price for which it reported the stock sold. It would be unjust for it now to cast what has proved to be a disadvantage upon the party whom it dispossessed. The burden of the assessment must fall upon one of these parties, and we think the Receiver has made the right selection.

The judgment should be reversed, with costs, and direction given to the court below to enter a judgment for the plaintiff for the amount of the assessment, with interest from May 27, 1897, the time when it became payable.

PAYMENT OF FORGED CHECK—LIABILITY OF DRAWEE BANK.

Supreme Court of Tennessee, June 3, 1905.

FARMERS & MERCHANTS' BANK *vs.* BANK OF RUTHERFORD.

A bank on which a forged check is drawn in the name of a customer, whose signature is well known to it, is negligent, where the Cashier does not examine the signature closely, but passes the check, relying on previous indorsements.

Where a check is in the ordinary form, and is payable to bearer, so that no indorsement is required, a bank, to which it is presented for payment, need not have the holder identified, and is not negligent in failing to do so.

An indorser of negotiable paper does not warrant to the drawee the genuineness of the maker's signature, but such warranty only extends to subsequent holders in due course of trade.

Where the drawee bank received and paid a forged check, which had been previously honored and indorsed by other banks, and held the check for 30 days or more, it thereby admitted the same to be correct, and was estopped to deny the genuineness thereof, or to avoid, as to the indorsing banks, the effect of its act in accepting and paying the check.

The drawee of a check, by accepting the same, makes himself a guarantor thereof.

WILKES, *J.*: The bill was filed by complainant bank against the defendant bank to recover from it the amount of a forged check, which was drawn on complainant bank, for $54.75, and, after being indorsed by the defendant bank and others, was presented to, and paid by, complainant bank.

The check was in the words and figures following:

"Dyer, Tenn., Octo. 28, 1903.

Farmers' & Merchants' Bank:

Pay to J. L. Freeman, or bearer, fifty-four 75/100 dollars. For cotton.

Johnston Merc. Co."

The ground upon which the recovery was sought was that the Bank of Rutherford was negligent in cashing this check for a stranger without identification, and thereafter indorsing it, so as to give it circulation, and to mislead complainant bank, the payee, to presume it was genuine, and pay it to the holder.

The check, after being indorsed in the name of J. L. Freeman, was cashed by the Bank of Rutherford, and indorsed by it, and passed to the Jackson Banking Company, then to the St. Louis Trust Company, Continental National Bank of Chicago, and Fourth National Bank of Nashville, and by the latter bank was sent by mail to complainant as the drawee bank, and paid by it. The complainant bank at the time of payment wrote or stamped on its face the words: "Paid Nov. 7, 1903. Farmers' & Merchants' Bank, Dyer, Tenn."

The Cashier of complainant bank states that, when the check was presented for payment, he did not examine the signature closely, and, if he had, he would have detected that it was a forgery, but that he was thrown off his guard by the indorsements of the defendant bank and others.

It held the check, thus cashed and marked "Paid," some thirty days, when the forgery was discovered, whereupon it entered up a credit upon the account of the mercantile company to balance the charge made against it when it was paid, and thereupon brought suit against the Bank of Rutherford for the amount of the check.

The chancellor gave judgment for the amount, and the Bank of Rutherford has appealed and assigned errors.

It is insisted that the case is governed by the principles announced in People's Bank vs. Franklin Bank, 88 Tenn. 299.

In that case it was held that a bank that negligently cashed a forged check, purporting to be drawn upon another bank, and had upon its indorsement of such check received payment of the drawee bank, is liable for the amount paid by it upon discovery that the check is forged, and the fact that the indorser bank is unable to give the name of the person who presented the forged check, to whom it was paid, or to positively identify such person, is sufficient evidence of negligence to make it liable, and that the drawee bank will not be precluded from the recovery by the fact that, lying upon the indorsement of the indorsing bank, it paid the check without investigation as to its genuineness.

If this case is not distinguishable from that in some essential feature, and that is affirmed as sound, it must be considered as determinative of the present case.

As an original proposition we would not assent to the correctness of People's Bank vs. Franklin Bank, and think the great weight of authority is against it, and that it is contrary to one of the most important rules regulating the law of negotiable instruments, to wit, that the drawee of the check should be held to know the signature of its customers, and to pay only such paper as has a genuine signature.

But we think there are two important distinctions between People's Bank vs. Franklin Bank and the recent case.

The first is that in that case the payment was made direct by the drawee bank to the bank that negligently cashed the check, and, after indorsing it, put it in circulation, and, as against the indorsing bank, there was no consideration received by the drawee bank, while in the present case the check had passed through a number of hands, and had been paid, not to the alleged negligent bank, but to the Nashville bank.

In the present case the drawee bank is not suing the Nashville bank, from which it received the check, and to whom it paid the money, but is suing a remote indorser, with whom it had no transaction, except as a remote indorser.

In other words, the Rutherford bank received none of the money of the complainant bank, but it received the amount of the check from the Jackson Banking Company. It is the Nashville bank which has received the money of the complainant bank for the worthless paper cashed by it.

In addition, the check in People's Bank vs. Franklin Bank was payable to the order of Morgan, and was indorsed in the name of Morgan; the indorsement being also a forgery. In order to cash this check, it was necessary that it be indorsed by Morgan, and that he should be identified; and it was incumbent on the bank, when it cashed it, to see that the indorsement was made, and that it was genuine.

But in the present case the check was payable to Freeman, or bearer. It was not necessary to be indorsed at all, and was indorsed, as the proof shows, simply as a compliance with the custom of the Rutherford bank. It was not only not necessary that it should be indorsed, but it was not necessary that Freeman, the holder, should be identified, and hence it was not negligence in the bank to fail to have him identified, and it was a bona fide holder, if it paid to bearer, with or without indorsement.

In People's Bank vs. Franklin Bank identification and a genuine indorsement were not only material, but absolutely necessary, and a failure to require them was negligence. In the present case neither indorsement nor identification was necessary, and a failure to require them was not negligence.

Liability in People's Bank vs. Franklin Bank is predicated upon negligence, which does not exist in the present case.

On an examination of the record we are not able to find any negligence on the part of the Rutherford bank, while that of the complainant bank is apparent and glaring; and, if a comparison is allowable, the negligence of the drawee bank was much the greater.

The mercantile company was its customer, and had been for years. Its place of business was next door to the complainant bank. Its signature was well known to complainant bank. The Cashier says he did not examine the signature closely, or he would have easily detected the forgery.

On the other hand, there was nothing to excite the suspicion of the Rutherford bank. It was a common cotton check, such as was usual and common in every-day transactions; and, being payable to bearer, it was not necessary to identify the holder when it was cashed.

We are of opinion that the indorser of negotiable paper does not warrant to the drawee the genuineness of the signature of the maker, but such warranty only extends to subsequent holders in due course of trade. The drawee of the check is the party to pass upon the genuineness of the signature of the drawer.

This is the rule, we think, by the law merchant and by the Negotiable Instruments Law. It is the rule laid down in New York, upon whose statute our Negotiable Instruments Law is based, and of which it is substantially a copy; and, in construing the Negotiable Instruments Law, it has been said by this court in Unaka Bank vs. Butler, 83 S. W. 657, that great weight should be given to the decisions of New York.

In this case the complainant bank received and paid the check, thereby admitting the check to be correct, and held it for thirty days or more, and it is precluded and estopped to deny the genuineness of the signature, or to avoid the effect of its act in accepting the check and paying it.

The indorser of a check does warrant and guaranty the genuineness of the check to all subsequent holders in due course; but the drawee is not a holder in due course.

A holder in due course is defined, in section 52, p. 150, of the Negotiable Instruments Act (Acts 1899, c. 94), and the definition does not embrace the case of a drawee.

A holder means a payee or indorsee who is in possession, or the bearer. (Acts 1899, p. 139, c. 94.)

The drawee, when he accepts the check, makes himself the guarantor thereof.

The liability of an indorser only arises when the necessary proceedings on dishonor are taken; but this feature of the law is not presented in this case.

Without commenting further upon the several points raised by counsel, we are of opinion that the complainant bank has no right in law, or in equity and good conscience, to recover from the defendant bank the amount of this check, and the chancellor was in error; and his decree is reversed, and the suit is dismissed, at cost of complainant.

STOCK BOOK OF NATIONAL BANK—RIGHT OF STOCKHOLDER TO INSPECT.

New York Supreme Court, Appellate Division, First Department, June, 1905.

PEOPLE, *ex rel.* JOSEPH W. LORGE *vs.* CONSOLIDATED NATIONAL BANK.

A stockholder of a National bank located in the State of New York is entitled to inspect the stock books of the bank for the purpose of ascertaining the names of the other stockholders of the bank, in order that he may negotiate with such other stockholders for the purpose of their stock, and, as an incident to this right, may copy from such book and take away with him a list of the other stockholders.

The statute of the State of New York, authorizing the stockholders of a corporation to inspect the books thereof, applies to a National bank located in the State of New York.

Under such statute the court has power to deny the right to such an inspection if demanded for an illegitimate purpose, and may regulate the time when the inspection may be made; but if the inspection is sought for a legitimate purpose and the application therefor is made to the corporation during business hours, the right to the inspection is mandatory.

This was an appeal by the relator, Joseph W. Lorge, from an order of the Supreme Court, made at the New York Special Term and entered in the office of the clerk of the county of New York on the 31st day of March, 1905, denying the relator's motion for a peremptory writ of mandamus.

HATCH, *J.*: The relator is a stockholder of the defendant bank, owning ten shares of stock. After he became such owner he applied to the bank for leave to make a copy of the list of stockholders of the bank; this request was refused by its officers. Thereafter he called at the bank during business hours and asked to see the stock book. The same was exhibited to him, and he commenced to make a copy of the list of stockholders, when the officers of the bank removed the book and refused to permit him to make a copy of any memorandum therefrom. The relator contended that he had a right so to do, and stated that unless he were permitted to make a copy of the list of stockholders he did not care to inspect the book. The relator admits that he is a dealer in stocks and bonds and that he desired to obtain a list of the stockholders of the bank in order that he might, for a legitimate purpose, negotiate for the purchase of stock, and denies that he intended to make use of the information for any purpose inimical to the interests of the bank. Upon this motion it was made to appear that, since the demand for an inspection, the relator had purchased 110 additional shares of stock of the bank.

It is settled by authority that a right of inspection and examination of corporate books existed at common law; that the statute has not taken away such common-law right but has amplified it. (Matter of Steinway, 159 N. Y. 250.) The distinction between the right at common law and the statutory right is, that in the former case the power to compel an exercise of the right is discretionary, while in a case brought within the terms of the statute it is mandatory. Section 5210 of the United States Revised Statutes provides that the President and Cashier of every National banking association shall at all times cause to be kept a full and correct list of the names and residences of all the shareholders of the association and the number of shares held by each, in the office where its business is transacted, and that "such list shall be subject to the inspection of all the shareholders and creditors of the association, and the officers authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted." A verified copy of such list is also required by said section to be furnished to the Comptroller of the Currency. Pursuant to the provisions of section 29 of the Stock Corporation Law of the State of New York (Laws of 1892, chap. 688, as amd. by Laws of 1901, chap. 354), every stock corporation is required to keep at its office correct books of account of all of its business and transactions, and also a book to be known as the stock book, which book shall be open daily during at least three business hours for the inspection of its stockholders and judgment creditors, who may make extracts therefrom. Section 53 of said Stock Corporation Law (as amd. by Laws of 1897, chap. 384) makes a similar provision applicable to foreign stock corporations having an office for the transaction of business in this State, except moneyed and railroad corporations, and requires a stock book to be kept in the same manner as for domestic stock corporation, provides for the right of inspection, and requires the same to be kept open daily during business hours.

It appears, therefore, that by both Federal and State statutes, the corporation is bound to keep its stock book open for the inspection of its shareholders. It is said, however, that the State statute does not apply to the defendant because it is a foreign corporation. The contrary was held in Matter of Tuttle vs. Iron Nat. Bank (170 N. Y. 9). The court in that case referred to an amendment of the United States Judiciary Act of 1875 (18 U. S. Stat. at Large [pt. 3], 470 *et seq.*), which seems to be still in force (24 id. 554, § 4, as re-enacted by 25 id. 436, § 4) as authority therefor. Therein it is provided that National banking associations established under the laws of the United States are, among other reasons, for the purpose of actions against them to "be deemed citizens of the States in which they are respectively located; and in such cases the Circuit and District Courts shall not have jurisdiction, other than such as they would have in cases between individual citizens of the same State." Authority is cited to show that the courts of this State have uniformly held that they have jurisdiction in actions against National banks and have exercised the same in due course. These authorities establish that the relator had the right of inspection of the stock book at a proper time and place.

The right of inspection thus given is to inform the shareholder of the facts appearing in the book, so that he may act thereon. He is entitled to all of the information disclosed by the book. It is not to be presumed that he can carry in his memory all of its contents; and, as the inspection is granted for the purpose of informing him concerning the matter, he has the right to make such copies and memoranda as will make the inspection effectual not only by conveying to his mind the contents of the book, but also by enabling him to retain the same in such form that he may act thereon for any legitimate purpose. The right of inspection, therefore, carries with it the right to make such extracts from the book as will enable the shareholder to retain the information disclosed by the inspection. Doubtless the court has power to withhold an inspection for an illegitimate purpose, and may regulate the time when the inspection shall be made. But where it is sought for a legitimate purpose, and the application is made during business hours, the right to such inspection is mandatory. The relator had the right to purchase the stock of the bank upon such terms as might be agreed upon between the owners and himself, and he had the right to resort to the stock book for the purpose of acquiring knowledge as to who were its stockholders and to preserve such information in permanent form by making a copy of the names. As is disclosed by the record, this was his object in making a demand for inspection and taking memoranda therefrom. This was within his clear legal right to do; and as this right has been denied, it follows that the order should be reversed, with ten dollars cost and disbursements, and a motion for a peremptory writ of mandamus granted, with ten dollars cost.

PATTERSON, O'BRIEN and LAUGHLIN, *JJ.*, concurred.

PROMISSORY NOTE—PROVISION FOR EXCHANGE AND COLLECTION CHARGE.

Supreme Court of Minnesota, July 28, 1905.

SMITH, *et al. vs.* FIRST STATE BANK OF TYLER.

Where a note is drawn payable "with exchange and collection charges" it is not a negotiable instrument.*

As the holder of such an instrument would lose nothing by the omission to protest it, a bank having the same for collection would not be liable for failure to have it protested.

Action to recover damages for the defendant's failure to protect an alleged promissory note. The trial court, when the plaintiffs rested, granted the defendant's motion to dismiss the action, and the plaintiffs appealed from an order denying their motion for a new trial.

START, *C. J.*: The instrument here in question is in the words following, namely: "Arco, Minn., June 21, 1902. Nov. 1 after date for value received we promise to pay Smith & Zimmer, or order, the sum of Four Hundred thirty-five Dollars, with Exchange and collection charges at First State Bank of Tyler, Minn. with interest from Mat. at the rate of eight per annum until paid. Pederson Bros." This obligation was sold and indorsed by the payees thereof to the plaintiffs before maturity, who sent it to the defendant for collection and protest if not paid when due. It was not so paid, nor was it protested. The makers are insolvent, and this action was brought to recover the amount of the note from the defendant. The basis of the decision of the trial court was to the effect that the instrument was not a promissory note, and the plaintiffs lost nothing by the failure of the defendant to protest it.

The sole question for our decision is whether the instrument is a promis-

*The Negotiable Instruments Law provides that "the sum payable is a sum certain within the meaning of this act, although it is to be paid * * * with exchange, whether at a fixed rate, or at the current rate, or with costs of collection or an attorney's fees, in case payment shall not be made at maturity."

sory note, for, if it be not, the rules of the law merchant concerning notice and protest do not apply, and the plaintiffs lost nothing by the defendant's failure to protest it. (2 Daniel, Neg. Ins. § 970; 4 Enc. of Law, 403.)

A promissory note is an unconditional promise in writing for the payment of a certain sum of money. It is an essential condition of a promissory note that there be no uncertainty as to the amount it calls for at any particular time. If the promise be to pay a stated sum, plus or minus an indefinite amount, it is not a promissory note. (Loring vs. Anderson [Minn.] 103 N. W. 722.)

Another form of the question, then, is whether the amount called for by this instrument is definite and certain. It calls for the payment of $435, plus exchange and collection charges at a certain bank. It is to be noted that the instrument does not call for the payment of the collection charges of the bank, but the principal sum, exchange, and collection charges are to be paid at the bank. Or in other words, by the terms of the contract the holders of the instrument or their agent could have presented it at maturity to the bank, and demanded payment thereon not only of the principal sum and exchange, but their collection charges. How much? By whom and how shall the question be determined?

In the case of Jones vs. Radatz, 27 Minn. 240, it was held that a note negotiable in form, whereby the maker promised to pay a definite sum of money and reasonable attorney's fees, was uncertain as to the amount of money to be paid, and hence it was not negotiable; that is, it was not a promissory note.

In the case of Hastings vs. Thompson, 54 Minn. 184, the written instruments upon which the action was based were in the form of promissory notes, and called for the payment of a specific sum of money, with current exchange on New York city. The action was by an indorsee of the notes before maturity. The answer stated a good defense to the instruments in the hands of the indorsee if they were not promissory notes. The opinion of the court was given by Mr. Justice Mitchell, who said:

"The only point raised on this appeal is whether the instruments sued on are promissory notes, for, if they are, they are unquestionably negotiable, under the law merchant. * * * Upon examination of the reports and text-books, it is surprising how little direct authority of any value is to be found as to the effect of the addition of such a provision to an instrument for the payment of money. Daniel, Randolph, and Tiedeman state, in general, that such a provision does not affect the commercial or negotiable character of the paper, but none of them discuss it at any length, and all of them treat of the question as if it only went to the negotiability of the instruments, whereas the real question lies back of that, and is whether they are promissory notes or bills of exchange at all."

The court held that the instruments were promissory notes, and therefore negotiable. The reason given for this conclusion was that the amount called for by the notes was not made uncertain by the stipulation to pay exchange, because the rate of exchange was a matter of commercial knowledge or easily ascertainable. Whether or not this conclusion is in accordance with the weight of authority we need not stop to inquire, for it must now be accepted as the law of this State. It may, however, be suggested that it is in some respects a departure, for practical reasons, from the original rule, that one of the essential qualities of a promissory note is that the amount to be paid must be definitely fixed, and ascertainable from the face of the paper, without the necessity of resorting to any extrinsic evidence, and that for this reason the doctrine of the case ought not to be extended.

If the only element of uncertainty in the instrument here in question was the promise to pay exchange, it would necessarily follow, from the decision in the case of Hastings vs. Thompson, that it was a promissory note; but such is not the case, for the promise to pay collection charges introduces an additional element, of undoubted uncertainty. This promise to pay collection charges is quite as uncertain as a promise to pay reasonable attorney's fees, for what a collector may lawfully charge in a given case cannot readily or definitely be ascertained, for it depends upon no uniform rule or practice, and is more or less under the control of the holder of the instrument.

This case, then, is ruled by that of Jones vs. Radatz, and not by Hastings vs. Thompson; and we therefore hold that the instrument here in question is not a promissory note, and hence it is not a negotiable instrument, for the reason that the sum of money to be paid is uncertain. See First Nat. Bank vs. Slette, 67 Minn. 425, in which it was held that an instrument in the general form of a promissory note, but made payable in New York or Chicago exchange, was not a promissory note, because not payable in money, and therefore it was not negotiable. It is claimed, however, by the plaintiffs, that, if the instrument here in question be not negotiable paper, yet its indorsement by the payees operated as a bill of exchange drawn on the makers for the amount thereof, to which the rules of the law merchant concerning protest and notice would apply.

The cases of Helfer vs. Alden, 3 Minn. 332 (Gil. 232), and Hart vs. Eastman, 7 Minn. 74 (Gil. 50), are relied upon in support of this proposition. The action in the first case cited was based upon an instrument made by the regents of the University of Minnesota, which was in form a negotiable promissory note, whereby the makers promised to pay to the order of the payees a definite and certain sum of money, absolutely and at all events. There was attached to the note the official seal of the makers, and for this reason it was held to be non-negotiable. It was, however, stated in the opinion that the indorsement of such a note by the payee thereof, as between him and his immediate indorsee, operates as a drawing of a bill of exchange for the amount of the note on the maker in favor of such indorsee, and that, between the parties to such an indorsement, it ordinarily creates the same obligations as the indorsement of a negotiable promissory note. In the second case cited (Hart vs. Eastman) the notes were also made by the regents of the university, and each note called for the payment of a definite and certain sum, and was in the form of a negotiable promissory note, but it was not negotiable, by reason of certain provisions in the charter of the university. It was held (following Helfer vs. Alden) that the indorsement of the notes, although not negotiable, operated, as between the indorser and his immediate indorsee, as the drawing of a bill of exchange for the amount of the note, and the indorser was liable on his indorsement, but was entitled to notice of non-payment of the notes, which after such indorsement were, in legal effect, bills of exchange.

It is clear that these cases are not here in point, for the instrument in each case was, in its form and terms, a promissory note, but non-negotiable, by reason of some extrinsic matter. Therefore, when the notes were indorsed by the payee, they were, as to him, in legal effect, negotiable bills of exchange, because the amount for which they were drawn was in each case certain on the face of the instrument. Or in other words, they were, before indorsement, non-negotiable promissory notes. (See 1 Daniel, Neg. Instr. § 664.)

But in this case the instrument is not definite as to the amount to be paid, but obviously uncertain. Bills of exchange are governed by the same rules with respect to certainty in their terms as promissory notes, and they must be drawn for a definite and certain sum of money. It follows that when the instrument in this case was indorsed by the payees the uncertainty as to the sum of money to be paid thereon was in no manner made certain, and that for this reason its indorsement could not operate as a bill of exchange. It was therefore neither a promissory note nor a bill of exchange, but a contract, the indorsement of which did not create the liability which results from the indorsement of negotiable instruments. (Easton vs. Hyde, 13 Minn. 90, Gil. 83.)

The case last cited was an action by an indorsee against indorsers, who were the payees in an instrument in these words: "Certificate of deposit, July 14, 1864, Hyde and Broughton have deposited in this office five hundred and thirty-five and 75/100 dollars in treasury notes to the credit of themselves and payable to their order hereon in United States six per cent. interest bearing bonds." It was conceded by the court, for the purposes of the case, that a certificate of deposit is in legal effect a promissory note, and that the liability of an indorser is the same, whether the note is negotiable or non-negotiable. The instrument, however, was held to be a contract, and not a promissory note, on the sole ground that it was not payable in money, and that for this reason the indorsers were not liable. It is clear that the decision in this case is opposed to the rule of Helfer vs. Alden and Hart vs. Eastman, if it be construed as applicable to instruments which are not promissory notes, for the reason that they are not payable in money, or are uncertain as to the sum of money to be paid. On the other hand, if the earlier cases, as we hold, apply to instruments in the general form of promissory notes, which are payable in money, and are certain as to the amount thereof, the three cases are in harmony.

We therefore hold that the instrument here in question is not a promissory note, but a contract for the payment of money, and that the indorsement thereof by the payees did not create the liability which follows from the indorsement of negotiable instruments.

Order affirmed.

PRIVATE BANKER—LIABILITY TO DEPOSITOR AFTER SALE OF BANK.

JOHNSON, *et al. vs.* SHUEY.

Supreme Court of Washington, September 6, 1905.

A private banker who receives deposits assumes a personal obligation to repay to each depositor the amount of his deposit, and he cannot relieve himself of this obligation by selling and transferring the bank to a third person.

The depositor's right of action in such case is assignable.

The fact that the depositor has presented a claim against the transferee of the bank and its Receiver is no bar to an action against the original owner of the bank.

This was an action by John Johnson and others as assignees of the Bank of Ballard to recover from H. O. Shuey the difference between the amounts the depositors had to their credit at the time of the failure of the bank and the amounts thereafter paid to them by the Receiver of the bank's assets. A motion for judgment on the pleadings was made by the defendant and sustained by the court below, and the plaintiffs appealed.

FULLERTON, *J.* (omitting part of the opinion): That the complaint states a cause of action cannot be seriously questioned. Briefly restated, it is alleged in the complaint that the respondent opened the bank without capital, falsely and fraudulently pretending that it was incorporated with a capital stock of $25,000, for the purpose of inducing the assignors of the appellants to make deposits therein; that by such means he did induce them to make deposits therein from time to time, under the belief that the bank was incorporated, and that the respondent was the owner and in charge of the same; that he made a pretended sale of the bank for the purpose of cheating and defrauding his depositors, put an incompetent person in charge of the same without notice to such depositors, who so mismanaged as to cause the loss of the greater part thereof, the amount being stated.

Clearly, if the appellants can prove these allegations, they are entitled to recover. But if we were to adopt the respondent's view, and disregard the allegations of fraud, and assume that the several transactions were in fact what on their face they purported to be, the complaint would still state a cause of action. When the respondent opened the Bank of Ballard as a private banker, and received deposits therein, he assumed a personal obligation to repay to each depositor or to his order, on demand, the amount deposited by such depositor, either in one single amount, or in such fractional amounts as the depositor should direct. This personal obligation the respondent could not relieve himself of by merely transferring the bank and its deposits to a third person; so that if it be true that the respondent did make a bona fide sale of the bank, and transfer it to DeLong, together with the deposits, he was still personally obligated to repay to each depositor the amount such depositor had therein at the time of the transfer, or might thereafter deposit in ignorance of such transfer, and under the belief that the bank was still owned and operated by the respondent, unless, of course, the failure to discover the transfer was the negligence of the depositor. This personal obligation gave each depositor a right of action against the respondent when demand for the amount deposited was made and payment thereof refused, and this right of action the depositors could assign to the appellants.

Unless, therefore, some other element shown on the face of the complaint has intervened which cut off this right of action, the complaint states a cause of action, even if we disregard the allegations of fraud.

It is said that this right is cut off by the fact shown on the face of the complaint that the appellants' assignors presented the claims sued upon in this action to the receiver appointed over the property of the respondent's assignee as creditors of such assignee, and received a pro rata share of such property as dividends upon the winding up of the receivership. But clearly this fact alone does not bar the right to recover the balance from the respondent if he is otherwise obliged to pay it. Two or more persons may be obligated to pay the same debt, and where such is the case the pursuit of one debtor does not relieve the others; unless, of course, the debt is collected from the debtor pursued, which the complaint makes clear is not the fact in the case before us.

The same result follows if we assume that DeLong at the time he purchased the bank's property and took over to himself the deposits promised and agreed to pay as a consideration for such transfer the debts due the depositors, and assume further that the presentation of these claims to the receiver for payment was, in effect, a suit by the depositors against the assignee for the amount of such deposits.

This court has held that where one person for a valuable consideration makes a promise to another to pay the debt of that other to a third person, such third person can maintain an action in his own name upon the promise. (Nordby vs. Winsor, 24 Wash. 535; Dimmick vs. Collins, 24 Wash. 78; Gilmore vs. Skookum Box Factory, 20 Wash. 703; Ordway vs. Downey, 18 Wash. 412; Don Yook vs. Washington Mill Co., 16 Wash. 459; Solicitors' Loan & Trust Co. vs. Robbins, 14 Wash. 507; Silsby vs. Frost, 3 Wash, T. 388.) And such, also, is the general rule. (9 Cyc. 378, note 7.)

Such a promise does not, of itself, discharge the original debtor, nor does it have that effect when the creditor seeks to collect his debt from the new promisor. The effect of such a promise is, as between the original debtor and his assignee to make the assignee the principal debtor and the original debtor a surety; but it gives the creditor a right of action against both of them, which he may pursue jointly or severally, as suits his convenience. (Cases, supra.) And this being so, the fact that he may have presented his claim to the Receiver of the property of one of them, and received a part of his claim, does not bar his right to proceed against the other for the uncollected balance. Whatever view we take, therefore, of the effect of the allegations of fraud, the complaint states a cause of action.

What we have said in answer to the first contention in part answers the second. The trial court seemed to think that the depositors had a remedy against either the respondent or his assignee for the recovery of their deposits, but not a remedy against both of them, and that the pursuit of one remedy was a bar to the after exercise of the other. It is undoubtedly true that where a person has a choice of two or more remedies for the redress of one wrong that the selection of one is a bar to the subsequent exercise of any of the others, but it is at once obvious that the facts before us do not present that kind of a case. The appellants have never prosecuted this claim against the respondent in any other form of action. Nor have their assignors so prosecuted it. All that the respondent shows is that the appellants' assignors prosecuted the same action against another person, claiming that such other person was legally liable for the debt. But this could not relieve the respondent from his several legal liability for the debt, unless it is to be held that two persons severally liable for one debt cannot be pursued severally for the collection of that debt—a proposition it needs no argument to refute.

The appellants and their assignors, therefore, by first pursuing the assignee of the respondent for the debt of the respondent did not elect to make such assignee their sole debtor; and this being true, there was no such election of remedies by them as will bar the present action.

Nor is there anything in the case of Gaffney vs. Megrath, 23 Wash. 476, that is opposed to this conclusion. In that case it appeared that Gaffney held a judgment against Megrath, which she placed in the hands of her attorney for collection. In payment of the judgment the attorney took certain personal property of the judgment debtor, which he afterwards converted to his own use, and refused to account therefor. Gaffney thereupon brought an action against the attorney for the value of the property so taken. She recovered a judgment against him, but failed on execution, whereupon she sought to enforce her original judgment against Megrath. It was held that while the act of the attorney in taking property for the debt was unauthorized, and could have been repudiated by the judgment creditor when brought to her attention, yet she affirmed the act by proceeding against her attorney for the property, and could not afterwards repudiate it.

The difference between that case and this one is that there the debtor paid the debt to the creditor's agent, but not in that species of property the creditor was obliged to accept. The creditor, therefore, had an option, when the property was presented to her, either to take it or refuse it, and, having chosen to take it, she could not afterwards repudiate her choice.

But in the case before us the respondent has not paid the debt to either the appellants, their assignors, or their agents in any kind of property. It may be inferred that he turned property over to a third person, who in consideration of its receipt promised to pay the debts due them. This, however, as we have shown, but gave the creditors futher security for their debt; it did not relieve the respondent of his obligation.

Judgment reversed.

COLLECTIONS—LIABILITY FOR LOSS—SENDING CHECK TO DRAWEE BANK.

Supreme Court of Alabama, April 5, 1905.

JEFFERSON COUNTY SAVINGS BANK *vs.* HENDRIX.

A bank, which receives a check for collection and enters the face value of it as a deposit credit to its owner, becomes the agent of the owner to collect it; if the collection is made the relation of depositor and banker is consummated; but if the collection is not made, the bank's right to charge off the deposit arises.

If a bank fails, through its own fault, to collect a check deposited by a depositor, it is liable for all damages sustained by him through such failure, and this liability may be enforced by an action for breach of the bank's implied understanding to use due care and diligence to collect the check, or by an action for damages, resulting from its negligent discharge of the duties in respect to collection imposed upon it by law.

Prima facie, it is negligence in a collecting bank to send the check to be collected directly to the drawee bank for payment, and especially is it improper to send a Cashier's check direct to the bank issuing it.

The complaint in this action consisted of eight counts, the first four being the common counts. The fifth count alleged a deposit of the amount sued for by plaintiff with the defendant, and that "plaintiff demanded of defendant the payment of said sum," which was refused. The sixth count alleged that plaintiff deposited a check with the defendant for collection, that the check had been collected, that "plaintiff had demanded of the defendant the payment of said sum of money," and that defendant refused to pay same. The seventh count alleged a deposit by plaintiff with the defendant for collection of a check for $1,100, "drawn by Burgess Little, the Cashier of the Shelby County Bank of Montevallo, Ala., upon said Shelby County Bank"; that defendant agreed to use "good faith and due care in the selection of sub-agents or sub-agencies for the collection of said check"; that defendant sent said check for collection "direct to said Shelby County Bank," which suspended without paying same; that defendant "by the proper agency could easily have collected said check"; and that defendant has refused to pay plaintiff the amount of the check, although requested to do so. Defendant demurred to this count on the following grounds: (2) For that the count did not show a breach of defendant's agreement; (3, 4, and 5) for that no injury to plaintiff because of defendant's breach was shown; (6) for that it did not appear that defendant was guilty of any negligence in the performance of its agreement; (7) for that it did not appear that the sum claimed was payable on request; (9 and 10) for that said count was in form an action of debt, whereas the allegations showed a right in assumpsit for the recovery of damages. Said demurrer was overruled by the court. The eighth count alleged a deposit of a check for collection on May 13, 1901, in substance the same as the seventh count; that "said check was presented by defendant on May 15, 1901, but was dishonored, of which dishonor defendant failed to give plaintiff any notice until May 24, 1901, by that day mailing a letter to him, giving him notice which did not reach him until May 26, 1901, at which time said bank had failed"; that after plaintiff had such notice it was too late to collect said check, and that by want of timely notice plaintiff was deprived of an opportunity to collect the check, which he could have done if such notice had been given; and that defendant subsequently refused to pay the sum named on plaintiff's request. Defendant demurred to the eighth count on the grounds: (2) That it did not show that defendant had broken its agreement; (3, 4, and 5) that it did not appear that plaintiff was injured by defendant's breach; (6) that it did not show that defendant was guilty of any negligence in performing its contract; (7) that it did not appear that the sum claimed was payable on request; (9 and 10) that the form of action was in debt, instead of an assumpsit; (11) that it did not appear that defendant owed plaintiff the duty to give notice of dishonor other than was given; (12) that it did not appear that any damage resulted to plaintiff from defendant's failure. The demurrer was overruled by the court.

McClellan, *C. J.*: Neither the deposit of a check with a bank for collection, nor the entry on its books of the amount of the check as a deposit of money in favor of the owner of the check, nor yet the negligence of such bank in and about the collection of the check from the drawee bank, whereby there is a failure to collect it, nor all these facts combined, makes such check the property of the collecting bank, nor the owner of the check a depositor of the money entered to his credit, in such sense as gives him a right of action for money had and received, or otherwise, for the amount of the face of the check as money due him from the bank. A bank which receives a check for collection, and enters the face value of it as a deposit credit to its owner, becomes the agent of the owner to collect it. If the collection is not made, the bank's right to charge off the deposit arises. If the bank fails to collect the check through fault of its own, it is liable to the holder for all damages sustained by him through such failure; and this liability may be enforced by an action of assumpsit sounding damages for a breach of the bank's implied undertaking to use due care and diligence to collect the check, or by an action in case for damages resulting from negligence of the duties in respect of collection imposed upon it by law upon the fact of its receiving the check for collection. But the damages recoverable are by no means necessarily the amount of the check. It by no means follows from the negligent failure of the bank to collect the check, or its negligent failure to give the owner timely notice of the dishonor of the paper, whereby he is denied fruitful opportunity to collect it himself, that the owner loses the demand for which the check was given, or even any part of it. To the contrary, it is frequently, if not generally, true that the owner of the paper secures some part or all of the debt for which it was given in some other way, as by subsequent voluntary payment by or suit against the drawee bank when it is solvent, or by dividends upon its being wound up as an insolvent concern. It will, therefore, not suffice for the owner to hale the collector bank into court and implead that "you took this check to collect it. You did not do your duty in that regard, and of consequence the check was not collected. Therefore the check is yours, and the amount of it in money is mine, and in your hands for me, and you must pay me that amount."

It does not follow from the facts the owner thus puts forward that the bank is liable to the extent he seeks to hold it, or to any extent in fact. The mere failure of collection of the check does not demonstrate the loss to the owner of the demand for which it was given, or any part of such demand. The owner should say to the bank: "You took this check for collection. Certain duties were thereby devolved upon you in respect of efforts to collect or in respect of notice to me of its dishonor. You failed to perform those duties. From such failure resulted the non-payment of the check. Because of its non-payment, I have suffered damages in the sum of so many dollars. For these damages you are liable to me, and must account in this action."

In other words, a complaint in the common counts, or for money deposited, or for the amount of the check, averring the bank's unwarranted failure to collect it, or negligence operating to deprive the owner of opportunity to collect it—averments which, if proved, and this theory of liability were sound, would entitle the plaintiff to recover the full face value of the check, though his demand may have been satisfied in whole or in part from other sources, though he had suffered no damages or only nominal damages from the defendant's derelictions—would either not, by intendment or expressly, present the facts of this case (which is true of the common counts and of special counts 5 and 6) or claim a recovery of the facts of this case upon an inadmissible theory and in an amount which those facts do not justify (which is true of counts 7 and 8). Hence it is that we deem it unnecessary to discuss rulings below bearing upon the first six counts of the complaint. None of them is supported by the evidence. Hence it is, also, that we hold that the demurrers to counts 7 and 8 should have been sustained. These counts not only claim a sum of money, to wit, the amount of the check, which the plaintiff by their averments is not shown to be entitled to; but they are so wanting in averments of damages suffered by plaintiff as to state no cause of action. It will not do to say that they aver facts which warrant a recovery of damages, and that they are not rendered bad by the form and amount of the claim they make, because, if they are held good against the demurrer, a recovery would follow proof of their averments, though no proof of damages should be made, since neither of them contains any allegations that plaintiff has suffered any damages from defendant's failure to collect the check non constat but that his demand has been otherwise paid, as above suggested, and non constat but that, though not paid, the demand is collectible in whole or in part out of the assets of the drawee bank. (Bank of Mobile vs. Huggins, 3 Ala. 206; Morris vs. Eufaula National Bank, 106 Ala. 383; Sahlien vs. Bank, 90 Tenn. 227; Farmers' Bank and Trust Co. vs. Newland, 97 Ky. 464; Zane on Banks and Banking, § 184.)

The different doctrine which prevails where a creditor receives the check of his debtor to pay the debt may be referable to the distinctive consideration that in such case the creditor, being the payee in the check or unqualified indorser, is the legal holder and owner of it for the purpose of realizing upon it and applying its proceeds to his own debt; and upon this theory the case of Watt vs. Gans & Co., 114 Ala. 264, 21 South. 1011, 62 Am. St. Rep. 99, is not opposed to the views above expressed. Abstractly, and prima facie at least, it is negligence in a collecting bank to send the check to be collected by mail or otherwise directly to the drawee bank for payment, especially when the paper is a Cashier's check; i. e., drawn officially by the Cashier of the drawee bank. Of course, it is the duty of a collecting bank to give the depositor prompt notice of the dishonor of a check deposited for collection.

Reversed and remanded.

Haralson, Dowdell, and Denson, JJ., concur.

NOTES OF CANADIAN CASES AFFECTING BANKERS.

[Edited by John Jennings, B.A., LL.B., Barrister, Toronto.]

BILLS OF EXCHANGE—FORGED CHECKS—CROWN—FORGERIES BY CLERK IN GOVERNMENT DEPARTMENNT—PAYMENT BY BANK—NEGLIGENCE—PASS-BOOK—DUTY OF CUSTOMER TO CHECK ACCOUNTS—SETTLEMENT OF ACCOUNTS—AUDIT ACT—ESTOPPEL—LACHES—DEPOSIT OF CHECKS IN OTHER BANKS—LIABILITY OVER DUTY OF KNOWING CUSTOMER'S SIGNATURE—MISTAKE—LIABILITY AS BETWEEN TWO INNOCENT PARTIES.

THE KING *vs.* THE BANK OF MONTREAL (10 Ontario Law Reports, p. 117).

STATEMENT OF FACTS: This was an action brought by the Government of Canada to recover back from the Bank of Montreal the sum of $75,705, the aggregate amount of twelve checks forged by a clerk in the Department of Militia and paid by the defendants. Most of these checks were deposited in other banks and came to the Bank of Montreal through the clearing-house with the endorsements of the banks with which they had been deposited. The Bank of Montreal claimed relief over against these banks. The further facts are given at length in the judgment of the trial judge.

JUDGMENT: This action is brought to recover a sum of $75,705, the aggregate amount of twelve checks forged by one Abondeus Martineau, at the time of the forgeries a clerk in the Department of Militia and Defence and now a convict in the penitentiary at Kingston. These checks were paid by the defendants and have been charged against the account of the Receiver-General of Canada. Six of them, aggregating $20,005, made payable to the order of Chas. Cote, a fictitious name assumed by Martineau, were deposited by him with the Quebec Bank, in an account opened in that name, and their proceeds he eventually drew out and lost in stock speculations.

Four other checks, totalling $30,200, he made payable to the order of Chas. D. Cote, a pseudonym in which he opened an account with the Sovereign Bank, to the credit of which he deposited these checks, afterwards drawing out and losing their proceeds in like manner. The remaining two checks, amounting to $25,500, were drawn payable to the order of A. Martineau, and were deposited by the forger to his own credit with the Royal Bank. These moneys also appear to have been all drawn out by Martineau.

Each of the forged checks was in due course forwarded by the third party bank with which it was deposited, to the Ottawa Clearing-House. It was there charged up to the Bank of Montreal and sent on to that bank, which debited it in the Militia Department "letter of credit account." On the following day (the second after it had been originally deposited by Martineau) it was, with other checks, transmitted by the defendant bank to the Militia Department, accompanying the daily sheet or statement, in the nature of passage book, which the bank furnished to the department.

Martineau entered the Militia Department in August, 1901. It is not suggested that his superior officers had any reason to believe him dishonest, or incompetent to discharge the duties to which he was assigned. His first work was the preparation for signature of checks for payments to be made by the department. After some weeks he was given the duty of checking the pass-book sheets sent daily by the bank to the department, with the checks paid by the bank on the previous day and returned.

All Dominion Government moneys are deposited, with the defendant bank, as in other banks, to the credit of the Receiver-General of Canada. Provision is made by the Audit Act for the issue by the Receiver-General, from time to time, on application of the Auditor-General, of credits, on the several banks authorized to receive public moneys, in favor of the proper officers of the several departments, for sums voted by Parliament, payment of which has been authorized by warrant of the Governor-General. These credits, during the period covered by the Martineau forgeries, took the form of a letter authorizing the bank to honor checks, not exceeding in the aggregate an amount specified, to be signed, in the case of the Militia Department, by Lieut.-Col. Pinault, the Deputy Minister, and Mr. W. J. Borden, the accountant. By order in council the bank was authorized, in the absence of Lieut.-Col. Pinault, to honor checks signed by S. Sulte, an officer of the department. On receipt of these letters of credit or authorization, the amount therein stated was placed to the credit of an account known as the "Department of Militia letter of credit account," but no corresponding debit entry was then made in the Receiver-General's account, nor were checks drawn against this letter of credit account on payment debited to the Receiver-General's account, but only to the letter of credit account itself. At the end of each month, upon a statement of all checks being furnished to the Auditor-General, and a duplicate of such statement to the Receiver-General, the latter, on the request of the Auditor-General, who is required first to satisfy himself of the correctness of such statements, causes a check upon his account to be prepared, signed by himself and countersigned by the Auditor-General, or their respective deputies or officers thereunto duly authorized, to reimburse the banks for advances made under such credits. Upon receipt of this reimbursement check, the amount covered by it, and theretofore charged only against the letter of credit account, is debited by the bank in the Receiver-General's account.

I state this course of procedure in detail, for the reason that on behalf of the third party banks it is contended that the present action against the Bank of Montreal, brought to recover moneys of His Majesty wrongly paid out by that bank, must fail, because the bank has never received reimbursement checks covering the amounts of the forged checks, and, therefore, has not paid out His Majesty's moneys, but has advanced its own funds. The defendant bank has in fact charged up the amount of the forged checks in the Receiver-General's account, and refuses to account to him for such moneys. It may be that the form of relief asked is not entirely appropriate. But, in substance, the question for determination is the same whatever be the appropriate form of relief, and that question is whether, as against the Receiver-General, representing His Majesty, the Bank of Montreal is entitled to claim credit for the moneys paid out on the Martineau forgeries. If that question be determined adversely to the defendant bank—whether it be ordered to refund the amount wrongly charged up, treating such charging up as a conversion of the plaintiff's moneys or to remove the wrongful debit entries, or to enter reversal credits in the Receiver-General's account, precisely the same problem as to the right of the defendants to indemnity from the third parties presents itself for solution.

The procedure provided for by the Audit Act has, however, an important bearing upon the main defence advanced by counsel for the Bank of Montreal, and in that aspect I shall have occasion again to advert to it.

Martineau committed the first of his detected forgeries on December 19, 1901, and the last on October 17, 1902. Ten other checks were forged at intervals during the intervening ten months. His method, as described by himself, was to procure blank checks by tearing them, some out of the backs of books in current use and others out of some blank books kept in reserve in the stationery bureau of the department. These checks did not bear printed serial numbers and were not made of safety paper. Having at his command departmental documents bearing the genuine signatures of Messrs. Borden and Sulte, Martineau procured a piece of typewriter's carbon paper, and, inserting this between the blank check and the document bearing the genuine signature, he traced over the latter lightly, thus producing on the check a more or less distinct impression of each signature. These tracings he went over with pen and ink. On one of the checks only one signature, that of the accountant of the department, was forged.

I am unable to find that there was negligence or carelessness on the part of any of the various bank officials who handled these checks, except as to the check which Martineau says bore only the one false signature. It may be that the officials of the Quebec Bank, in which this check was deposited, had not the means of knowing that the second signature was required. There is no evidence that the Quebec Bank had an account with the Militia Department, or indeed with any other department, similar to that in the Bank of Montreal against which these checks were drawn. It is impossible, however, to escape the conclusion that there was culpable carelessness on the part of the officers of the Bank of Montreal who passed the particular check now under consideration. Such blunders should be practically impossible with well-trained officers held strictly responsible for any carelessness. Counsel for the defendants urged that I should discredit Martineau as mistaken if not romancing, when he said that one of these checks did not bear a second signature. But the production in evidence of a Militia Department check, which has been paid by the Bank of Montreal, though bearing no signature whatever, shows Martineau's statement to be by no means incredible. As to the check for $3,819.04, the negligence of its own officers precludes the defendant bank from setting up any subsequent default of its customer in bar of his claim.

During the months in which he committed his forgeries, Martineau's duties included the checking of the daily pass-book sheets sent by the bank to the department. These sheets, with the accompanying checks, were received by Mr. Holt, acting for the accountant of the department, to whom the registered envelope containing them was addressed. The usual acknowledgment of receipt of a registered letter was given by him, and the checks in the envelope, frequently unopened, were then handed over to Martineau to be checked. Martineau promptly abstracted and destroyed his forgeries, which thus came to his hands. At the end of each month the bank sent to the department a detailed statement showing all the deposits made to the credit of the departmental account and all withdrawals by checks during the month. Martineau was intrusted with the comparison of this statement with the checks received during the month, and, upon his report of its accuracy, a receipt for such checks and an acknowledgment of the correctness of the balance as shown by the statement were given to the bank, signed by Mr. Holt, for the accountant, or by the Deputy Minister himself. Such receipts and acknowledgments are produced for the whole period covered by the Martineau forgeries, and the balances which they show were, in each instance, reached by debiting the forged checks to the departmental account.

The Bank of Montreal kept a separate "letter of credit account" with the department for each financial year. In order to postpone, as long as possible, discovery of his criminal conduct, about the time when the accounts for the fiscal year 1901-2 were in the course of final adjustment, Martineau forged a letter from the accountant of the department to the accountant of the Bank of Montreal requesting (as was quite a usual thing where the bank had charged in the account for one financial year checks drawn to pay items provided for in the appropriations of another year) the transfer from the account of 1901-2 to that of 1902-3 of a certain check, and the transfer from 1902-3 to 1901-2 of two other checks, the net result being a transfer from the debit side of the 1901-2 account of an amount approximately sufficient to cover the forgeries on that account down to the date of this forged letter.

At the close of each month the Auditor-General received from the bank a statement showing the balance standing to the credit of each of the departmental letter of credit accounts, and also the net general balance to the credit of the Government. The department also furnished to the Auditor-General a monthly statement showing the credits to which the department had been entitled during the month, and the expenditure shown on its books and represented by the checks drawn against its letter of credit account. As the latter statement included all the checks drawn, and the former only checks actually presented for payment, the credit balance shown in the bank statement should always have been equal to or greater than that shown in the department statement. From September, 1902, to February, 1903, a comparison of these statements establishes that instead of being greater than or at least equal to the balance shown on the department statement that shown on the bank statement was in each month less, the discrepancies ranging from $10,000 to $60,000 in round figures. These somewhat startling shortages in the funds which the bank acknowledged holding appear to have passed unnoticed in the audit office.

An investigation, made as the result of Mr. Holt having noticed, in February, 1903, that the balance shown to the credit of the department by its books largely exceeded that stated in the usual monthly receipt asked for by the Bank of Montreal, resulted in the discovery of the series of frauds, and ultimately, on February 19, 1903, in the arrest of Martineau charged with forging the twelve departmental checks, the subject of this action.

The department promptly notified the Bank of Montreal of the discovery of the forgeries and of the intention of the Government to make the claim now in suit. A similar notification was without delay given by the defendants to each of the third parties.

The right of the Crown to recover in this action is tacitly conceded, both by the defendants and the third parties—subject to a question already alluded to, as to the form of relief sought—unless alleged omission or neglect by officers of the Government of duties, which the ordinary customer owes to his bank has barred such right.

Mr. Shepley, for the defendants, discarding as a ground of defence everything in the nature of negligence affording opportunity for, or conducing to the commission of, the forgeries, rests his argument entirely upon an alleged breach by the Crown of a supposed contract or undertaking on its part, arising from the relation of banker and customer, that, when supplied by the bank with the means to do so (a pass-book with entries of credits and debits and paid checks as vouchers for the latter) it would with due diligence cause the pass-book and vouchers to be examined and would report to the bank, without unreasonable delay, any errors which should be discovered. Breach of this contractual obligation, Mr. Shepley argued, has entirely relieved the bank from liability to account to its customer. Mr. Gormully, however, contended that there was such negligence in the circumstances preceding the forgeries as conduced to their commission; that, apart from contractual obligation, there was such negligence on the part of the Government officials in regard to the checking of the statements furnished by the bank, and the acknowledgment of the correctness of such statements, and in giving to the bank receipts for its own checks, that it would now be inequitable to permit the Crown, after the destruction by one of its own officers of the vouchers for the items in question, to open up what is in effect a settled account. Both learned counsel argued that by the conduct of its officers the Crown is estopped from enforcing its claim upon the defendants, whose position in regard to relief against the third parties has been seriously affected as the result of breaches of duty by the officers of the Crown. Counsel for the third parties urged similar grounds of defence.

I find nothing of negligence or carelessness on the part of the Crown officers in the cimcumstances preceding the forgeries which conduced to their commission—nothing which would affect the right of any customer of the defendant bank to recover in such an action as this. Perhaps as much cannot be said in regard to their dealings with the statements and vouchers furnished by the bank.

I put aside the apparent neglect in the department of the Auditor-General to make comparison of the monthly statements furnished him by the Militia Department with those sent to him by the bank, because, although an investigation into the discrepancies which such a comparison would have disclosed, must have unearthed these forgeries several months before they were actually discovered, the omission to make such comparison would not, in my opinion, be a breach of a duty owing to the defendants had it occurred in the conduct of the business of any ordinary customer.

But, were the present plaintiff other than His Majesty, I should not, in respect to the eleven forged checks, as to which I have found there was no want of proper care on the part of its officials, without very mature consideration, reject, as unavailing to the Bank of Montreal for its defence, the failure of the depositor himself to check over his pass-book, or, if this duty was entrusted to an employee, to exercise reasonable diligence in supervising the conduct of his clerk in discharging the trust committed to him. If the employer has not been negligent in the selection of his employee, it seems at first a little difficult to understand upon what principle he should, though relieved of responsibility for his clerk's dishonesty in committing a forgery, be held liable for his dishonesty in concealing it. Yet, in regard to fraudulent checking, it is said that the bank cannot be in a worse position because its depositor employs a dishonest clerk for this purpose, than it would have been, had this important work been intrusted to honest hands. The employer is held responsible in the latter case probably because the clerk omits a duty which he was employed to discharge, and which his employer was bound to perform, or cause to be performed, whereas the actual forgery is an act of commission entirely outside the scope of the clerk's employment.

While there is no evidence of any negligence in selecting Martineau for this work of checking, or of any reason to suspect his honesty, the principal officers of the Militia Department seem to have placed extraordinarily implicit confidence in the integrity, the competence, and the diligence of one so recently placed upon their staff. It may be difficult to say, where delegation, not only of the duty of checking, but also of any supervision over the person intrusted with the duty, is inevitable, what provision for such supervision will be adequate to protect the customer of a bank from liability. Apart from an absolute contract binding the customer to check efficiently himself, or to have such checking properly done, for failure to perform which no excuse would avail, negligence is the foundation of the customer's liability, and the limitations of practical business would be taken into account in determining what, in each particular case, should be held to constitute such negligence. The proprietor of a large mercantile establishment may intrust to his most esteemed assistants the duty of supervising this examination of his bank pass-book, "sed quis custodiet ipsos custodes." Martineau, however, was under no supervision whatever.

A mere comparison of the checks returned with the items of the daily statement furnished by the bank, though made by a careful and upright man, would not have disclosed these forgeries. But any reasonably careful comparison of the bank pass-book sheets, or of the returned checks either with the cash account of the department, or with the stubs in its current check-books, would have resulted in their prompt detection. Nobody in the department appears to have been charged with the duty of making any such comparison. Intrusted to the forger himself, without supervision, even this comparison would, of course, have served little purpose.

But, though the relation of customer and banker is recognized as that of mandant and mandatory, no English authority establishes any contractual obligation on the part of the banker's customers to examine his pass-book. Indeed there is modern English authority for the proposition that the customer in regard to his pass-book and vouchers owes to his bank no duty which he must discharge at the peril of being bound, if he omits it, by the debit entries contained in the pass-book as by a settled account.

In Vagliano vs. Bank of England, Bowen, L.J., delivering the judgment of the majority of the Court of Appeal, speaks of the obligations in regard to the pass-book as resting upon implied contract as to the settlement of account, or as a duty of the customer to the bank arising from the ordinary course of dealing between banker and customer, and, in either case, as something to be established by evidence. Counsel, at page 245, is reported as having argued that the receipt of the pass-book, with items debited representing forgeries, accompanied by the vouchers, and retention of the latter without objection, amounted to a settlement of the account, which the plaintiff's negligence in regard to the examination of the vouchers precluded him from having opened. This contention the Court by implication rejected. The House of Lords in reviewing this decision proceeded upon other grounds, and, though the judgments refer to the duties of the customer in regard to the pass-book, they do not indicate their Lordship's views as to the precise nature of his obligation.

No evidence of the custom or course of dealing between banker and customer was offered at the trial of this action. Counsel dealt with the matter not as depending upon evidence, but as a question purely of law—a legal inference from or incident of the relation of banker and customer.

In Commercial Bank of Scotland vs. Rhind, Lord Campbell treats the pass-book, returned by the customer without objection, as affording prima facie evidence for the bankers as to entries with which the customer is debited, and against them as to entries on the other side.

In the American cases in which the duty of examination by the depositor is clearly affirmed and knowledge is imputed to him of all that such an examination carefully and honestly made would give, and in the English cases in which the customer aware of forgeries and failing to communicate such knowledge to his bank, has been deemed to have adopted such forgeries, the defence available to the bank is treated, not as the breach of an implied contract, but rather as an estoppel, entitling the bank to resist, in the former class of cases the opening of the settled account between itself and its customer, and, in the latter, the repayment to the customer of the amount of the forgeries held to be ratified or adopted, without proof that even the most prompt and complete discharge by the customer of the duties imposed upon him would have enabled the bank to recover the whole or any part of the moneys obtained by the forger.

The consequences to the customer of this breach of duty are in such cases not confined to the actual pecuniary loss which the bank can prove it to have caused, as they probably would be if the failure to examine the pass-book and vouchers and report promptly to the bank were deemed a breach by the customer of an implied contract entitling the bank to damages by way of set-off, or to resist pro tanto the customer's demand for repayment.

The arguments for the imposition upon the customer of the duty which the defendants claim he owes them in regard to the pass-books are cogent, and the American cases, if binding as authorities, would be conclusive in favor of the bank. The English authorities do not appear at all so strongly to support the defendant's contention. Sir John Paget says at page 120 of his work: "In the meantime, and until evidence of the nature suggested by the Court of Appeal is forthcoming, but little reliance can be placed on the pass-book as precluding a customer from disputing debits which have appeared in the book both when delivered to him and returned by him without objection, or from denying the genuineness of his signature to checks which represent such debits, and have been returned paid with the book and retained by the customer without comment."

In disposing of the present action on this question, I should, on the other hand, have to consider a matter not urged by counsel for the plaintiff. Although the evidence upon this point is not wholly satisfactory, I think it may fairly be inferred that the Bank of Montreal had from month to month in its own hands the means of detecting discrepancies between its accounts and those of the department caused by these forgeries. The monthly reimbursement checks of the Receiver-General, prepared on the basis of the departmental monthly statements furnished to the Auditor-General, certainly did not cover the sums charged up by the bank on account of the forgeries in its books and in its monthly statements rendered to the department and to the Auditor-General. It is difficult to account for the failure of careful bank officers to notice that each of the monthly reimbursement checks from January, 1902, to February, 1903, was drawn for a smaller sum than the bank books and statements showed to be due, the difference increasing with every forgery committed until, for each of the last three months, it amounted in round figures to $75,000, less only the amount of unpresented checks. It is still more difficult to understand how, during this period, if the books of the Ottawa branch of the Bank of Montreal were balanced, these discrepancies remained undiscovered, or if discovered why an investigation, which would undoubtedly have unearthed the forgeries, did not promptly follow. How far the bank's failure to avail itself of this means of detecting the frauds in question might be an answer to any counter-neglect of an ordinary depositor in regard to the checking of his pass-book and vouchers need not, however, be now determined.

But from another point of view these refunding or reimbursing checks have a direct and very important bearing upon the rights of the plaintiff and the defendants.

The defendants knew that they were dealing with the department under section 30 of the Audit Act. They must be deemed to have opened the Militia Department letter of credit account and to have conducted the business connected with it upon the basis of that legislation. They knew that provision is there made for the issue of checks "to reimburse the bank for advances under credits to cover the expenditures made and authorized."

This is the mode of "settling the account" between the bank and the Government prescribed by the statute. It sanctions no other. The transmission by the bank to the department of the daily pass-book sheets with the paid checks, however convenient in practice, is not a method of checking or settling the departmental account contemplated by the Audit Act. Whatever authority Government officers may have to bind the Crown by a settled account must, in view of these express statutory provisions, be restricted to what they authorize and direct. If so, the bank would seem not to have had the right to regard the retention of pass-book sheets and vouchers without objection as a settlement of accounts. The express provisions of the statute under which the dealings in question were conducted exclude any implication such as might arise in the case of an ordinary customer. Those provisions defer the adjustment of the interim advances made by the bank under the credits issued to it until the Receiver-General, at the instance of the Auditor-General, issues his reimbursement check. The sending of this reimbursement check and its acceptance by the bank without protest must therefore be regarded as effecting the settlement of the account between the bank and the Crown, if there ever was such a settlement. No reimbursement check covered the Martineau forgeries. It may well be that the bank, by its acceptance and retention of these reimbursement checks without protest, bound itself by settlements of account which exclude the items that it now claims to charge against the plaintiff. If the view which I have expressed of the effect of section 30 of the Audit Act be correct, it follows that the bank cannot on any plea of settled account justify its retention of His Majesty's moneys to cover these forgeries.

Although in Critten vs. Chemical National Bank the court declines to treat the liability of the depositor as resting upon either an implied adoption of the forged checks as genuine, or a ratification of their payment, as an estoppel from asserting that they are forgeries since Devaynes vs. Noble, where courts have held the depositor for want of examination of his pass-book and vouchers chargeable with forgeries debited to his account, it has almost invariably been upon the ground that "his silence is regarded as an admission that the entries are correct." In Leather Manufacturers' Bank vs. Morgan, the Supreme Court of the United States treats such a case as a settlement of accounts by conduct working as estoppel. In Blackburn Building Society vs. Cunliffe, Brooks & Co., Lord Chancellor Selborne, delivering the judgment of the Court of Appeal, speaks of "the doctrine that a pass-book passing to and fro is evidence of a stated and settled account." This I take to be the true ground upon which the ordinary customer, who has had opportunity to examine his pass-book and vouchers, and has failed with reasonable promptness to notify the bank of such forgeries as by a proper examination he would have discovered, is precluded from objecting to these debit items in his account. That ground, for reasons above stated, is not, I incline to think, available to the present defendants.

But upon another ground of a very different character their defence must fail. To whatever disabilities the circumstances above adverted to might subject the plaintiff in this action, were he an ordinary customer of the defendant bank, they do not, in my opinion, in any wise embarrass the position of His Majesty as a suitor. Whether the defence, which counsel urge is available to a bank against its customer who neglects the duty of examining his pass-book and vouchers with ordinary diligence, should be regarded as arising from breach by the customer of an implied contract or undertaking on his part to perform this duty, or as an estoppel resulting from conduct by negligence or omission inducing a reasonable belief, and therefore tantamount to a representation that the statements as rendered by the bank were correct, upon which the bank has acted or abstained from action to its prejudice—in either aspect, if effectual in this action, such defence would involve imposing upon the Crown responsibility for the fraud, the negligence, or the omission of its servants. In the one case the Crown would be deemed by implication to have guaranteed the honesty, the fidelity, and the diligence of its employees; in the other it would be precluded from showing the truth by reason of the breach of duty of its servants.

The King is not bound by estoppel.

The Government "does not undertake to guarantee to any person the fidelity of any of its officers, or agents whom it employs." (Story on Agency, sec. 319.) Nor may the Government, under guise of a breach of an implied contract, be made responsible for laches of its officers for which it would not be directly liable as for breach of duty tortious in character.

"Even in regard to matters connected with the cause of action relied on by the United States, the Government is not responsible for the laches, however gross, of its officers."

It is a standing maxim of English law that in the King there can be no laches. For the same reason negligence is not imputable to him.

"This doctrine is indeed not confined to an exoneration of the Crown from liability for the torts of its agents and servants, but is carried so far as to exonerate the Crown or Government from the non-performance of contractual obligations, which in the case of private persons would be fatal to their rights, when such non-performance or negligence consists in the omissions of public officers to perform their duties. In the case of contracts, they are to be construed as though they contained an exception of the Crown for liability in respect of any wrongful or negligent breach by its servants. If Her Majesty could not be made liable in tort for the negligence of the persons who caused the injury to the suppliant of which he complains, it is impossible that she should become liable from the fact that the negligence which is said to have caused the injury is alleged to be in breach of a duty arising out of a contract."

In Cooke vs. United States, Waite, C.J., delivering the opinion of the court, says: "Generally, in regard to all the commercial business of the Government, if an officer especially charged with the performance of any duty * * * neglects that duty, and loss ensues, the Government must bear the consequences of his neglect." And "If it comes down from its position of sovereignty, and enters the domain of commerce, it submits itself to the same laws that govern individuals there." In United States vs. Barker it is laid down that the Government, as holder, of a bill of exchange, is bound to use the same diligence to charge the drawer and indorsers that is required of individuals; failure in this involves the loss of its claim against them.

In England the Crown, holding a bill of exchange seized under an extent before it is due, is said to be not chargeable with the neglect of its officer to give notice of dishonor. It may be contended that in this latter case the holding by the Crown is ascribable to the exercise of powers incident to its sovereignty, and not to any "entry into the domain of commerce." But neither should the opening in a chartered bank of a current account, necessary for the convenient handling of its moneys to be used in meeting the exigencies of the public service, be deemed an undertaking of commercial transactions implying an abrogation pro tanto or quoad hoc of privileges and rights peculiar to sovereignty. If it were, the Government could not, without seriously endangering public interests, avail itself of the facilities afforded by an institution owing its existence to a parliamentary charter.

Whatever may be the case in the United States, where the immunity of the Government from responsibility for the laches or negligence of its officers is founded upon considerations of public policy, in British dominions, where this wholesome privilege is part of the ancient prerogative right of the Crown, no implication of waiver by conduct, no consent express or implied given by any officer, no inference of extinction or abandonment to be drawn from statutory provisions, nothing less equivocal, authentic and compelling than a clear legislative enactment, in express terms taking it away, can be permitted to deprive the sovereign of the protection afforded by this portion of his royal prerogative, if he be minded to claim it.

In my opinion, therefore, the plaintiff is entitled to recover from the defendants the amount claimed, $75,705, with interest from the date at which such sum was, or the respective dates at which its component parts were, charged against the account of the Receiver-General of Canada, and were thus converted to the use of the defendants. From this, however, must be deducted the sum of $12,443.77, found upon Martineau's person when arrested, which was taken possession of by the Dominion Government. This money Martineau acknowledges to be a portion of that derived by him from his forgeries. Interest upon this latter sum from the date of its recovery must also be credited. The plaintiff shall have the costs of this action from the defendants.

The questions raised by the claim of the defendants against the third party banks must now be considered. Counsel for the Bank of Montreal argued that the third party banks are liable as indorsers, or upon warranty or representation that the checks were genuine, involved in or to be implied from their presentation of such checks for payment through the clearing-house. The defendants also claim to recover from each of the three banks to which they paid proceeds of the forgeries, the several amounts thereof as moneys paid and received by and under mistake of fact.

Upon the evidence I find that the third party banks were not indorsers. They did not become parties to the checks to pass title thereto. They did not place their names upon them with intent to assume liability, or for any other purpose than to identify as their property such checks as they had respectively sent to the clearing-house, and to signify to the officer there in charge to what bank he should credit such checks. Nothing depends upon the fact that these forged checks were passed through the Ottawa Clearing-House.

Neither did they warrant nor represent anything as to the genuineness of the checks. The defendants did not act voluntarily on the request of the third parties. They paid in assumed discharge of their obligations to the plaintiff. In such cases there is no implication either of warranty or of representation upon which a claim for indemnity could be founded. Neither was there any passing of title by delivery, the checks being "at home" with the Bank of Montreal.

The third parties resist the claim of the defendants upon several distinct grounds: viz., 1st, that there was negligence on the part of the defendants in making the payments which precludes recovery; 2d, that, by the law merchant, failure on the part of the drawee to give notice of dishonor of a forged bill on the day of its presentment and payment absolutely discharges a bona-fide holder for value who has received payment innocently; 3d, that a similar statutory obligation, its breach entailing like consequences, is imposed by section 54 of the Bills of Exchange Act; 4th, that the fact that the defendants paid their own customer's check, and the change in position of the third parties since payment by the defendants, render it inequitable that the latter should be permitted to recover.

I have found that, except as to the fourth check of the series, there was no negligence on the part of any of the bank officers in passing these checks. It may be that the special negligence on the part of the Bank of Montreal in regard to the fourth check, precludes recovery from the Quebec Bank of the money paid upon it. I find it unnecessary to dispose of this question.

On behalf of the Royal Bank evidence was given to establish that, although, when deposited, the last two checks of the series were formally placed to Martineau's credit in his account, the ledger keeper was in fact instructed not to permit him to draw against that account in respect of the sums represented by these checks until they had been actually paid by the Bank of Montreal. It is not pretended that Martineau was informed of these special instructions or of anything which would restrict his right to treat these deposits as actual credits which he was immediately entitled to use.

In Capital and Counties Bank vs. Gordon, Lord Macnaghten says: "It is well settled that if a banker before collection credits a customer with the face value of a check paid into his account the banker becomes holder for value of the check." And Lord Lindley: "It must never be forgotten that the moment a bank places money to its customer's credit, the customer is entitled to draw upon it, unless something occurs to deprive him of that right. Nothing occurred in this case to the knowledge of the bank which had any such effect." I cannot regard the Royal Bank as a mere agent of Martineau for the collection of the checks deposited with it. Like the two other third party banks, on whose behalf no such evidence was offered, I must treat the Royal Bank as holder in due course of the two last checks of the series, so far as there can be a bona-fide holder in due course of forged paper.

On behalf of the Quebec Bank it was proved that its rules requiring certain notices of withdrawal to be given are notified to depositors by being printed inside their pass-books. The Manager, on examination in chief, stated that these rules were insisted on; but on cross-examination he conceded that the rule requiring fifteen days' notice of withdrawals is not always observed.

In the case of the Royal Bank the pass-book contains a notice that the bank reserves the right to require fifteen days' notice when all or any portion of a deposit is withdrawn. There is no evidence of any similar provision affecting the Sovereign Bank account.

An examination of the Cote account with the Quebec Bank shows that notice of the forgeries to the bank would have enabled the bank to protect itself, in the case of the first forged check, if given on or before the fifth day after it was deposited; of the second check, if given on or before the sixty-ninth day; of the third, on or before the thirty-ninth day; of the fourth, on or before the thirty-fourth day; of the fifth, on or before the fifth day; and on the sixth on or before the third day. In the case of the Sovereign Bank, notice would have had a similar effect if given as to the seventh and eighth checks on or before the seventh day after their deposit, and as to the ninth and tenth checks, on or before the third day following their deposit (allowing for accumlated interest not credited). In the case of the Royal Bank, notice would have been effective if received in the case of the eleventh check, on or before the sixth day following its deposit, and of the twelfth check, on or before the eighth day after its deposit. In each case a still later notice would have enabled the bank to protect itself as to part of the amounts of these checks, which, except three, were paid by the defendants on the day after their deposit with ont of the third party banks. The second check, deposited December 24, 1901, was paid December 26, 1901; the fifth, deposited April 18, 1902, was paid April 21, 1902, being the second judicial day after its deposit; and the last check, deposited October 15, 1902, was paid October 17, 1902.

In the case of every check of the series, therefore, the position of the recipient bank was altered to its prejudice after the day on which payment was made by the defendants.

This clearly distinguishes the present case from Imperial Bank of Canada vs. Bank of Hamilton, in which the face value of the forged check had been obtained by the depositor from the former bank before its presentation for payment at the latter. The Privy Council, in holding the want of notice of the forgery to the Imperial Bank on the day of payment to be unavailing as a defence, lays distinct stress upon the fact that "no loss has been occasioned by the delay in giving it." The question presented for my determination, therefore, is not concluded by that decision. I have not overlooked the language found at page 57 of the report, where Lord Lindley, speaking for the Board, says: "Quite apart from the fact that the appellants were not in any way prejudiced by want of notice on the day of payment, it appears to their Lordships that the stringent rule referred to * * * does not really apply to this case." His Lordship was speaking of the well-known rule in regard to genuine bills and notes laid down in Cocks vs. Masterman, "reasserted in even wider language by Mathew, J., in London and River Plate Bank vs. Bank of Liverpool." That rule in nowise depends upon negligence, and involves a conclusive presumption of prejudice for want of notice on the day of presentation for payment. The Judicial Committee held it inapplicable to "a simple forgery," whether or not actual prejudice resulted from notice not being promptly given. I understand that this judgment simply excludes from the consideration, as inapplicable to the case of mere forgeries, such as we are dealing with, the rules as to notice established in regard to genuine bills and notes.

What I have said answers the second and third contentions of counsel for the third parties, but does not affect the question raised by their final contention as above stated. As to the third ground, the Bank of Montreal never was an acceptor of any of these checks within the meaning of section 54 of the Canadian Bills of Exchange Act. I, therefore, proceed to deal with the question between the defendants and the third parties apart from all considerations as to notice peculiarly applicable to bills and notes of established genuineness.

Where in the course of business, as the result of mistake of fact between them, a loss has fallen on one of two equally innocent and blameless parties, it is held by some courts in the United States that such loss must remain where the chance of business has placed it.

The grounds upon which recovery has been successfully resisted in many cases of forged signatures are two: viz., that the fact that the person seeking to recover is the banker of the drawer, whose signature has been forged, in the absence of any fault on the part of the payee, deprives him (the banker) of all right to relief; and that a prejudicial alteration of his position by the payee after payment renders it unjust that he (the payee) should be required to refund. These two grounds demand careful investigation.

For the defendants it is contended that, while the duty of the banker to his customer to know his signature is absolute, he owes no such duty to any other person, and no third party can claim any benefit from such an obligation.

It cannot be denied that there is a great mass of authority to the contrary. In Price vs. Neal, Lord Mansfield says: "It was incumbent upon the plaintiff to be satisfied 'that the bill drawn upon him was the drawer's hand,' before he accepted or paid it." In Smith vs. Mercer, Dallas J., says: "If an acceptor is then bound to know the drawer's hand-writing, is it less the duty of a banker to know the hand-writing of his customer? In degree, it is more so; for he sees it, probably, every day. I consider therefore the payment of this bill as a want of caution on the part of the plaintiffs." Heath, J., says: "The situation of bankers is most peculiar—they are bound to know the hand-writing of their customers." Gibbs, C.J., approves of these statements. In both these cases the right of recovery of the banker from the holder for value, whom he had paid, was under consideration. In neither was there any evidence that by greater care the forgery could have been detected.

In Wilkinson vs. Johnson, the court speaks of the fault of a drawee who pays on a forged signature. To Bramwell, B., in Hart vs. Frontino, etc., Gold Mining Co., is attributed this statement: "As against a bona-fide holder for value a banker paying a forged check * * * cannot afterwards recover back the money." In Simm vs. Anglo-American Telegraph Co., Lindley, J., says: "A banker paying a forged check to an innocent holder for value cannot recover back its amount." In Sheffield Corporation vs. Barclay, Vaughan Williams, L.J., refers approvingly to the dicta of Bramwell, B., and Lindley, J.

It will be noticed, however, that neither Lindley, J., nor Bramwell, B., speaks of the banker as bound to third parties to know his customer's signature. While advancing the proposition broadly that his mistake precludes recovery, these judges abstain from stating for what reason it is, or should be so. Cross, J., alludes to the banker's recognition of the forged signature.

There is no relation between the banker and the payee which can extend to the latter—a stranger—the obligation which the banker is under to his customer, the real foundation of which must be that, in the absence of a genuine signature, the banker has no mandate or authority from the customer to pay. Notwithstanding the profound respect which I entertain for such eminent jurists as Lord Mansfield, Sir A. A. Dorion, and Mr. Justice Story, I am bound to express my opinion that the alleged right of the stranger to set up a duty to himself of this kind appears to rest upon no solid foundation, and is incapable of logical proof; and, in the light thrown upon the real position of simple forgeries by the Privy Council judgment in Imperial Bank of Canada vs. Bank of Hamilton, the propositions stated by all the

Upon a distinctly different ground the banker may be precluded from recovery. The finding that there was no negligence on the part of the Bank of Montreal officials (except as to the fourth check) because the forgeries were so executed that no reasonable care in examination would have detected them, involves a finding that the bank had not means of knowledge. It is not, therefore, driven to rely upon the principle established by Kelly vs. Solari. But, though he has neither knowledge nor the means of knowledge of the forgeries, if a banker by his conduct represents to a person in the position of any of the third party banks that he is prepared to treat a drawer's forged signature as genuine, and such person, in consequence of such representations, acts, or refrains from acting, to his prejudice, is the banker ex aequo et bono entitled to ask the courts to shift his loss to the innocent person whom he has misled, however blamelessly? Did the defendants so represent?

Mathew, J., meets this situation in London and River Plate Bank vs. Bank of Liverpool, thus, when speaking of Price vs. Neal, he says: "It seems to me the principle underlying the decision is this. that if the plaintiff in that case so conducted himself as to lead the holder of the bill to believe that he considered the signature genuine, he could not afterwards withdraw from that position." But the banker did in fact consider the signature genuine, and, unless his conduct is to be taken as calculated to convey more than this belief to the holder whom he pays, there not seek to withdraw from that position. Does he not, however, go further distinguished judges whom I have quoted, must, I venture to think, be is no misrepresentation on which to found an estoppel. He, therefore, need deemed too broad.

Finding myself unable to agree with the proposition that the banker owes to the holder of a check the duty of knowing his customer's signature, I prefer not to rest my decision upon it.
and impliedly assert that he accepts and assumes responsibility for the check as genuine? Such, it seems to me, is the construction which a reasonable man might be expected to put on a banker's payment of his customer's check drawn upon him, and it is from this position that he cannot, if his assumption of it has been the cause of appreciable detriment to a person who might be expected to rely upon it, as against such person be permitted to recede. Had the defendants made express representations that these checks were genuine, they would beyond doubt be bound thereby. (Deutsche Bank vs. Beriro.) They must be assumed to have known that payment of these checks would be likely to induce in the holders a belief (upon which they might act, or refrain from action) that the Bank of Montreal deemed the forged signatures of the departmental officers genuine and had accepted and assumed responsibility for the checks to which they were appended. The

fact that the banker has special facilities for recognizing forgeries of his customer's signature, and may be expected, for his own protection, to take every precaution to detect such forgeries, fosters this belief and is calculated to beget in the holder absolute confidence in this security, so much so as to give to this representation by conduct all the force of an express representation of fact.

Had the third party banks been merely agents for collection, the fact of prejudicial alteration in position and the causal connection therewith of the defendants' conduct would be obvious. Is it less so where, although the amounts of the forged checks had been placed to the credit of the depositor before, the banks in fact retained their proceeds, or the consideration to be given for them, until after payment by the drawee?

In the case of the Royal Bank clearly not, because, upon the positive and uncontradicted evidence of its Manager, payment was made by the bank to Martineau solely in reliance upon the assurance which payment by the defendants afforded. The estoppel in favor of the Royal Bank is, in my opinion, complete. Its alteration in position is unquestionably directly attributable to the confidence engendered by the act of the defendants.

I do not find in its rule requiring notice of withdrawal sufficient ground for distinguishing the case of the Quebec Bank from that of the Sovereign Bank. In the absence of express evidence to that effect, should it be inferred that the conduct of the defendants induced the alteration of position which ensued in the case of these banks?

In the first place the onus of proving that such is not the case is perhaps upon the defendants. The position of the defendants required that they should either pay or refuse to pay these forged checks. In the latter event the third parties, instead of being "lulled to rest," would have been warned immediately to take steps to protect their interests, which, in this case (in that respect different from most others), it is clear would have been effective. These third party banks had the forger's moneys in their own hands.

Cameron, C.J., in Merchants' Bank vs. Lucas, says: "If it is necessary that there should be affirmative evidence of their being prejudiced by actual doing or refraining from doing, there has been no legal estoppel in this case. But I am of opinion the principle of estoppel is more extensive in its application, and it will be sufficient if it be shown that in absence of the matter of estoppel, the plaintiffs might have put themselves in a position from which a benefit might accrue to them. It is unimportant whether they would have taken steps to secure the benefit or not."

It is not unreasonable to infer that the change in position of the third party banks, subsequent to the payment by the defendants of the forged checks, is attributable, in part at least, to the fact that such payment was made. They refrained from taking steps which there is every reason to suppose they would have taken in the event of non-payment by the defendants on presentation—a fact of which they would undoubtedly have had prompt notice.

Though the inference that the loss sustained is ascribable to the misrepresentation established is not a conclusion of law, as had been stated by Jessel, M.R., in Redgrave vs. Hurd, without express evidence that the payments to Martineau by the Soverign Bank and the Quebec Bank were induced by the fact that the Bank of Montreal had honored the checks deposited by him, as a juror I find little difficulty in drawing such an inference of fact.

Upon the ground of estoppel arising from its payment of the forged checks and the change in the position of the third parties which ensued, rather than for default or breach of duty in failing to detect forgeries of its customer's signature, or upon any conclusive presumption of culpable negligence raised by that misfortune, the Bank of Montreal should, in my opinion, be held not entitled to recover.

Apart from any application of the principles of estoppel, the third parties appear to have a defence to the claim made upon them for repayment. "When one of two innocent parties must suffer by the acts of a third, he who has enabled such third persons to occasion the loss must sustain it." Although the third party banks had credited Martineau's account with the amount of the forged checks before they were presented for payment, that mistake or indiscretion, if I may so call it, would have been quite innocuous to them, had it not been for the subsequent mistake of the defendants in honoring those checks. This act of the defendants was, I think the proximate cause which enabled Martineau to reap the benefit of his frauds. Upon the principles established by Lickbarrow vs. Mason they must bear the loss. Upon both grounds, however, in my opinion, the defendant cannot ex aequo et bono claim to be relieved at the expense of the third parties from the loss which they have sustained.

But, inasmuch as the third parties have upon equitable grounds successfully resisted the defendants' claim, they must in turn do equity. While the claim made against the third parties will be dismissed with costs, the Quebec Bank must pay to the defendants the balance of $5, which it appears to hold at Martineau's credit. The Sovereign Bank account and the Royal Bank account had been closed before Martineau was arrested.

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 promptly sent by mail.

Editor Bankers Magazine: ———, Tenn., November 23, 1905.

Sir: Will you please answer the following questions:

We are situated in the country, and bills drawn on us can only reach us by mail, as a general thing; and occasionally we receive notices from other banks stating that, "they hold for collection checks drawn on us," and request us to remit amount before they will forward the check. In so doing we can tell nothing about the signature until after we have paid the check. In this way how can we guard against forgery?

Where country checks are paid through city clearing houses, and it is the rule of the clearing house to consider all checks paid which are not returned before one o'clock same day, what should be done in regard to forged checks? PRESIDENT.

Answer.—It is an elementary rule in the law of commercial paper, that the drawee is presumed to know the signature of the drawer; and if he pays a bill to which the drawer's name has been forged, he is bound by the act and cannot recover the money. The law proceeds upon the theory that the drawee must know the signature of his correspondent much better than the holder can, and that, therefore, the holder may cast upon him the entire responsibility of determining as to the genuineness of the instrument. If he fails to discover the forgery, the law imputes to him negligence; and although he has made payment under a mistake, and parts with his money without receiving the supposed equivalent, and although the holder has obtained the money without consideration, still the drawee cannot be relieved from the consequences of his neglect at the expense of the holder, and the latter may retain the money in equity and good conscience. This rule was first established by the decision of Lord Mansfield in Price vs. Neal (3 Burrows, 1354), and has been held to apply to banks in the payment of checks. (Nat. Park Bank vs. Ninth Nat. Bank, 46 N. Y. 77; Bank of St. Albans vs. Mechanics' Bank, 10 Vt. 141; Commercial and Farmers' Bank vs. First Nat. Bank, 30 Md. 11.) But this rule applies only where the paper is actually presented, so that the drawee has an opportunity to inspect the signature. (Allen vs. Fourth Nat. Bank, 59 N. Y. 12.) In the case cited, it was said:

"In case of commercial paper being paid without previous inspection, it is, no doubt, the duty of the party paying to use due diligence in making the inspection as soon as he has opportunity, and in giving notice of the forgery if one be discovered; and if by his failure to do so the party receiving is prejudiced, such negligence would be a good answer to the claim for restitution. The doctrine of Price vs. Neal (3 Burr. 1354) is exceptional, and in strictness applies only where the paper is actually presented to the party, and accepted or paid on or after such presentation. Where the payment is made without presentation, and accepted subject to future examination of the paper, the case is not within the exception in Price vs. Neal, and the ordinary rules respecting money paid by mistake and negligence and its consequence should be applied."

In the case stated, therefore, as the payments are made without an opportunity to inspect the signatures to the checks, the bank would not be precluded from disputing their genuineness when such opportunity is given, and could recover any payments so made as payments made under mistake of fact. (See Allen vs. Fourth Nat. Bank, 59 N. Y. 12; Canal Bank vs. Bank of Albany, 1 Hill [N. Y.] 287; Redington vs. Woods, 45 Cal. 406; Espy vs. Bank of Cincinnati, 18 Wall. [U. S.] 604; Rouvant vs. San Antonio Nat. Bank, 63 Tex. 610.)

As to country checks paid through the clearing house, if they are paid by some member acting as clearing house agent for the drawee bank, then they would be subject to the clearing house rules, and would have to be returned within the time fixed by such rules.

Editor Bankers' Magazine, Syracuse, N. Y., November 23, 1905.

Sir: One of our customers is in receipt of a check accompanied by a statement bearing the following notice: "N. B. This is understood and intended to be a settlement in full for all our purchases of you up to the date of the latest bill herein paid. If not correct, return our check." The check does not cover all the purchases to the date of the latest bill, and our customer retains the check, credits it on account and writes the maker of the check to that effect. Is this proper, or should he have returned the check?

CASHIER.

Answer.—The acceptance of the check would in this State operate to discharge the entire debt. If, when the amount of an indebtedness is in dispute, the debtor sends the creditor a check for the sum conceded by the debtor to be due, with an unsigned receipt "in full" and a letter requesting the signing and return of the voucher, the offer of payment is to be deemed made upon the condition of its acceptance in satisfaction of the debt; and if the creditor retains the papers, and, after claiming a larger sum, and the refusal of the debtor to pay anything more, indorses and collects the check, such acceptance of the check imports an election to be bound by the condition on which it was offered and constitutes an accord and satisfaction which will not be affected by the creditor subsequently sending the debtor a receipt "on account," unless such receipt is acquiesced in by the debtor. (Nassoiy vs. Tomlinson, 148 N. Y. 326.)

UNSOUND PRINCIPLES OF CURRENCY.—United Sates Treasurer Treat's report, just published, says that our paper currency "is subject to very rough usage, which soon reduces it to a condition unfit for circulation."

What is the reason that our currency comes to need washing and ironing before it is fit for the pocket? It is because it is never truly redeemed. Some of our paper money stays afloat for years, although it ought to be destroyed whenever the cycle of trade which called it into existence is accomplished. When a farmer gets greenbacks for a load of grain, and deposits them in bank, they ought to be destroyed when next they reach the Treasury. If the farmer pays the paper "money" to a store, it ought to be destroyed whenever it is paid into bank in satisfaction of the discount which called it into existence.

If we are not mistaken, the average life of our paper money is two years, whereas it ought not to exceed at most the time of currency of the ordinary promissory note. Dirty money has a deeper meaning than mere wear and tear. It is an outward and visible sign of unsound principles of currency. —*New York Times.*

INVINCIBLE POWER OF THE PEOPLE.—When aroused the people are invincible. The bosses may have the political machinery running ever so smoothly, but the heart and conscience of the people is the strongest machine in the world. Such a machine is the mightiest that can be constructed.—*Governor Folk of Missouri.*

THE FUTURE OF THE RATE OF INTEREST.

[By Alex. Del Mar, Author of a "History of the Precious Metals," "The History of Money," "The Science of Money," Etc.]

Although it was commonly known that the production of gold throughout the world had greatly increased and was still increasing, yet marked attention was first drawn to the subject in July, 1905, when not only was the great increase of gold explicitly set forth, but the cause of it explained, and the prediction made that within the next five years even this great increase would be doubled; so that instead of, as now, producing a million a day, the world would produce two millions a day. The main cause of the increase was shown by the same authority to be the cyanide process and the Gold Dredger; and the basis of the prediction for the future was the vast extent of placer ground known to contain alluvial gold in paying quantities, when worked by this practically new and very effective device.

Great and Increasing Product of Gold.

Soon after the publication of these facts, explanations and predictions, the Director of the United States Mint, in his preliminary official report, confirmed them all; though in less positive and explicit terms; whereupon there almost immediately appeared a number of printed papers and essays, upon the effect which this influx of gold, thus confirmed by official research, was likely to have upon the future permanent rate of interest for money. In most of these papers the only cause put forth for apprehending any change in the long-time ordinary rates of interest, was the increase of gold; in only one of them was the subject treated historically; whilst none of them appeared in a form or setting which, like an essay in The Bankers' Magazine, is valuable for reference and suitable as the basis of further study.

The principles which underlie a rate of interest and therefore the basis upon which the future of the rate of interest may be predicated, form neither a new study nor an easy one. They were discussed over twenty-two centuries ago by Aristotle; they occupy a space in every modern work on political economy; they have filled entire volumes, from the Denunciad of Father O'Callaghan, 1856, to the Dunciad of Calvin Elliott, 1902, and from the profound lucubrations of Thomas Henry Buckle, 1855, to the sciolistic treatise of Boehm-Bawerk, 1891. The mere bibliography of interest would fill twenty-odd pages of The Bankers' Magazine.

Analysis and Principles of Interest.

Yet when interest is analyzed, these principles stand out plainly enough, and are found to have little or no necessary connection with the increase of gold, or of any kind of money. A rate of interest consists of three elements: First, profits in production or trade; second, risk; third, the cost of superintending loans. For example, the rate of interest in New York at the present time, on such financial or commercial security as bankers accept, is, let us say, five per cent. Of this rate, a portion is charged and conceded as insurance, to cover the risk to which the lender is exposed of not receiving back his principal, with interest. Seeing that first-class three per cent. State and municipal bonds—a much better security than financial or commercial collateral—command par, it follows that the risk involved in the latter must account for a great part of the difference, say one per cent. Then the cost of superintending the loan, namely, finding the borrower, keeping the account, collecting the interest, defraying legal and notarial fees, etc., amounts to something, let us say one-fourth of one per cent. The Connecticut Insurance Commissioner computes this item at one-eighth of one per cent.; but this we regard as too low, when applied to the whole body of loanable capital. In the long run the net profits of production or trade in the United States, after all losses and failures are deducted, as is proved by a great variety of evidences, do not exceed three and three-fourths per cent. per annum. This makes up the market rate of five per cent.

Profit is the Chief Element of Interest.

The restrictions of space will not permit discussion of all these elements of a rate of interest, but only the principal one, namely, the profits of production or trade. If no profits could be made or were expected to be made in production or trade, nobody would desire to borrow money on security, were the rate ever so low. Men borrow money for the purpose, either of lending it again at a higher rate than they pay, or of investing it in production or trade which promises a profit greater than the rate of interest charged upon the original loan. This is the borrower's foundation of interest. The lender's foundation of interest is the amplitude of his treasure or credit; in other words, the supply of loanable funds.

In nearly every essay which has appeared during or since the very recent rise in the rate of interest it has been regarded as temporary and the cause of it (we are not now referring to the probable future permanent rate, but the current rate), the sole reason put forward or discussed, was the Western demand for moving the crops; by which is meant the initial funds required for advances on the crops, or what funds were likely to prove sufficient to bring them into market, practically into the elevators, or the cattle-pens. But any quantitative consideration of the subject should have been sufficient to indicate that such a cause was quite inadequate to produce the known result. The crop movement is a familiar phenomenon; it recurs every year at the same period; country dealers are prepared for it; local bankers are prepared for it; Kansas City, St. Louis, Chicago, and all the great Western cities whose names are legion, are prepared for it; and were it necessary, the Western bankers could finance the crops without any assistance at all from New York, Philadelphia or Boston, or without withdrawing their balances from those financial centres. The sum necessary to move the crops is thirty or forty, say fifty, say one hundred millions.

What is this compared with the tremendous difference between a two per cent. and a five per cent money market, operating, as it did, upon billions of securities, determining their current value and that of the incomes derived from them? To say that the crop movement had nothing at all to do with the recent rise of interest would be perhaps saying too much, for it certainly had something to do with it; but not much; almost nothing.

On the other hand, and apart from the recent rise of interest, some of the essayists have built predictions of the future entirely upon the new supplies of gold. One writer declares that in future we shall have lower interest, because the new gold will render money more plentiful and consequently more difficult to lend. On the other hand, the "Wall Street Journal" editorial of October 3d, held that "the enormous production of gold in recent years had gone very largely into the coinage of the principal nations, caused an expansion of money, a rise of prices, and a corresponding uplift in interest rates." This relates to the past, not to the future; yet, until quite recently, there was in fact, despite this reasoning, no rise of interest. Last year money was a-begging at one per cent. per annum. Another writer predicts higher interest, because the new supplies will lower the purchasing power of gold; therefore the lender will have to demand a higher rate of interest, part of which is to cover the fallen value of the principal.

It is perhaps needless to reply that money-lenders by themselves cannot make a rate of interest; that "it takes two to make a bargain;" and that a rate of interest, like any other price, is fixed by the contest between buyer and seller, between lender and borrower; in brief, by exchange, the universal touchstone of value.

Increase of Gold Will Not of Itself Affect Interest.

That an increase in the volume of money, whether of gold or silver coins, or paper notes, will tend not to enhance, but to lower the rate of interest for a brief time, that is to say, until the new money thoroughly permeates the channels of trade, goes without saying, for it is written on the pages of history; but as to any permanent alteration of interest, neither an augmentation nor a diminution of money could, of itself, and apart from other circumstances, affect it at all. As the Stagyrite long ago demonstrated, money cannot breed money; only production and trade can breed it; and unless the conditions of the latter are such as to yield or promise to yield profits, there would be no rate of interest at all; for nobody would wish to borrow, nor nobody care to lend. The Halcyon, or Elizabethan, Age of England did not arise solely from the great increase of money which occurred at that period, but from the circumstances and opportunities which attended that increase and which created an intense demand in production and trade for the profitable employment of that money; a subject to which we shall revert as we proceed.

The Recent Temporary Rise Versus the Future Permanent Rate.

It is curious how readily untrained observers, among them especially those who contribute voluntary and eleemosynary essays to the alms-seeking portion of the press, are apt to overlook a great truth in their eagerness to grasp some platitude sufficiently conventional to save their remarks from ridicule. The stale, trite, false, conventional platitude, which they offered to account for the recent rise of interest, was the crop movement: the great truth which they saw not, was the crop itself.

It was not the demand for a few millions of money to move the crop, which caused the rise of interest, but the amplitude and exuberance of the crop, the profits it earned this year, the profits which farming promises to earn next year, and the desire on the part of the farmers to buy more land, tools, farm implements, cattle and labor, in order to increase those profits; that is what caused the rise of interest; that, and other enterprises which now are creating fresher and fresher demands for loans of capital.

Some Evidences of Existing Industrial Activity.

Bankers need only turn to the pages of the trade journals to note the enormous development of sound industrial enterprises to which the adoption of electrical power is giving rise. For some examples, taken at random, the New York Central is electrifying its entire system from New York to Croton at an outlay of at least sixty millions; a power company is erecting a dam on the Tennessee River 1200 feet wide and thirty-five feet high, over which the water is hereafter to fall, developing 56,000 horse-power, enough to add 400 more manufactories to the 400 already existing in the adjacent city of Chattanooga. This dam, the fourteen electrical generators to be used, the power-house, a lock, etc., in short, the improvement, will cost three millions, and is to be finished in fourteen months. The Mexican Electric Company, with headquarters in the City of Mexico, is another new enterprise of large dimensions. It deals in electrical apparatus, accessories and supplies, and has already furnished machines and materials to numerous installations in Mexico, both in the capital, in Vera Cruz, Jalapa, Puebla, Guadalajara, Zacatecas, Guanajuato, San Luis Potosi, Hermosillo, Guaymas, Ciudad Victoria, Tampico and elsewhere. All of these installations required capital, and most of them came to the United States for it. Along the lines of the Southern Railroad, 7,000 miles long, during the year ended June 30, 1905, there were completed and put in operation forty-six textile mills, thirty-four furniture factories, thirty-eight iron industries, six tanneries, seventy-seven stone quarries and coal mines, thirteen cotton-seed oil plants, eight fertilizer works, and more than 500 small industries. Over 250 plants were enlarged, and fifty-four new industries were under construction when the report closed. All these industries needed capital, and most of them applied for and procured it in the rich cities of the North and East. In a railway journal we read of a new electric road in Indiana, 146 miles long; the American Car and Foundry Company has booked orders ahead for 45,000 new cars; the ship-building yards on our great lakes are overburdened with orders for new steam vessels of greater length and superior tonnage than those now in use; in a local real estate journal we read of several hundred new six story apartment-houses being erected in New York city, the rooms in many of which are already engaged at profitable rentals; in a machinery paper, of orders for fifty Gold Dredgers, costing $30,000 to $70,000 each; on every hand new enterprises promising big returns and requiring capital to start them.

Active Demands for Loanable Capital.

This year's crops will command, not merely for advances, or for initial payments, but for the entire value of all that considerable portion of them which will seek distant domestic and all foreign markets, more money than there is in the entire country; and if this money circulated or was used but once a year, instead of, what is the fact, some sixty odd times a year, it would be entirely inadequate for this purpose alone; to say nothing of the numerous other purposes for which this age of sudden electrical expansion is hammering at the doors of the banks for loans of capital.

What else is the meaning of that new and unprecedented rivalry for deposits which the banks have recently exhibited, but the assurance which each banker feels that he can lend these deposits upon good security at a higher rate of interest than he is paying for them? All over the country we see the banks offering one and one-half, two and in some instances three per cent. for deposits subject to check, but of a character, such as State and municipal funds, not likely to be suddenly withdrawn; all over the country we see the banks eagerly advertising for business, a practice never resorted to before, except in those stiff and stately announcements which commonly distinguish the learned professions. Here is a trust company, which, for the sake of securing the deposit of its funds, undertakes the entire care and administration of an estate; there is a bankers' association, offering greater facilities or superior security for remittances of small sums than either the post office or the express companies can afford; everywhere is to be seen an eager demand for money, a rivalry between the most prudent and conservative class of men in the country, to secure deposits. What can it mean, what else can it mean, what else can it possibly mean than that there is a corresponding demand for money, of even greater intensity, from the customers of these institutions; not a demand for foreign remittances, not a demand for stock-exchange purposes, nothing desperate, nothing wild, but a steady, solid, business-like demand from the industrial world, to help it harness those great forces of nature, the force of heat in the sun's rays, the force of gravitation in the fall of water, which the control of electrical currents now enables us to employ, at distances, in places, and in ways which before were impracticable?

Active Trade Conditions Universal.

These conditions of trade are not confined to America, they exist in Great Britain and her colonies, they prevail in Germany, they are even, though in lesser degrees, felt in France; and in all those countries they are evidently due to the recent adaptation of electrical and other novel powers to production and trade, and to the organizations and combinations which have rendered these powers effective. Hence the rate of interest has risen not only in America, but in all the States named as well as in others.

Trade Opportunity Combined with Influx of Gold.

But while these conditions sufficiently account for the recent rise of interest, they are hardly enough to justify a continuance of the rise. They furnish no assured basis for prophecy. Something else is wanted beside *opportunity*, and that something else is the *means*. Credit is not strong enough to supply the means of changing the world's motive powers from steam to electricity, in all the varied ways and to the almost endless extent to which such a monstrous change is susceptible of being carried. The indications point to an entire revolution of production and trade, a revolution in which many great guns will be fired, many old structures blown to pieces, and a great many superior ones erected in their places. The powder of these guns will be the electrical force; the cannon-balls will be cast from the new supplies of gold. The ancient Hindus divided the ages of mankind into four great intervals: the ages of Iron, of Bronze, of Silver and of Gold. The conceit was a fanciful one, and the order of the ages was more than once changed; but as it now stands, it hits the mark wonderfully well. We are entering upon the Age of Gold.

THE HALCYON AGE OF ENGLAND.

In reverting to the Halcyon Age of England, for the purpose of showing that it was not merely the increase of money but also the opportunities for investing it profitably, which caused the rise of interest that followed, it is necessary to be explicit. The Halcyon Age covered the period 1570-1640. Although Spain, Italy, France, Holland and Germany, indeed all maritime Europe, shared to some extent the benefits which arose out of the great influx of money-metal from America, it was England who derived the greatest advantage from the influx; because it was in England that those trade opportunities, to employ this money profitably, were the most numerous and attractive. A few examples of these opportunities must suffice. It was in 1538 that the monasteries were suppressed by Henry VIII. The sale of mortmain lands which followed offered to the peasantry that opportunity to cultivate them for their own profit, for which they had waited in vain since the decline of the Roman empire in Britain, but which until now had never been within their reach. The first work on agriculture published in England was the "Book of Husbandry," by Sir Anthony Fitzherbert, in 1534. This was followed by another from the same author, in 1539. Thomas Tusser's "Five Hundred Points in Good Husbandry" followed in 1564; and thus not only was the land thrown open for tillage, but the art of tilling it was imparted to all who could read. These events occurred before the influx of silver from America and before the Halcyon Age began. The dates when the principal plants were introduced into England prove the eagerness with which the people entered upon the profitable industry of proprietary farming; for be it known that previous to this period these plants were all strangers to a soil which under monastic influence had been restricted for the most part to a vassal and niggard cultivation of barley and oats. Indian corn, potatoes, squashes, carrots, artichokes, cabbages and turnips were all unknown in England until after the mortmain lands were thrown open. Flax was first grown in 1533; the vine was first introduced, since the ancient Roman days, in 1552; orange trees, 1548; turkeys and guinea fowls, 1570; tobacco, 1586; and most of the fruits and flowers now in common use, about 1570. With the limitations to the feudal system which began in 1495 and continued all through the reigns of Henry, Edward and Elizabeth, mechanical inventions and devices made a similar rapid progress. The first wind and water mills were introduced during the early part of the 16th century; the spinning-wheel was invented 1530; the diving-bell, 1538; the coining-press, 1560; and even a practical steam-engine was set up in Vauxhall so early as 1656. Gilbert produced frictional electricity in 1600; Fernel measured a degree of the meridian in France, 1550, and Norwood in England, 1635; hosiery was first made in England, 1564; the cotton manufacture (fustians and velveteens), 1641; the silk manufacture, 1604 and broad-silk, 1620; the staining of linen, 1579; the dyeing of cloth in colors, 1608; manufactures of glass, 1557; felted paper, 1580; paper-mills, 1588; newspapers ("The London Weekly News"), 1619; the manufacture of pins, 1543; of needles, 1545; of table cutlery, 1563; iron-smelting, with stone coals, 1619; and so on through a long list of industries, all of which were established in England during this period and most of them before Potosi threw its treasures upon the European world.

Land was placed within reach of a peasantry who had never before seen it freed from the taint and burden of feudal vassalage; commercial companies were formed to establish factories and promote trade and mining in America, Africa, the East Indies and the distant islands of the Sea; canals, warehouses, and the improvement of rivers and harbors were energetically carried on; the marshes of Lincolnshire were drained; the forests were felled; the East India Company was chartered in 1600 and the post-office established, 1635. It was an age of great enterprises. In 1588 the Spanish Armada, consisting of 150 sail, was destroyed in the British Channel; in 1591 the East India trade was opened by a direct sea route from England to Bombay; and while every kind of productive and commercial enterprise arose at home for the first time, and clamored for capital to sustain it, Drake and his bold colleagues scoured the Spanish Main, bombarded their coast cities, plundered their caravels and himself sailed around the world with a ship laden with gold and silver, to furnish, through the London goldsmiths, the means to carry these enterprises to success.

Influx of the Precious Metals from Spanish America—Rise of Interest.

It was upon the heels of the great impulse to trade which is marked by these events that came the supplies of the precious metals from America. The Protestant Reformation afforded the Opportunity; the silver from America furnished the Means; the result was the Halcyon Age and the rise of interest.

In 1483 lands were valued in England at ten years' purchase. This was tantamount to a ten per cent. rate of interest for money. In 1546 (37 Henry VIII, c. ix), interest was legalized at ten per cent., and contemporaneous evidence proves that this rate fairly represented the value of money on the best security at that period. Yet such was the intense demand for capital with which to prosecute those varied industries which the freedom of the lands and the abolition of ecclesiastical government and feudalism had promoted, that in 1547 Edward VI was obliged to offer fourteen per cent. per annum upon his royal bond. In London, in 1553, the rate of interest on landed security still ruled as high as twelve per cent.; in 1558 (loan of Queen Mary) the rate was still twelve per cent.; while in 1560 loans on landed property in London ruled as high as fourteen per cent. It was not until 1571 that Elizabeth ventured to sign a tentative act which forbade a higher rate than ten per cent.; and not until 1597 that this act was made permanent.

Halcyon Days in California—Rise of Interest.

A somewhat similar course of events took place in California in 1849. According to the theory advanced by the writer first above alluded to, the rate of interest in California should have fallen when gold was produced in the unexampled quantities which distinguished that and the following years. On the contrary, it rose, until almost as much was charged for money per mensam, as had previously been charged per annum. This was, first, because of the great opportunities for profit which presented themselves in every department of trade; and second, because of the great risk involved in lending money to a roving and unsettled community, as yet not brought under the protection and restraints of law.

Some of these opportunities for profit were so curious or extraordinary as to be worthy of preservation. The writer had many of them directly from the parties concerned, and knowing their character for veracity, he is able to vouch for the correctness of the information. One merchant bought a lot of scythe-blades in San Francisco, forming part of the cargo of a Boston clipper, for twenty-five cents each; nobody wanting them, and storage being excessively dear. Six months later, when scythe-blades were needed to cut the grass crop, he was the only possessor of the articles in California, and he sold his blades for one hundred dollars each. Another merchant finding himself in possession of the only lot of iron tacks in the new settlement, and these being in urgent demand for tacking up the muslin partitions which formed the rooms of the ready-made houses then in vogue, sold them, ounce by ounce, for their equal weight in gold. A storekeeper, who had declined to store a lot of beer kegs, for fear that their value would not be sufficient to pay for a month's storage, saw them sold within the month for a hundred dollars each. They were the only vessels then within reach suitable for packing water on mule-back. Said Captain Folsom, writing in 1848: "Whole cargoes of goods are sold at an average of about 150 per cent. clear profit and ready pay in gold dust. In a few months, real-estate that cost me less than $800, I suppose I could now sell for $8,000, perhaps $10,000." At San Francisco, 1849, potatoes sold at forty cents a pound; milk, $1 a quart; quinine, $1 a grain; a shave, $1; fare to Sacramento, eighty miles by river, $40; lumber, which cost $15 per thousand feet in Bangor, fetched $500 per thousand feet in San Francisco. Wages were an ounce, $16, a day; and the rate of interest for loans of money was five to ten per cent. a month.

At Sacramento, 1849, a three-story building on Front street rented for $3,500 a month. At San José, flour sold for $50 a barrel; boots, $32 a pair; eggs fifty cents each; onions, twenty-five to fifty cents each; almost any edible vegetable was worth a dollar; and money was worth five per cent. a month.

Not only was money loaned at this high rate, in many cases the interest was compounded monthly; and lest it may be supposed that this statement exceeds the bounds of credibility, it can be added that suits at law for arrears of interest compounded monthly in California were carried into the courts of Pennsylvania; though there they were decided adversely to the plaintiffs.

The Present Age a Halcyon One.

We now come to the present time. What are the indications which point to a permanently higher or increased rate of interest for money than the rates which have prevailed of late years? Answer: the new and great development of manufactures and trades which has been and is still being occasioned with added intensity by the increasing application of electricity to the various branches of industry; in short, to the new opportunities which the application of electrical power presents. What are the rates which have hitherto prevailed? Answer: during the decade 1880-1890 the profits realized upon the entire listed wealth of the United States, substantially all of which was capital, or reproductive wealth, was 4.46, say, 4½ per cent.; while during the decade 1890-1900 it was 3.79, say, 3¾ per cent. How is this known: by what means has it been ascertained? Answer: by means of the census of the United States. If asked to explain the process, the reply is as follows:

Rate of the Increase of Capital Wealth in the United States.

According to the "Statistical Abstract of the United States," issued by the Department of Commerce for the year 1904, p. 534, the Wealth of the United States (exclusive of Alaska and the Islands) or "The True Valuation of Real and Personal Property," as ascertained by the official census, was in 1880, 42,642 millions; in 1890, 65,037 millions; and in 1900, 94,300 millions of dollars. In these figures we have the elements of our computation. Assuming, what is probably sufficiently near the truth, that the influx of capital by immigration, and the efflux of capital by Americans and others going abroad, are equal, it follows that the increase of wealth from 1880 to 1890 amounted to about fifty-five per cent. and from 1890 to 1900 to about forty-three per cent. Upon computing the rate of profit, which, upon being compounded annually, would produce these results, it is found to be 4.46 per cent. in the earlier decade, and 3.79 in the later one. It is as though the whole of these vast sums of capital wealth were put out at usance to earn as much as possible, and that after deducting all expenses and losses, they formerly earned, say, 4½ and of late have earned 3¾ per cent. per annum.

Probable Future Rate of Interest.

Therefore, if from the considerations previously advanced concerning the adoption of electrical and other machinery and concerning the increased opportunities of profit which these and other devices have presented: therefore if the rate of profit upon the investments of capital is destined to increase, such rate will exceed 3¾ per cent. In view of the rate of profit earned during the previous decade, when no such new and ample opportunities occurred, the future rate may fairly be estimated at fully 4½ per cent. and perhaps a fraction more. Whatever average net rate of profit can be earned in production or trade, that rate must be closely reflected in the rate of interest for money; because, if the latter is lower, capital, instead of being loaned at interest, would be invested in trade; and if it was higher, the capital invested in trade would flow into the banks to be loaned at interest, until the two rates came to a common, or nearly common, level.

Identity of Net Profits and Net Interest.

It must not be supposed that the identity of the net rate of interest and the net rate of profit is accidental. It is an axiom in political economy that the profits of all occupations, whether they consist of producing, buying, selling, or lending, tend to a common level; and as a matter of fact, the books of any very large class of commercial concerns will actually confirm the deductions herein drawn. Let them be examined not for one year, or ten years, but for fifty years, or a sufficient interval of time to cover a few panics, revulsions and set-backs; and if they show a greater rate of profit than about four per cent. per annum, we would advise the banking fraternity to go into trade. On the other hand, if they show a lesser rate of profit than about four per cent., we would advise our manufacturers and merchants to turn bankers. Such examination must not be confined to the concerns that have prospered. Oh, no. It must include those also which have failed; for it is not alone the profits of the successful that are sought to be ascertained, but the average net profits of all the capital embarked in trade, whether successful or not.

Hopeful and Promising Character of the Present Time.

It is upon this solid mass of evidence and deduction that we rest our case. We regard the present time as most hopeful and promising for all prudently-conducted enterprises, and as affording a good chance for everybody to succeed in business who does not push into some overcrowded enterprise, or seek to prosper by impudence and false pretences. It is true that many branches of trade are monopolized, but on the other hand there are many more branches that are not monopolized. It is true that many avocations demand the investment of larger capitals than are commonly at command of the enterprising; but on the other hand there are very large capitals impatiently waiting their call.

Opportunity beckons enterprise from every quarter of the industrial world, and the Argosies of the Desert are sailing over the land laden deep with the golden Means to unlock the treasures of success. The times are flush, the wind is fair, the sails of trade are expanding; and, barring some unforeseeable disaster, the rate of interest must rise to the level of an evidently increasing commercial profit.

No More Private Fortunes.—The day of the private fortune is past. There are no private fortunes any more. There never can be private fortunes again as that term was understood one hundred years ago, fifty years ago, ten years ago. When a man makes money in excess of all possible honorable uses to which he and his family can put that money, his fortune ceases to be a private fortune, just as the man himself ceases to be a private citizen.

The steady unvarying intent and intense attention which eighty millions of people are giving to the excessively rich among them is a concrete, definite, practical thing which the Crœsus must take into account whether he will or not.

More and more he is taking it into account. More and more he is doing what the millions of his fellow citizens think he ought to do, and what, in reality, he ought to do, with his wealth. More and more he is conforming to the modern and Christian ideal of wealth. And so every year and every day he is coming to be less and less the owner of a private fortune and more the trustee of a public fund.

Public opinion! There is no human force at all equal to it. Public opinion is beginning to effect that much more difficult thing, the humbling of the man of wealth, and forcing him, even against his will, to make hoarded gold work righteousness for his fellow man.

More and more this will continue until, in the not distant future, the man of wealth who does not make the accumulated power which he has stored up in bank-vaults work for the world at large will be a moral, social and even a business outcast among his fellows. And no human being is willing to pay the price of a detested isolation in order to keep his dollars earning more dollars for himself or to save the whole mass of his money for the worse than useless purpose of bequeathing it to his children, whom, in nine cases out of ten, that wealth rots and kills.—*Senator Albert J. Beveridge, in Saturday Evening Post.*

BANK STATEMENTS.

SUGGESTIONS FOR PRESENTING THEM SO THAT THEY WILL DO THE BANK THE MOST GOOD AND BE UNDERSTOOD BY THOSE WHO READ THEM.

For awhile past there has been a movement amongst banks to present their statements in as nice a form as possible. Bankers have vied with each other to get out the best. So much has this been the case, and so much notice has been taken of it, that a few of the banking papers have commented on the ways in which some of the statements have been gotten up, and even going so far as to mention some as being the finest sent out by the banks of a certain city. Their comments referred to the typographical work, the colors or tints used and the paper on which they were printed. These things combine to make the statements genteel in appearance—and this is not to be despised. Just as good clothes are not to be despised, for they help to make a man genteel in appearance, and that helps him in business and society.

To have the statements appear genteel, to use this word, is certainly better than printing them on common news stock with ordinary news or circular style of type and poor ink. A number are still issued in that form and they certainly look mean, poor and cheap when compared with the better printed ones.

Some bankers think that the people to whom the statements go do not care what kind of paper is used, nor what kind of type, nor how it is set; but that they only care what kind of a report the figures show. This is partly true, and some of the best reports, so far as percentages and proportionate amounts go, show the poorest typographical work. But it is better to make a good impression in every way than a poor one at first glance and a good one on examination; for first impressions are often lasting; or it is better to make two good impressions at once than it is to make only one. The statements whose figures make a good report and whose typographical get-up is also good, make two good impressions.

The cost to get out a well-printed statement is not much more than that incurred in getting out a poorly-printed one.

It is not a good policy to have an engraved cover, as many do for a four-page statement; because the first cost is so heavy that you do not feel like discarding it after using it two or three times, and if you have a large quantity of the outside "run off," so that you have enough for five or more different statements, you, or your customers, cannot tell whether it is the old one or a new one without looking inside for the date. Some have the engraved cover and change the color of ink with each statement. This is a little better way, but it does not change the design. Variety of style and general appearance add to the interest and excite curiosity.

Printers to-day take pride in being able to turn out artistic designs in type arrangements; and if their customers have ideas of designs that they want, the printers will try to place their ideas in type.

The artistic typographical appearance must not be supposed to cover up the deficiences of the contents of the statements, although some bankers seem to think that they do. Judging by many of the statements issued now, the bankers have an idea that the public only desire to know about four things from each side of the ledger, for that is all many of them give. Some may think that is all they have a right to know, but it is not. If they are stockholders or depositors they have a right to know much more.

The writer has before him a number of statements from different parts of the country and most of them lump the items from the credit side of the ledger under four or five headings, and from the debit side under the same number; but some go into detail, giving in their resources the amounts of overdrafts—without stating whether secured or not, dividing the stocks and bonds items, separating the due from banks items, and their cash on hand items; and on the liabilities side they divide the deposits into the various items that are usually included in the one amount. Some, but very few, going so far as to have an unearned discount account—by this they mean the discount taken on paper that has not yet matured, and the amount is not credited to undivided profits until the paper is paid; for then the discount is considered earned, as there is then no liability of loss from the paper.

But not one statement has been seen by the writer that even referred to the suspended or over-due paper account—and what bank does not have to carry such an account?

Until the revelations of the past few years, and more especially the last few months, most business men trusted financial institutions and received their statements as being a true showing of their condition; but since so many dishonest practices in financial institutions have been revealed, men are questioning the reports, and some consider them as good as nothing, because so much can be covered by them, and sometimes very much is covered—as in the case of the Enterprise National of Allegheny.

For example, the account in which the past due paper is carried has no showing in the statement. It is there, but out of sight; like the price of a suit of clothes was included in the traveling salesman's bill for expenses on the road—but the firm could not see it. The average business man being critical and knowing by experience that the bank must have some such paper, he naturally wonders how much and why no report is made of it, or if it is so large that they are ashamed to give the amount.

Some bankers have a very clean bill on this line, and others carry a lot of dead matter in it, fearing to charge it off lest it will reduce the profits too much. If the bankers who have the accounts clear, or nearly so, would reveal it in their statements they would do their bank a good turn, and it would make the banks that carry a lot of "dead dogs" in the account clean them out. The bank that starts to give such an item in its statements must expect to be called down by some who are afraid to give it; but that should not be minded, for the statement will be more appreciated by those who are most interested in the bank.

Most banks carry the full amount of the items in the suspended account, others may reduce them to what they expect to realize on them, while others carry each item at a nominal amount. The writer knows of one large bank that carries each suspended item at one dollar, regardless of the amount of it, so that if there are twenty items in the account, the total of the account shows only twenty dollars, the balance having been charged off. This is a good way, and when anything is realized on any of the items it goes at once to undivided profits.

Sometimes these items are paid long after all hope of payment has been given up. One such case comes to mind where a merchant had failed and the bank held some of his paper which had to go to the suspended account and later had to be charged off entirely. He had a desire to pay the bank but passed from this life without being able to do it. Years passed and the transaction was forgotten by the bank's officers—in fact the old officers had died or resigned and new ones were filling the positions. But the merchant had a daughter to whom he had expressed his wish to pay the bank, and she did not forget her father's wish. So, when she finally was in position to cancel the debt, she sent her check to the bank covering it. Such cases are unusual, but are always welcome.

Place yourself in the position of a stockholder or depositor and try to analyze one of the condensed statements. Take this one:

RESOURCES.

Loans and discounts	$2,303,762.10
Stocks and bonds	325.500.00
Due from banks	295,764.50
Cash on hand	190,820.75
Total	$3,115,847.35

LIABILITIES.

Capital	$250,000.00
Surplus and profits	115,235.89
Circulation	150,000.00
Deposits	2,600,611.46
Total	$3,115,847.35

The average man in looking at this statement would not try to understand it; he would simply notice the totals—it would be too much of an enigma for him to try to understand more than that. But there are many who would compare the amounts with each other and try to get an understanding that would give them more of an insight into the real condition of the bank. Let us follow one of these men in his analysis.

Imagine him, with his glasses on, holding the statement in one hand. He would probably look at the liabilities first. The capital being unchanged, he would pass that and look at the surplus and profits. The question would arise as to whether that included items that should be charged off, such as salaries, expenses and taxes; but there is no way for him to tell or form an opinion, unless he has a former statement to compare it with and see if the difference is large or small.

The circulation item he will understand to mean the National bank notes issued by the bank, and for which bonds have been deposited with the Treasury Department at Washington, D. C.

The deposits he would be pleased to see so high—more than ten times the capital. But the question would arise as to the source of the deposits that composed the total. How much in United States, State, city or county funds are included; and how much is secured by bonds or in some way that gives them a prior claim in case of trouble? How much of it is from other banks, trust companies or saving funds on which interest is being paid? The statement does not answer the questions.

Now, follow his study of the resources. The loans and discounts—what kind of paper is included? How much demand and how much time? How much single name, how much double, and how much collateral? The bank owns its building, is it included in this or the next item? Is any other real estate included? How much of the paper is past due and unsecured, with really no prospect of being paid? Well, what is the reply? Simply this: he cannot have the questions answered. He will pass on to the rest of the statement, but before passing he will figure on what the bank ought to make a year with that much loaned. If it averages five per cent. it would be over $115,000.00, which, with the same amount of interest on stocks and bonds, would make more than fifty per cent. of the capital, not deducting the expenses for running the bank.

The item "stocks and bonds" he knows includes $150,000 in United States bonds deposited with the authorities at Washington to cover the circulation. But what does the other $175,500 represent; are they worth par or not? He can imagine they are worth more than par.

The next two items compose the reserve, and are more than the legal requirement of fifteen per cent. But the due from banks no doubt includes that which is due from those that are not reserve agents; still, there is enough to allow more than $60,000 in other banks, so that is safe enough. The law allows the banks outside of the reserve cities to keep three-fifths of their required reserve with their reserve agents.

This is a good statement as far as the showing of the figures goes; and if the various items that make up the amounts given are all true and of full value the bank's officers have reason to congratulate themselves, and ought in a few years make a much better showing in the surplus account—unless they are paying too much for the deposits and the management of the bank.

The bankers who follow the Comptroller's itemized form for the printer, and do not condense their statements, give a very full statement—except in the matter of overdue paper. It takes more space, to be sure, but it gives more satisfaction to those interested and inspires more confidence.

A good feature noticed on a statement recently received is worthy of mention, and there being no copyright on it, it can be used by any bank on its statements. It is this: a statement of the gross earnings for the last six months and how they were used.

In this case it was a bank with $500,000 capital and $250,000 surplus, and about three million deposits. The report was shown at the bottom of the sheet thus:

Gross earnings past six months		$58,053.75
Disposed of as follows:		
Expenses and taxes charged off	$21,015.00	
Dividend—four per cent	20,000.00	
Fund set aside for paying taxes	4,000.00	
Carried to undivided profits	13,038.75	
Total		$58,053.75

Very few bank statements give gross earnings, and there is no way for an interested party to tell what they have been. He can figure out what they might have been, if he can form an idea of a fair average rate of interest received on the loans and discounts, taking for granted that they stood about the same during the six months. In this case the loans and discounts were about $2,300,000 on which they averaged about two and a quarter per cent. for the half year, or four and a half per cent. per annum; and in addition to this they received interest on accounts with reserve agents and interest and dividends on bonds and stocks, making the total earnings as stated.

When the gross earnings are compared with the capital it shows an earning of almost twelve per cent. for the six months and more than twenty-three per cent. for the year; or if they are compared with the combined capital and surplus, it shows a profit of almost eight per cent. for the half year.

A statement giving the report as above will cause appreciation to be expressed to the officers of the bank by stockholders and depositors. The officers of the First National, of Louisville, Ky., have no doubt found this to be true, for the report is on the statement of this bank.

Much has been said recently about the weekly statement of the clearing-house banks in New York city in reference to its unreliability as a guide of the money market conditions, because many of the large banking institutions of the city are not represented at all in the statement, and it is therefore only a partial showing of the condition. All this is true, but there are a few other things in the statements that interest bankers outside of the city—things they would like to see made plainer.

Students of financial conditions have noticed the great difference between deposits claimed by the individual New York banks in their reports to the Comptroller and the average amount of the same banks for the week in which the call was made. Sometimes the differences in the larger banks run into millions of dollars, and many do not understand the reason for the great difference. It is this: the reports to the Comptroller give the gross amount of deposits, including deposits from all sources and all items that can be construed to be deposits; but the clearing-house rules require the deposit report to be the net amount, and to get that they must exclude the certified checks accounts, cashier's checks accounts and the United States Government deposits. When these are excluded from the total of deposits it, in many cases, makes a big difference.

The New York Clearing-House weekly statement gives the deposits for each bank in one amount. It would be a source of gratification and enlightenment to the bankers throughout the country if they would divide them into deposits from banks and trust companies and individuals—this including firms and corporations. It is well known that New York banks have a big line of deposits from other banks, and with some most of their business is from out-of-town. While some others make a specialty of commercial accounts and pay very little attention to accounts from banks. If the weekly statement made the division it could easily be told "which is which." Why do they not do it?

This may lead to inquiry as to what the other banking centers do in this line. In Chicago they report deposits the same as New York does—in one lump sum. In Philadelphia they divide them into bank deposits and individual deposits, and in the latter they include United States deposits. In Boston they separate them into three classes—from banks, from individuals and from United States. The Philadelphia and Boston reports in these respects are more satisfactory to the students than those issued by the New York and Chicago associated banks. CHARLES WESLEY REIHL.

TAXATION OF SAVINGS BANKS.

[An Address by Willis S. Paine, Former Superintendent Banking Department, State of New York; Delivered at the Meeting of New York Chapter, American Institute of Bank Clerks, October 26.]

Four years ago a bill was introduced in the New York State Legislature, entitled "An act to amend the tax law in relation to the taxation of Savings banks." It became a statute by the signature of the Governor, March 16, 1901. That statute was to the effect that every Savings bank incorporated under the laws of this State should pay to the State annually for the privilege of exercising its corporate franchise for carrying on its business in such corporate or organized capacity, an annual tax which would be equal to one per centum on the par value of its surplus and undivided earnings.

The aggregate of the taxes collected from the Savings banks under this Act of 1901 to September 30, 1904 was $2,933,568.63, distributed as follows: 1901, $705,333.12; 1902, $737,225.20; 1903, $771,474.94; 1904, $719,535.37. The amount collected up to this time for the current fiscal year is $668,000. The amount for the year 1904 is less than the year previous, because of rebates to the Savings banks in accordance with the decision of the Court of Appeals given in February, 1904, in the case of the People ex rel. the Bank for Savings vs. the Comptroller, which is to the effect that securities in which surplus is invested must be appraised at their market value whenever such value is less than their face or par value.

THE BENEFICENCE OF SAVINGS BANKS.

The moral and material in the development of the world's civilization keep each other company and progress to a common end. The countries that are developing material prosperity witness the growth of benevolent institutions among their people; notably societies or corporations for the care and comfort of the dependent and the housing of the great army of incapables.

An established organization that encourages prudent economy, and provides means for the safe keeping of savings, serves a better purpose, in inducing provision for the future, than do almshouses for the improvident. Viewed in this light, Savings banks cannot fail to be regarded as among the most beneficent of our modern institutions. However the people of a State may desire to accumulate, by securing returns for the use of their money, those people sadly miss it who do not lay up in the present as against the inevitable future. The State misses it which fails to provide for this purpose by establishing institutions for the encouragement of thrift, where savings may be deposited in security, and the laborer may, when the years have gone by and the hand has lost its cunning, have recourse to a fund provided through sacrifice, and which a well-managed Savings bank has enabled him to accumulate.

The earnings of the workingman are the interest on his capital of strength and skill. Savings bank deposits are his surplus income, brought into being by reason of his ambition. The moment he opens an account with a Savings institution he is a capitalist, and thus becomes a conservator of order. These depositors and earners are truly the "salt of the earth;" they are, in fact, the very backbone of the nation.

SAVINGS DEPOSITS A SACRED TRUST.

As a nation we have been made optimistic by the recent wonderful development of our country, yet the experiences of the past, with its failures, should not be forgotten. Rightly utilized they will give us accurate judgment in place of an expectancy born of desire. It may be thought a strong statement to say that trustees of Savings banks should be held to the strict accountability of individual trusteeship. Savings banks are corporations, and this would seem to absolve individual responsibility as incorporation usually does. But reflection will show that this peculiar and individual trusteeship, and its resulting duties, is a verity.

It is this general rule of the trust relation of Savings institutions, as well as the innate justice of the ruling, that, at the meeting held at New Orleans to organize the Savings Bank Section of the American Bankers' Association, induced me to oppose the latter-day tendency to tax the deposits of mutual Savings banks. Considering that Savings banks represent the frugalities of the people; considering, too, that these people form part of the great multitude who pay the bulk of indirect taxation; and considering that they are conducted for the public good, it seems only just that they should be freed from the burden of taxation by the State, as is the case with other beneficent institutions.

Taxation of Savings Deposits a Tax on Thrift.

Savings banks in the Commonwealth of New York are not organized for corporate or personal aggrandizement. To tax their deposits is to discourage the placing by wage-earners of their gains with such corporations. Not only are the dividends which they receive lessened by the amount of the tax paid, but the knowledge that the earnings are to be taxed and thus diminished, acts as a deterrent. To tax the accumulations of the provident poor is often to tax the insurance which protects their offspring from becoming public charges in the event of death of the parents. The unwisdom of the enactment of the law, which I have taken as the text for this address, is evident when it is remembered that a surplus is created to the end that when investments depreciate the depositors may receive in full upon demand the moneys deposited, together with the earned interest.

I have elsewhere made a summary of the failed Savings banks of this State in which reference is made to the fact that there are now in the hands of the Bank Superintendent nearly $117,000 awaiting claimants to dividends deposited with him by the Receivers of thirty-one insolvent Savings banks. Having had personal experience as the incumbent of a Savings bank receivership, and necessarily thereby coming into close contact with the sufferings of deserving people, caused by its failure, I became deeply impressed with the absolute necessity of throwing every possible safeguard around their deposits. I was brought to realize that the taxation of these bulwarks against anarchism, communism and nihilism is as wrong as the enactment of loose statutes relating to investments, and, let me further say that the advocates of these "isms" whose banner is a red flag and whose song is the marseillaise, are constantly increasing in numbers.

The Large Increase in Immigration.

According to the report, made public by the Commissioner of Immigration recently, for the first time in the nation's history the army of immigrants has passed the million mark—1,027,421 aliens having been admitted into the country during the year ending June 30, 1905. This is an increase of 214,551 over last year's total and of 170,375 over the highest previous total—that of 1902-'03. This fact exists although our inspection laws have been made more stringent, and new and more exacting tests of eligibility have been prescribed. Most of our immigration comes from southern Europe. Italian immigration rose in volume from 193,296 in 1903-'04 to 221,479 in 1904-'05. But the inflow from Austria-Hungary increased much more rapidly. In 1903-'04 177,156 Austrians and Hungarians were admitted; 275,693 were admitted in 1904-'05. For the first time in six years Italy has been crowded into second place. But these two Mediterranean countries still contribute about one-half of our immigration. Three years ago their quota was a little more than fifty per cent. Year before last it was about forty-five per cent. Last year it was again a shade under fifty per cent. Russia is the third greatest factor in the over-sea exodus. We admitted in the year just ended 184,897 Russians, including Finns and Poles from Russian Poland. The year before the Russian total was 154,141. Three years ago it was only 107,347. Immigration from other countries has not varied greatly, though the total from Great Britain and Ireland rose to 137,057 last year.

Those who came in previous decades, seeking a haven in the land of liberty and plenty, were, to very material extent, alien only in name, and were half-assimilated before they arrived. They were industrious people who meant to make our country their permanent residence. They were comparatively a well-educated, enterprising people. Many of the recent newcomers constitute the unleavened masses which create the well-termed "foreign quarters" in the metropolis of the nation.

With hundreds and thousands of immigrants coming into our great cities year after year, the prospect of lean years, when there are no wages to be earned, must be viewed with distrust. If those who now swell the ranks of cheap labor are dissatisfied under existing circumstances of material prosperity, what may we not expect to see when these prosperous conditions fail. And when the present remarkable industrial activity subsides and financial depression obtains, which is inevitable as the preceding speaker, Professor Johnson, stated a few moments ago, may we not see great suffering, not only among those whose wants are small, but among those others of a higher plane of living who are to-day competing with the recent arrivals. I may add this problem is one with which Congress must grapple at once. In spite of the asserted demand for laborers, it cannot possibly be doubted that we need numbers far less than quality. Our country is growing so rapidly that a few decades may see its people aggregate more than two hundred millions. Then even more than now character will determine the moral power of the republic, the perpetuity of its institutions, and the happiness of its people. The investigations of the insurance companies of this city show that there exists in their vaults what may be termed "undigested securities." A greater evil in the body politic is liable to follow from what may be termed "undigested aliens."

High Character of the New York Savings Banks.

During the last few years efforts have been made in the New York Legislature to unduly extend by statute the scope of Savings bank investments. Such efforts have been closely watched by the officers of our Savings banks, the ever-faithful body of men who are ready to oppose any movement that suggests the chance of undue risk. Conservative management is the rule. It is only natural that this should be so. They realize that Savings institutions are of the people and for the people. They cannot be bought by any so-called "banking trust." The people's savings are, in this Commonwealth, the special care of capable and disinterested men of affairs, whose safeguarding is a form of practical patriotism that is not fully appreciated. Much has been done in the way of restricting the discretion of trustees and limiting their power of doing harm. The tendency is to a still closer system of inspection and control. An illustration of this statement is the Act adopted by the Legislature of this State during the present year. By chapter 416, each official communication directed by the banking department to a Savings bank pertaining to an investigation or examination conducted by the department, or to the affairs of such Savings bank, or containing suggestions or recommendations as to the conduct of its business, must be submitted by the officer receiving it to the board of trustees of such Savings bank at the next meeting of its board.

At the present time if a trustee is insolvent or becomes a non-resident of the State, his position becomes vacant. Trustees, in this Commonwealth, serve without compensation. It has come to be a realized fact that the general good name and high standing of trustees of Savings institutions make the position one of honor, as it should always be of the strictest financial integrity. That so many men in active business life, some of large means, give at the present time so much of their time and energy to the care of the people's savings makes one think well of humanity.

Supervision by the State.

A word as to the supervision of Savings institutions by the State. This supervision in the interest of safety and good management does not prevail in all States, but is seen at its best in the States of New York, Massachusetts and Connecticut, where the strongest and largest banks are to be found. The colossal deposits of savings in these three Commonwealths have drawn the attention of the ambitious, and many attempts have been made to get similar results without adequate restriction. It is not in any spirit of criticism, but under a sense of duty, that I feel compelled to say that outside of New York and New England there are but few States where fully protective Savings bank legislation exists. In several of the States there are concerns, some in corporate form, others as quasi copartnerships, a number of which have inadequate resources, actually doing the business of Savings institutions. A portion of them are under no restriction as to the use to which they may put the accumulations of the multitude, and the security exacted is far from adequate. Nor do depositors, whose moneys are subjected to the hazards of the ordinary business of such concerns, duly participate in the profits of such organizations, for these accumulations are to a material extent diverted to the pockets of the managers and stockholders of these establishments. The abuse of this method of conducting a Savings institution will surely crop out. When we see such institutions managed for personal profit it is easily understood why in some instances unscrupulous promoters have been known to promise liberal dividends. The natural result of the rule of great gains and great risks may soon be seen. It would not be correct to sweepingly assert that Savings institutions outside of State supervision are unwisely managed. They are directed by the personal equation that happens to control; but there is no adequate government by law, no system of safeguarding the interests of the modest earners who are the depositors in a number of concerns which advertise themselves as Savings institutions.

A man of affairs may hesitate to risk his means in an investment which his judgment tells him is hazardous, yet when acting in a fiduciary capacity the hope of favorable results, especially if he is to be personally benefited, may obscure his judgment and even his conscience. Misfortune to a bank does not necessarily imply dishonesty in management. He whose duty it is to conserve the savings of the poor must remember that the exercise of this duty is the most sacred of trusts. Trustees must not be permitted to neglect their plain duties, and every State should at least enact a law that a deliberate misuse and intentional misappropriation of property in the keeping of such officers shall be severely punished as a crime.

Savings Bank Tax Should Be Repealed.

The aggregate deposits of the Savings institutions of our Commonwealth on the first day of last July were $1,367,692,000. There is nothing of which you, as citizens of the State of New York, especially interested in banking may be more proud than this fact. This sum is mentioned to show what the general exemption policy, which has been pursued by our State until recently, has accomplished. This exemption has been based to a material degree upon the fact that these institutions have proven to be great educators, and while our Commonwealth exempts from taxation all school property, both real and endowment, public ecomomy and public morality demand that the means by which our citizens are taught to acquire habits of thrift and enterprise should also be relieved from the burden of this tax, which discourages depositors and impairs the usefulness of these institutions far beyond the measure of the tax received.

It has been stated that the statute, which is the text of this article, owed its conception to the thought in the minds of some that as a Savings bank possesses a franchise, it should be taxed like other privileges conferred by the State vesting a special enjoyment in some individuals who are thus benefitted and who are given this advantage to the exclusion of others. If this is true, the enactment of this law shows a lack of intelligence. As both of the great political organizations of our Commonwealth adopted, last fall, planks in their respective platforms to the effect that the statute should be abrogated, a determined effort should be made when the Legislature meets next January to repeal this unjust law.

THE QUESTION OF OUR CURRENCY.

[Address of Hon. Leslie M. Shaw, Secretary of the Treasury, before the Annual Convention of the Ohio Bankers' Association.]

Mr. President, Ladies and Gentlemen—The fact, and I think it is a fact, that the United States has the best currency system in the world, does not imply that the currency system of the United States is perfect or that it cannot be improved. It is as safe as any system in the world, because it is established on the only safe basis known to man—the gold standard. It is not safe simply because our dollar contains one hundred cents. If we were on a silver basis our dollar would still contain one hundred cents, but they would be silver cents. The United States dollar is worth not only one hundred cents, but one hundred gold cents. The dollar is worth 25.8 grains of gold. That measures the market value of our dollar. Whatever 25.8 grains of gold will buy, our dollar will buy; and it is worth precisely the same uncoined as coined, for the Government stands ready to coin it free and in unlimited quantities.

Every Kind of Currency Convertible into Gold.

Then, in addition, every dollar of our currency, gold certificates, silver, silver certificates, United States notes, Treasury notes, National bank notes, subsidiary silver, nickel and copper coins are all redeemable in or exchangeable for gold at the will of the holder. This fixes the stability of our currency. Its value does not and cannot fluctuate.

I grant that there is no express statute for the exchange of gold for silver certificates or for silver itself. Silver certificates are simply warehouse receipts for the number of silver dollars mentioned in the receipt, and on the return thereof the coin can be demanded. But the law expressly provides that the Secretary of the Treasury shall maintain the parity of all forms of money coined or issued by the Government. The only way to make a silver dollar, the metallic value of which is but fifty cents, worth one hundred cents in gold, is to give gold in exchange for the silver whensoever and by whomsoever demanded. On this proposition the record has been made so that subsequent Secretaries of the Treasury for all time, whoever they may be and whatsoever party they may represent, will find it necessary to overrule the decision of at least one predecessor before he can refuse gold in exchange for silver, and until such refusal silver will remain at par. There being but one way to preserve parity in time of pressure, the best way to avoid a time of pressure is to make public the Government's intention to redeem in gold at all times. Thus all forms of lawful money are exchangeable for gold, and National bank notes are redeemable in lawful money. These provisions make our system absolutely safe, and no man need look the second time at any form of our circulating medium to discover its actual or exchangeable value.

The Lack of Elasticity.

It is the most convenient system in the world, because it is constructed on the decimal or metric system. It is not necessary to carry a lightning calculator in order to make change. The system is not perfect largely because it is non-elastic. It fails to respond in volume to the changing needs of seasons and of localities. Attention has been called to this many times and by many people. That there will be no further currency legislation until we shall have experienced a panic occasioned by this want of elasticity, I am convinced. The country does not appreciate the danger, and until the danger is fully understood no remedy will be applied. We came nearer such a panic September 30, 1902, than most people appreciate. The fact that we then escaped does not raise a presumption that we will always escape. A glaring defect at a vital point will sometime, soon or late, assert itself. Meantime a remedy should be discovered, discussed, and as far as possible agreed upon, so that it may be promptly applied when the people are ready for it.

Let me define this defect more specifically. Annually we have an excess of money during the spring and summer months. Annually we pass through a period of anxiety as we approach the period of crop moving, for annually the volume of money is relatively insufficient to meet this sudden increase of business. We do not need and must not have inflation. The average amount of money is in my judgment abundant. The difficulty lies in the fact that the volume remains stationary. The result is as unsatisfactory as it would be for railroads to run the same number of cars on the same schedule of time at all seasons of the year—rumbling along empty in June and overloaded in October. If such a policy were pursued by railroads the unnecessary cars would naturally invite loads of straw and chaff and worthless plunder, and when the time came to use the cars in legitimate business much disturbance would ensue while they were being unloaded and fitted for profitable employment.

Similar conditions occur annually in our currency system. Cheap money during summer months, like cheap cars, invites anything and everything except legitimate business, and when the money is needed in the fall, like the cars, it is occupied and much disturbance to commerce is occasioned by the unloading. In the language of the street this unloading is called liquidation.

Let me use another illustration. You bankers were nearly all reared on a farm and most of you have led a horse behind a buggy. Those of you who have performed this task have doubtless noticed that when you let the horse out the full length of the halter, be that halter long or short, you have experienced some inconvenience whenever you passed rapidly over rough places, and you have sometimes felt the knot at the end of the strap. Thus by experience you have found it convenient to keep some slack to be let out as occasion requires. We employ every inch of our financial tether all the time, and some fine day the unexpected will cause another acute tension and we will again feel the knot. Fortunate indeed we will be if it does not slip through our hands.

Now, what shall be the remedy? Shall it be asset currency? In the popular acceptation of that term, I answer no. Asset currency, as commonly understood, would mean inflation, and that we must not have. Asset currency, as commonly understood, would be supported only by the solvency of the bank of issue. That must not be. No currency must be issued under any circumstance that will cause the holder to look at it twice to discover its exchangeability for gold. Shall it be emergency currency? In the popular acceptation of that term, I answer no. The United States originates more commerce than any other country on the map, but our chief commercial city is not the world's clearing-house. It ought to be, but it is not. One reason why it is not is the fact that it has sometimes resorted to clearing-house certificates, which is a plea of guilty to an indictment charging bad management locally or bad legislation nationally, and the financial world charges both. Clearing-house certificates must never be authorized by law. Let those who love our country and those who conserve her credit set their faces against such a course with the same intensity as they resist the free and unlimited coinage of silver. Clearing-house certificates debase our currency with the consent of those who are supposed to be the best financiers in the nation. The free coinage of silver would debase it through political upheaval. The threat of both I doubt not contributes to that distrust which prevents foreign bankers from keeping their international balances in America. Whatever the remedy shall be, it must not advertise our calamity or our extremity.

"Additional" National Bank Circulation.

Among the many remedies suggested none appeals to me as strongly as the authorization of additional National bank circulation. This method involves the right of National banks to increase their circulation in any amount, perhaps equal to fifty per cent. of their outstanding volume of Government bond-secured circulation, on which the bank should pay a tax of five or six per cent. during the time it is maintained, and the Government in consideration of this tax should guarantee its redemption.

I endorsed this plan not long ago in the second largest city of this nation. The next morning one of the daily papers had interviews from several bankers to the effect that they would not issue currency under ordinary circumstances if taxed at five per cent. This confirms my belief that the proposition was wise. It certainly would not result in inflation. Though the right to issue additional circulation were granted, I should be exceedingly glad if it were not exercised for many years. It would demonstrate that we had passed over no very rough places.

You may call this, if you please, an emergency provision. So it is, but it injects into our circulation no new form of money as an element of alarm. By eliminating the one statement on the present bank note, "This note is secured by bonds of the United States," the additional currency could be made identical with that based on Government bonds. The Comptroller of the Currency and the bank issuing the currency would alone know of its existence. It would not advertise its existence or our extremity, and I can scarcely conceive of conditions under which it would remain out sixty days. It could be printed and kept ready for issue as occasion might require, and it would be retired, not by gathering up each individual bill, but by a deposit of equal volume of money with any sub-Treasury. Then the notes as they came in would be charged against this deposit until it was exhausted, after which redemption and reissue would run on as before.

BOOK NOTICES.

Poor's Directory of Railroad Officials. New York: Poor's Railroad Manual Co.

Contains lists of all the steam, electric and other railroads in operation in the United States, Canada and Mexico.

Project for the Panama Canal. By Linden W. Bates, with general plans and profiles of the waterway, the regulation works, and the terminal harbors. New York: Linden W. Bates.

This is an exhaustive examination of the problems to be dealt with in the construction of the Panama Canal.

The Banks in the Clearing-House. By William Howarth. London: Effingham Wilson.

Mr. Howarth has given in this volume a brief history of the London Bankers' Clearing-House, and a more complete history of the member banks. These institutions are, as a rule, much older and also much larger than the banks comprising the New York Clearing-House Association, though the clearings of the latter are the largest.

Banking in Mexico.—Banks in Mexico are very prosperous. In fact the only bank failures recorded since the first Mexican bank charter was issued is that of a promoters' bank organized in the United States and several smaller private banking enterprises. October 14, 1905, the second anniversary of the closing of the International Bank and Trust Company of America, the promoters' bank referred to, was celebrated by a first payment to creditors of twenty per cent. It is stated that no National bank earns less than ten per cent. Loans are made, not on stock or bond collateral, but on two or three signatures, and the per cent. of losses is very small in the banks constituted under National laws. Interest rates to borrowers run from eight per cent. to twelve per cent.

INTERNATIONAL CURRENCY.

A FINANCIAL SUGGESTION RESPECTFULLY SUBMITTED TO THE JAPANESE GOVERNMENT.

During the war, Japan's circulation of paper currency has been increased, while its stock of gold has diminished. A replenishing of this stock, by drawing gold from abroad against Japan's foreign credit balance, seems to be indicated, so as to restore a proper proportion between circulation and reserve. The money markets of Europe and America, however, are in such a condition that the withdrawal of a large amount of gold would cause a widespread disturbance. If such a disturbance were to take place, any schemes for refunding Japan's loan bonds at a lower rate of interest would meet with more or less difficulty, on which account it may be best to leave the foreign credit balance as far as possible intact, for the present, at least.

The peculiar condition of Japan's finances seems to favor the adoption of a special financial measure, by means of which two important objects, apparently of a contradictory nature, could be achieved: first, to leave the foreign credit balance practically intact; second, to use these same funds for securing an ample reserve for Japan's paper currency.

To this end a new kind of paper money should be issued, of the same class as the "certificates of deposit" issued in the United States; with this difference, however, that, while the American certificates attest to the deposit of a certain amount of gold with the Government, the Japanese certificates would attest to the deposit of a certain amount of money with the Government's agents in London, New York, or Berlin. These certificates would be issuing and circulating in Japan, and be secured by the Government's foreign credit balance, being redeemable in Japan as well as by the Government's agents *abroad*—thus constituting, as it were, an "international" currency.

These international bills should read for two kinds of money, say, *yen* and dollars, or *yen* and shillings, or *yen* and marks. Their face value should be five *yen*, or a multiple thereof; but each bill should also read for the corresponding value in foreign money. A sterling bill may read for five *yen*, redeemable by the Bank of Japan at Tokyo; or, at the option of the holder, redeemable by the Yokohama Specie Bank at London, to the amount of £0.12.1 in place of five *yen*. Eventually each bill may be made payable in any one of the four countries at the option of the holder, being redeemable in *yen* if presented at Tokyo; in dollars if at New York; in marks if at Berlin; or in sterling money if at London; the respective amounts, in the different kinds of money, being stated on each bill.

The bills should be issued by the Government, in the shape of drafts against its foreign credit balances. And it should be well understood that they are to be issued only in Japan, and to circulate only in Japan, *as money*, the same as ordinary Treasury bills. Virtually they are drafts on the Government's foreign credits; but until presented for redemption, and canceled, they will circulate as money; and since a holder has no incentive to present them for redemption, they may be kept in circulation indefinitely, unless wanted for foreign remittances, in place of shipping gold abroad. To bring this money into circulation, the Government may use it for paying off some of its domestic loan bonds; or for after-war expenses, and for other expenditures such as cannot be met out of the Government's regular income. Inasmuch as the bills actually represent so much gold held abroad by the Government, or at least money which at any time can be changed into gold, they practically are certificates of gold deposit; and the issue of such kind of paper money would strengthen Japan's currency precisely the same as if the Government had imported an equal amount of gold.

Suppose that international bills to the amount of *yen* 200,000,000 were issued on the strength of the foreign deposits; then that much of the foreign deposits would not really belong any more to the Government, but would belong to the holders of the bills. Nevertheless (and here we arrive at the essential point of the scheme) that money remains *nominally* the property of the Government, the latter retaining full control and full possession of it, also retaining the use of it—though not for purposes of expenditure, yet for purposes of financial management. This control can be made useful in two directions: first, to assist in refunding Japan's loan bonds, whenever they mature; second, for the sake of earning interest. A handsome amount of interest can be cleared by lending the funds out in a similar manner as is now being done, and this can be earned in addition to the interest accruing from the use of the international bills *at home*. As it were, the foreign funds can be made to earn double interest.

To this end the Government should leave the funds in the same Western cities where they are now deposited, and entrust them to the care of its special agents; say, of the Yokohama Specie Bank, who, in turn, would put them in charge of its branch offices in London, New York, and Berlin. The Bank should manage the funds on regular banking principles, *but in behalf of the Government*, and under the supervision of Government officers, the Bank earning a fee for its services. The funds will readily bring two per cent. interest by simply being left on deposit, subject to "call," with banks or trust companies; but can be made to bring three or four per cent., at least in New York, when loaned out on three or four months' time, against commercial paper.

The Bank would not only be charged with the custody of these foreign funds, but also with the redemption of the international bills, such as may be presented at those Western branch offices. The redemption would then be made, not in *yen*, but in the money of the particular country, out of the funds which the Bank holds in custody.

It may be thought that these funds, to properly serve as security for the international bills, should be kept in the shape of gold coin, and not be loaned out in the market, especially not *on time*. Anyone, however, who is familiar with banking business, will know that doubts on that score are out of place. Those funds are *not now* held in the shape of gold coin; still, if the Government would demand delivery of those funds, in the shape of gold, the gold would come forward, even if the Western markets should be disturbed thereby. No such sudden call, however, is to be anticipated on the part of international bills. Most likely they will not be presented abroad for redemption *at all*. If nevertheless they should be, from any unforeseen reason, they will not come in all at once, nor even within a space of three months; and in the meantime the funds, if loaned out against commercial paper, some of the loans maturing every week, can gradually be released, so there will always be ample cash on hand to meet the requirements for redemption purposes.*

It should be noted that this practically unlimited supply of gold for the redemption of international bills will obtain only where the bills are payable in some Western money centre, or preferably in several of them. It would not obtain if the bills were redeemable only in Japan, because the country does not harbor a sufficient amount of gold.

The undoubted convertibility and high degree of security thus attaching to international bills renders them practically equivalent to certificates of gold deposit, so much so that *they should be rated as such*, and the Bank of Japan should be authorized to count them as actual gold for purposes of reserve, such as the Bank is required to hold against its note circulation. At present, the Bank is empowered to issue an unlimited amount of its notes against the security of gold or silver, and a limited amount on the security of Treasury bills, Government bonds, or commercial paper. The international bills certainly should rank higher in this respect than Treasury

*Whether the funds are invested in commercial paper, as above contemplated, or whether in exchequer bills, as recently has been done with the funds held in England, or whether in a still different way, that does not matter much. In either case the funds can readily be converted into cash, if required for redemption purposes, especially where the demand for redemption would in no case be more than a gradual one.

bills, considering that the latter are based solely on the credit of the Government, while the former are secured both by the credit of the Government and by the deposits in the Western money centres; so it would be entirely safe to empower the Bank to issue its own notes, to an unlimited amount, against the security of an equal amount of international bills held in reserve. In this way the Bank could withdraw a part of the international bills from circulation and thereby strengthen its reserve, without reducing the country's money circulation.

International bills, after having been issued by the Government in the manner above stated, may come to the Imperial Bank in two ways: First, in the shape of deposits on the part of business men, in which case the Bank can pass them out again, after retaining enough of them to satisfy its requirements for reserve purposes; second, they may be presented to the Bank for redemption, the bearer withdrawing the gold. In the latter case the Bank's specie reserve would be affected; and unless the gold it thus pays out flows back to it in the course of regular business, the Bank may, in order to replenish its specie reserve, request the Government to have an amount of gold imported from its Western depositories; and against the delivery of the gold so imported the Bank will hand to the Government a corresponding amount of international bills, which are thereupon cancelled. Thus, the Imperial Bank's specie reserve will be replenished and kept up to its present volume.

The Bank, however, will hardly ever be called upon to redeem international bills, as people would not care to have the gold in preference to the bills, so long as they know the gold can be had on demand. For *domestic* trade, therefore, the gold will not be wanted. For *foreign* trade it will not be wanted either, since, in most cases, the Government's foreign funds can be used for that purpose, through the intermediacy of the Yokohama Specie Bank, in a manner which will be explained further below. So the Imperial Bank's gold reserve is not likely to be disturbed, if protected by a supply of international bills.

In connection with foreign trade a peculiar question turns up, viz., how to determine the equivalent value in foreign money; say, in dollars. While the domestic value of an international bill of five *yen*, or a multiple thereof, is very definite, there are two ways of determining the foreign value. First, by fixing the rate in compliance with the real intrinsic gold value of the *yen;* which method might possibly be objectionable on account of the fluctuations in foreign exchange; these may at times make the bills an object of speculation and cause their exportation for the sake of reaping a small benefit in an exchange transaction, where no profit could be made if, instead of the bills, gold had to be exported. Second, by fixing the rate, not on the basis of the intrinsic gold value of the *yen*, but on a commercial basis, *i. e.* at a figure nearer to its lowest commercial exchange value, such as prevails at the gold-export point, where freight, insurance and loss of interest are deducted from the intrinsic value of the *yen*. Under the first-mentioned method, a one-hundred *yen* international bill would read for $49.85, if presented for payment in New York; under the second, or the commercial method, it would read for, say, $49.60; the actual gold-export point being $49.25. Suppose the rate to be fixed on the latter basis, at 49.60; and suppose furthermore that a Japanese merchant desires to make a remittance to New York of one thousand *yen*, the market rate of exchange being at the gold-export point. Then he may either send the gold out, which would net him $492.50 at New York, after deducting freight, insurance and interest from the intrinsic gold value of the one thousand *yen* (this value being $498.50); or he may, instead of the gold, send out *yen* 1000 in international bills, which represent a face value of $496 in American money, and which would net him, after figuring the cost of insurance and loss of interest, as much as, say, $493.50 in New York. Naturally, he will prefer the cheaper way, and no gold will be sent out. But there is a still cheaper method—one which does not require the sending out either of the gold or of the international bills—simply by buying a draft on New York from the Yokohama Specie Bank, which method will be explained further below.

The Yokohama Specie Bank will buy as well as sell foreign drafts; buying the drafts which Japanese merchants draw against their foreign correspondents, which drafts the Bank sends to its foreign branches for collection;

and, on the other hand, selling to Japanese merchants the drafts which it draws on its foreign branches. And so long as the selling practically offsets the buying, the Bank's own funds will be sufficient for the transactions, and the Government's foreign funds will not be disturbed. But if the sales should preponderate; in other words, if the balance of foreign trade should run against Japan (which ordinarily means export of gold, the Bank will have to make more drafts on its Western branches than are covered by the remittances, so the Bank's own funds held by the branch offices will quickly be eaten up, and, to meet further drafts, resort will have to be made to the Government funds in the custody of these branches. In the same proportion cash funds will accumulate at the home office of the Yokohama Specie Bank as a result of the payments made by the Japanese merchants against the drafts bought from the Bank. If the adverse trade balance continues, and has run up to, say, *yen* 3,000,000, without any prospect of diminishing later on; in other words, if cash to the amount of *yen* 3,000,000 has accumulated in the Bank's vaults as the proceeds of its drafts against the Government's foreign credit balance, then the Bank will hand this money, in the shape of international bills (which a bank can readily gather from circulation), over to the Government, for cancellation. These bills, therefore, will disappear from circulation in the same proportion as the foreign credit balance becomes reduced, affecting the country's money supply precisely the same as if so much gold had been exported—only that this exportation takes place without the handling of gold, and in a much simpler way.

In order to use the Government's foreign funds in the manner above stated, and thus protect Japan's domestic gold supply (in case an adverse foreign trade balance should occur), it is essential, however, to adjust the face value of the international bills, *i. e.* their face value in terms of foreign money, so that for the purpose of foreign remittances they offer an advantage over gold. A rate of 49.60 cents, or an equivalent amount in shillings or marks, would probably answer. Figuring on the basis of this rate, the exchange values for the various methods of remitting would be about as follows:

When remitting in gold, an amount of yen 1,000 would net in New York, at a time when the specie-export point has been reached	$492.50
The same amount, if sent in the shape of international bills, would net, as assumed on a preceding page....	493.50
The Yokohama Specie Bank could afford a better rate than the above, and probably would allow as much as..	494.50
The Bank itself will obtain from the Government for yen 1,000 in international bills (as will be explained later on) as much as	496.00

It is clear that the Bank can allow $494.50 for *yen* 1,000 and make a profit, if it obtains $496.00 for *yen* 1,000 from the Government; and this would be the case if the foreign face value of the *yen* would be fixed at 49,60 cents.

So whenever the foreign trade balance should run adverse to Japan, the Japanese merchants can remit abroad to better advantage by means of international bills than by sending gold. And they could do still better by buying a draft of the Yokohama Specie Bank on its foreign branch offices than by sending international bills.

This peculiar advantage of the Yokohama Specie Bank in monopolizing the foreign exchange business would obtain only when the trade balance becomes adverse and the exchange is nearing the specie point—which might never occur. At other times the Bank has no advantage over ordinary exchange brokers, the rate being determined by the competition of the open market.

By adopting the "commercial method" explained above, and fixing the foreign face value of the international bills not at the intrinsic gold value, but at the rate of, say, 49,60 cents to the *yen*, a given sum of foreign money, say, $1,000,000, will yield to the Government, when issuing international bills, a larger aggregate of *yen* than could be obtained by adhering to the intrinsic value. This slight exchange profit, however, would be eaten up if the international bills were presented for redemption *at home*, *i. e.* at the Imperial Bank; and if in consequence the latter Bank would request the Government to import an equivalent amount of gold—as the cost of such importation and of the recoining would fall upon the Government. But the profit will not be eaten up whenever the foreign funds are absorbed by exchange transactions on the part of the Yokohama Specie Bank, as explained above, since in such a case no gold would be imported.

To clearly understand the position of the latter Bank, compared with that of the Imperial Bank, in reference to their relative functions concerning international bills, we should bear in mind the following points: the Bank of Japan will redeem international bills in gold at the request of the bearer; the other bank will not, but will accept them in payment for drafts drawn by the bank against the Government's credits in the Western money centers. Both banks may, on their part, present international bills to the Government for final redemption and cancellation; but the method of redemption, on the part of the Government, is not the same for the two banks: to the Imperial Bank the Government has to supply Japanese gold coin, for which purpose it has to import the gold, drawing it from abroad out of its foreign credit balance; to the other Bank the Government supplies no gold in redemption of international bills, but merely credits the Bank on its books for the amount of international bills received—having charged the Bank originally for the amount of the foreign funds when placing them at the disposal of the Bank. And it should be well understood that this original charge on the part of the Governmnet was not for so many *yen*, but for so much foreign money, either dollars, pounds sterling, or marks; consequently, whenever the Yokohama Specie Bank hands in international bills to the Government for final redemption, say, a million *yen*, it will not get credit for a million *yen*, but for the face value of these international bills in terms of foreign money, either dollars, or pounds, or marks, at the option of the Bank.

This manner of accounting would make it impossible for the Yokohama Specie Bank to gain any profit *at the expense of the Government*, from its exchange transactions. Furthermore, this manner of accounting would explain why this Bank, as assumed on a preceding page, can obtain $496.00 (at New York) as an equivalent for *yen* 1,000 in international bills handed to the Government in Japan, and why, consequently, the Bank can allow the merchants as much as $494.50 for *yen* 1,000 and make a profit, where other exchange brokers cannot.

By adopting the "commercial method" of adjusting the foreign face value of international bills at 49,60 cents to the *yen*, or the equivalent in shillings or marks, a small exchange profit will accrue to the Government (viz., the difference between 49,60 cents and 49.85 cents); and, on the other hand, Japan's stock of gold will be effectually protected against foreign demands. At the same time there will be no such thing as going to the expense of importing gold from Europe, recoining it, and then exporting it again.

Nor is it probable that the Government's foreign funds will be much disturbed by the exchange transactions of the Yokohama Specie Bank, except that their volume will shrink whenever the balance of trade is adverse to Japan. Ordinarily, the Bank's own funds will be sufficient for its exchange transactions. Nor will the foreign funds be sensibly disturbed by redemptions. International bills, presented at the Western branches for redemption, may be redeemed by the Bank out of its own funds, and sold again abroad, at a profit; or the Bank can, unless the rate of exchange be near the specie point, return them to Japan, and restore them to home circulation—just the same as the home banks in Japan will pass them out again after receiving them in payment. Taking it all in all, the custodian Bank has as much of an interest as the Government itself, in keeping the foreign funds intact.

At first sight, the plan outlined above, of using international bills, *i. e.* Government drafts drawn against foreign credits, as an equivalent of gold for reserve purposes on the part of a bank of issue, may seem to be a doubtful experiment. The general principle, however, of keeping part of the reserve of one bank in some other bank or banks, is by no means new. The great majority of the banks in the United States, as well as in other countries, follow this principle, and with uniformly satisfactory results, even in times of financial stress and of panic. And invariably we find that the "reserve banks" do not keep the reserves thus entrusted to them in the shape of cash, but they loan them out and make them useful—employing the funds precisely in the manner as would be done with the Government funds which form the basis of the international bills. Only *the extension* of the principle, in applying it to a bank of issue, may be novel, but there is no reason why it should not be feasible. Were the Bank of Japan likely to be exposed to large and sudden demands for gold, then a large reserve of the yellow metal would become imperative; but since the business men of Japan made no such demands under the trying conditions during the war, they are not likely to make such demands now, in times of peace, where they have no incentive for withdrawing gold.

It may, perhaps, seem objectionable to the Japanese, on sentimental grounds, that their Government Bank should keep any part of its coin reserve elsewhere than in its own vaults, since all other Government banks keep such reserves in their own custody. As an offset to this, however, it should be a matter of pride if Japan would appear as one of the most prominent lenders in the Western money centers and thus take a commanding position among the financial powers of the world.

The question as to the amount of the Government's foreign funds that should, in the shape of international bills, become a part of Japan's circulating medium—whether 100, or 150, or 200 million *yen*—must, of course, be left to the decision of Japan's statesmen. In any event, the amount will have to be quite large, the present circulation being altogether too small, as is evinced by the very high rate of interest now prevailing in Japan. True, the high interest rate primarily indicates a dearth of available cash capital, not necessarily a dearth of money; but the former is often the sequence of the latter. If there were an adequate supply of money circulating in the hands of the people, the formation of new cash capital would most obviously be facilitated. The well-known process of this formation—first, withdrawing money from circulation on the part of the savers, then turning the savings over to the money market in the shape of cash capital, then investing this cash capital in some enterprise, thereby scattering again the accumulated funds, making them leave the money market and reënter the channels of general circulation—this process evidently could repeat itself oftener and easier if the volume of Japan's money supply were more ample than it is now. Thus, while a plentiful supply of money is not identical with a plentiful supply of cash capital, it is certainly the primary condition thereof and the most direct means of insuring a lowering of the interest rate.

A lower rate of interest seems almost indispensable, considering that so many of the natural resources of Japan are waiting to be developed, which development is more or less hampered by the high rate of interest now exacted by the lenders of money.

Where the Government undertakes, on its own initiative, to add to the country's circulation, be it by means of the importation of gold or by the issue of international bills, and thus to regulate the country's money supply, the question naturally arises, Would the addition have to be a large one? Would an increase of, say, *yen* 200,000,000 be too much? What would be the possible consequence if such an expansion of the currency should be greater than necessary?

If the circulation consisted chiefly of uncovered paper money, a depreciation of the latter, below the par value in gold, might result. This, however, could not take place in the case of international bills, which are backed up to their full value by foreign credits equivalent to gold, and readily convertible into gold. Another kind of depreciation of the country's money, however, might take place through the depreciation of the gold itself, represented by a lessening of its purchasing power. Were the money supply too ample, there would be too much of a tendency for wages and prices to rise, and this might affect the country's foreign trade, rendering the Japanese market a better one for foreigners to sell in and a poorer one to buy in—with the result that the balance of trade might turn so heavily against Japan as to call for a continued export of gold, or eventually an eating up of the foreign credits and a concurrent cancellation of international bills, which would mean a corresponding shrinkage of the circulating medium. Or, on the other hand, the adjustment of the trade balance may be effected by the exportation of Japanese securities, which would make Japan so much more of a debtor nation. Neither of these contingencies, however, is likely to occur, even though the currency of the country be substantially augmented. Japan is not destined to remain a debtor nation, nor a poor nation. Whoever attempts to forecast its future in the light of its past development cannot avoid the conclusion that the sound economic policy adopted by its rulers, in conjunction with the remarkable thriftiness of its people, is bound ere long to change Japan's position from a debtor to a creditor nation. Whatever foreign debts were incurred prior to the war did not represent an excess of consumption over production, but almost invariably an addition to its industrial equipment and to its internal wealth—the latter increasing many times faster than the foreign indebtedness. Considering the rapid growth of the country's wealth, it is almost surprising that foreign capital has had so small a share in its development, Japan comparing very favorably in this regard with the United States. whose wealth was built up in a much larger proportion by means of foreign capital. The Japanese have shown a strong tendency to make themselves industrially independent, and more and more to diminish the lines of goods they now draw from abroad, supplanting them by goods of their own make; and the natural outcome of this tendency will be that after wiping out the excess of imports, the Japanese people will seek an outlet for the products of their own growing industries—and after that it will not take them long to attain their place among the world's industrial powers and to become a creditor nation.

It is well understood that an expansion of business and industry necessitates an ample supply of money. Such an expansion is usually accompanied by a general increase of wages, which of itself calls for a larger supply of the circulating medium. Wages will no doubt continue to rise as they have done for the last ten years, and it may seem that such an advance in wages, in conjunction with the consequent rise in prices, will weaken Japan's exporting power and therewith its position regarding foreign trade, augmenting the unfavorable balance and bringing with it a risk that a large increase of the money supply, through the issue of international bills, will lead to exports of gold, or, as it were, to the eating up of the foreign credit funds. On the other hand, it must be conceded that the wages now prevailing in Japan are really too low, and that there is room for a substantial advance before the products of Japanese labor will be unable to stand the competition of Western labor, especially after the mechanical equipment of Japan's industrial establishments has reached a degree of efficiency equal to that of Western nations—a standard that is already being rapidly approximated.

The protest recently made by the Tokyo Bankers'' Association against an expansion of the currency may possibly be construed as applicable to the issue of international bills, for these would effectively expand the currency; but an expansion of this kind, where the paper money is so fully secured by a gold equivalent, should certainly not be objectionable. An ample supply of the circulating medium, and a consequent lowering of the rate of interest, may not specially benefit the bankers, but will prove a great boon to the community. Every branch of industry and trade would feel its vivifying influence, and it will above all ameliorate the condition of the Japanese workingman. To improve his standard of life he evidently should be paid higher wages; but this would require more money, and in the aggregate a larger supply of the circulating medium. True, a general increase of wages will, as a rule, entail a general increase of prices, thus partly annihilating the benefit derived from the advance in wages; still, a large share of the advance would go towards improving his condition, and augmenting his purchasing power, which is now quite small. This increase of purchasing power would call for increased production, this again for more labor and for more productive forces; and this process of action and reaction would not only add to the income of the individual, but would stimulate the business activity of the entire country, and result in a general uplift of industry and trade. This again would swell the public revenues, making it easier for the Government to meet the increased fiscal requirements.

Not exactly that the mere expansion of the volume of money will, of itself, *bring about* the development just cited, but it will surely *facilitate* such development, considering that the primary conditions for it already exist.

On the whole it does not seem likely that a material addition to the country's currency, as outlined in this treatise, would weaken Japan's position in regard to foreign trade or tend to render Japan's currency supply top-heavy so as to result in exports of gold. Not unlikely, things may take just the opposite course. If business prospers and the Government's income swells, and if the aspect of affairs throughout indicates improvement and stability, foreign capital will be attracted even more than now toward Japanese securities—and gold is more apt to flow in than out.

A peculiar after-war phenomenon has lately been observed in Japan's money market. Cash funds are freely flowing to the banks and are, to some extent, accumulating there—a fact which seems to betray the existence of an abundance of cash funds and of the country's money supply. This plethora of cash funds, however, is only temporary, being caused by the great changes in economic conditions resulting from the cessation of the war, and will soon disappear. A country of rapid development needs an abundant supply of cash funds and is much more likely to experience financial troubles from a dearth of money than from an excess of it.

In conclusion, let us recapitulate the salient features of the financial plan herein set forth.

First.—By avoiding the withdrawal of large amounts of gold from the Western money markets, a disturbance of the latter will be prevented.

Second.—The maintenance of a large foreign credit balance at Japan's command will materially aid in carrying out any plans for refunding the outstanding Government loan bonds at a lower rate of interest. For this purpose it is not essential that the Government should really own the funds, the mere control of them being sufficient.

Third.—The Government would derive a handsome income, in the shape of interest, from the continued control of the Western funds. Suppose the Government would issue *yen* 200,000,000 in international bills and apply them towards the purchase of an equal amount of its domestic loan bonds; then it would save five per cent. interest on these bonds; and if earning three to four per cent. interest on the foreign funds which form the basis of these international bills, it would, in all, earn eight or nine per cent. interest on the above amount, while the loan bonds, by means of which those foreign funds were procured, eat up only 4½ per cent. in the shape of interest.

While the foregoing plan commends itself to Western financiers, so far as they have been consulted, some objections may present themselves from a Japanese standpoint, as follows:

First.—The Bank of Japan has the exclusive privilege of issuing bank notes; the issue of international bills would seem to conflict with this privilege.

Suppose it does; could not this objection be overcome by a slight compensation to the Bank of Japan? Suppose, on the other hand, that the Government, in order to transfer some of its Western funds to Japan, would import the gold, instead of issuing international bills; that would certainly not interfere with the Bank's privilege. But would it make the least difference to the Bank, so far as its profits or interests are concerned, as to whether the Government would pursue the one course or the other? If not, the privilege of the Bank of Japan should not stand in the way to prevent the consummation of an important fiscal measure.

Second.—It may be thought dangerous to leave the adjustment of the volume of the country's currency supply to the discretion of the Government.

The fact is, however, that the Government is already using its discretion to that effect, inasmuch as it has limited the uncovered bank-note circulation to *yen* 120,000,000, imposing a heavy tax on any excess above that amount.

Furthermore, let us suppose that, instead of issuing international bills, it would *import gold* to pay off part of its internal debts; would not then, likewise, the question turn up as to the quantity of gold to be thus imported, and would not the Government have to use its discretion in the one case just as well as in the other?

Some guide for adjusting the currency volume may be found in the rate of interest. At present this rate is quite high. International bills may be issued with impunity to such an extent as to bring the rate of interest down to reasonable figures.

THIRD.—Many Japanese financiers, though wishing for the participation of foreign capital in developing Japan's resources, object to the extension of Japan's currency volume, and seem to hold the country's money supply to be sufficient for the transaction of its business.

The one view is more or less contradictory of the other. If foreign capitalists are to go into Japanese enterprises, would not they have to send cash funds to Japan, and would not this increase the country's circulation? True, instead of cash they might send merchandise; and if in consequence there were an excess of imports over exports, that excess could be invested by them in Japanese securities or enterprises. But would the influx of foreign capital under such circumstances, i. e., by means of an adverse trade balance, be desirable for Japan, after it has reached its present state of development?

If Japan is to be really benefited by foreign capital, the latter should come in the shape of cash funds. But whether these funds consist of foreign gold, or whether of international bills which represent cash funds supplied by foreign capitalists, that does not matter. If the Government uses these bills to redeem internal loan bonds, the bills will become cash capital in the hands of the receivers, ready for investment in some enterprise. But as soon as thus invested they will surely increase the country's circulation—precisely the same as if the foreign capitalist had sent so much gold, and had himself undertaken the enterprise.

Japan's financiers are wishing for the influx of foreign cash capital to assist in Japan's development. By the issue of international bills they can have it.

N. JOHANNSEN.

NEW YORK.

UNIFORM PACKAGES FOR CURRENCY.—The lack of uniformity in putting up the smaller denominations currency is often a source of annoyance and delay to paying tellers who are rushed with business on Saturdays or pay-roll days. Some banks have issued circulars like the following to their customers and have found that it has resulted in quite a saving in time and temper:

To our Depositors:

In order to facilitate the handling of business at the teller's window please take note of the following:

Pennies are kept in packages of			.50
Nickels	"	"	$2.00
Dimes	"	"	5.00
Quarters	"	"	10.00
Halves	"	"	10.00
$1 & $2 bills	"	"	50.00
$5 Bills	"	"	$100 & 250.00
$10 Bills	"	"	500.00

As far as possible please call for amounts as above or multiples of each.

Your co-operation in this respect will be appreciated both by the officers of the bank and the customers who form the lines in waiting.

CAREFUL OF HIS NAME.—I know of many worthy institutions with which I would trust my money; my name, never. I would never lend them my name, because that is sacred to me.—*Andrew Carnegie.*

ANNUAL REPORT OF THE COMPTROLLER OF THE CURRENCY.

The National banks have made five reports during the period beginning November 10, 1904, and ending August 25, 1905. There has been an increase in banks in that time from 5,477 to 5,757. Loans and discounts representing over 50 per cent. of the banks' aggregate resources steadily increased from $3,772,638,941.58 on November 10, 1904, to $3,998,509,152.62 on August 25, 1905. The increase in bonds on deposit as security for circulation was from $425,759,090 to $477,592,690, the increase being approximately $52,000,000. The banks' total investments in Government bonds—that is, as security for circulation and public deposits and amount held—represented approximately 7.5 per cent. of their resources. The amount invested in securities of this character on November 10, 1904, was $548,600,000 and on August 25, 1905, $551,300,000, the net increase being only $2,700,000 by reason of the large withdrawals during the year of Government deposits and the coincident release of a like amount of securities. At date of the first report in question the holdings of specie and legal-tender notes aggregated $642,100,000. These holdings increased on January 11 to $669,900,000, fell to $641,100,000 on March 14, increased to $649,200,000 on May 29, and on August 25 last reached $665,500,000. The percentage of specie and legal-tender notes to the total resources was 8.9 on the last-named date, as against 7.2 on September 6 and 8.9 on November 10, 1904. The three items of loans, United States bonds and lawful money represented 70.2 per cent. of the aggregate resources, $7,472,350,878.64, on August 25.

The paid-in capital stock on August 25, 1905, was approximately $800,000,000, the exact amount being $799,870,229, and the earnings—surplus and other undivided profits—were $620,200,000. On November 10, 1904, the capital paid in was slightly in excess of $776,000,000 and the surplus and other undivided profits, $595,300,000. On September 6, 1904, the stockholders' interest, represented by capital, surplus and profits, was 20.8 per cent., and on August 25, 1905, 19 per cent. of the total liabilities. The reported outstanding circulating notes on November 10, 1904, were $419,120,020 and on August 25, 1905, $468,979,788, an increase of nearly $50,000,000.

Of the liabilities on August 25, 1905, 51.1 per cent. represented individual deposits, which latter amounted to $3,820,681,713.23, an increase since November 10, 1904, of $112,900,000. The Government deposits, including deposits of United States disbursing officers, decreased from $110,300,000 on November 10, 1904, to $62,000,000 on August 25, 1905.

The composition of the specie held by the banks on November 10, 1904, was as follows: Gold, $395,000,000; silver, $89,000,000. On January 11, 1905, the holdings of gold had fallen to $386,000,000, and the silver had increased to $105,000,000. On March 14, 1905, the amount of gold held was $387,000,000 and silver $95,000,000. On May 29, 1905, the gold holdings had fallen to $380,000,000 and the silver holdings increased to $99,000,000. The aggregate specie holdings on August 25, 1905, were the greatest at date of any report during the period in question and amounted to $495,000,000, of which $397,000,000 was in gold and $98,000,000 in silver. Legal tenders held by the banks fluctuated from a minimum of $157,000,000 on November 10,1904, and March 14, 1905, to a maximum of $178,000,000 on January 11, 1905, but fell to $170,000,000 on August 25.

Reserve.

The deposits on which reserve is required—that is, individual deposits and net bank balances—amounted on August 25, 1905, to $4,735,000,000, of which $1,342,000,000 was held by central reserve city banks (New York, Chicago and St. Louis), $1,275,000,000 by banks in other reserve cities (the aggregate in the two classes being $2,618,000,000) and $2,117,000,000 by associations classed as country banks. The law requires banks in the central reserve cities to maintain a cash reserve of 25 per cent., and on the date in question the rate was exceeded by 0.63 per cent. of the proportion required. Banks located in other reserve cities are authorized to carry one-half of their 25 per cent. reserve with central reserve city banks, and their reserve with such banks and on hand averaged 25.29 per cent., the average for both classes being 25.47 per cent. Banks located elsewhere than in reserve cities are required to maintain a reserve of but 15 per cent., three-fifths of which may be on deposit with reserve city banks and the remainder held in their vaults. The average reserve held by the banks of this class was 17.03 per cent., making an average for all banks of 21.69 per cent.

Loans and Discounts.

Of the total amount of funds loaned by the banks, namely, $3,998,509,152, demand paper, with one or more individual or firm names, amounts to $320,052,942; demand paper secured by stocks, bonds and other personal securities, $854,115,721; time paper, with two or more individual or firm names, $1,382,258,561; time paper, single name (one person or firm), without other security, $689,124,987; time paper secured by stocks, bonds and other personal security, and mortgages, $752,956,941. Nearly one-third of the aggregate volume of loans represented accommodations granted by central reserve city banks, New York leading with $805,000,000, followed by Chicago with $213,000,000, and St. Louis with $99,000,000. The loans granted by other reserve city banks slightly exceed $1,031,000,000, Philadelphia leading with $176,000,000, followed by Boston with $168,000,000, Pittsburg, $130,000,000, Baltimore, $51,000,000; and decreasing from $48,000,000 in Cleveland to approximately $2,000,000 in Dubuque.

The loans granted by banks in the central and other reserve cities amount to 54 per cent. of the total, leaving 46 per cent. as the proportion of loans of banks located elsewhere. In the list of country banks Pennsylvania leads with loans of $232,000,000, followed by New York with $155,000,000; Ohio, $125,000,000; Massachusetts, $118,000,000; Illinois, $116,000,000; New Jersey, $87,000,000; Texas, $83,000,000; Iowa, $64,000,000; Indiana, $58,000,000, and Connecticut, $53,000,000.

Capital, Circulation and Bonds.

In the past year there was a gross addition to the authorized capital of National banks of $59,336,240, of which $33,532,500 were from banks organized since October 31, 1904, and $25,803,740 from old associations increasing their capitalization. The net increase, however, was but $30,899,740, as there was a loss of $28,436,500 as a result of voluntary liquidations, failures and reductions of capital of continuing banks.

The average capital of the 3,617 National banks in existence on March 14, 1900, was $170,000. At the close of business on October 31, 1905, the average capital of the 5,858 banks then in operation had been reduced to $138,000, the reduction being due to the organization of banks with capital of less than $50,000, under authority of the act of March 14, 1900, the latter being organized generally with capital of $25,000, although the exceptions raised the average of that class of banks to approximately $26,000. The average capital of the 947 banks organized under authority of the act of 1864, and from March 14, 1900, to October 31, 1905, was $120,000, making an average for the 2,702 banks organized during the period in question of approximately $60,000.

The outstanding circulation secured by bonds on March 14, 1900, was but 35 per cent. of the authorized capital stock, the latter being the measure of the maximum amount issuable. By reason of the granting of authority to issue circulation to the par value of bonds deposited, and the reduction by one-half of the semi-annual tax on circulation secured by 2 per cent. consols of 1930, the proportion of circulation secured by bonds to authorized capital had increased on October 31, 1905, to 60 per cent.

At the close of business on October 31, 1905, registered bonds to the amount of $493,912,790 were on deposit with the Treasurer of the United States, in trust as security for National bank circulation, of which $483,181,-

900, or nearly 98 per cent., were 2 per cent. consols of 1930, there being still on deposit as security for circulation 3 per cent. bonds of 1908 to the amount of $2,215,540, fours of 1907 to the amount of $4,050,350, and fours of 1925 to the amount of $4,465,000. The average market price of 2 per cent. consols in November, 1904, was 104.7838. The maximum price was reached in March, 1905, namely, 105.1389. In October, 1905, the average market price of these consols fell to 103.4295, giving them an average investment value in October of 1.826.

The percentage of outstanding circulation to the paid-in capital of National banks, as shown by reports of condition, periodically, from January, 1866, to December, 1885, materially exceeded 50 and ranged from a maximum of 70.3 at the close of 1868 to 50.5 at the close of 1885. From the latter date there was a gradual decrease to 18.4 in July, 1891. From October, 1893, to March, 1895, the average was approximately 25 per cent., and thereafter a steady and slight increase to 33.8 per cent. in December, 1899. The act of March 14, 1900, resulted in an increase of the rate to 38.3 per cent. on April 26 of that year, and 47.3 at the close of the year. With the exception of July, 1902, when the rate was 44 per cent., the proportion of circulation to capital has exceeded 45 per cent. since the date last named, and reached a maximum of 58.6 per cent. in August, 1905.

The law requires every National bank to keep on deposit with the Treasurer of the United States lawful money to the amount of 5 per cent. of its outstanding circulation for use in providing for current redemptions. During the year ended October 31, 1905, notes to the amount of $306,073,880 were received for redemption at the United States Treasury redemption agency, of which $204,753,612 were delivered to the Comptroller of the Currency for destruction, $182,021,822 of the latter amount being replaced by new notes, $12,583,410 redeemed and destroyed as a result of reduction of circulation under the act of June 20, 1874, and $10,148,380 redeemed and destroyed on account of insolvent and liquidating banks. In addition to the foregoing, notes to the amount of $404,618 were received by the Comptroller direct from National banks for redemption without reissue or for replacement with new notes.

Nearly one-third of the notes received for redemption by the National bank agency ($98,910,670) being in good condition after their redemption, were returned to the issuing banks. Ninety per cent. of the total receipts at the redemption agency was shipped from New York, Chicago, Boston, Philadelphia, St. Louis, Baltimore, Cincinnati and New Orleans, the receipts from New York alone amounting to approximately 50 per cent. of the total.

The cost of redemption of notes by the Treasury of the United States during the fiscal year ended June 30, 1905, was $247,973.26, the cost per thousand dollars being $0.80993. In addition to redemption charges every National bank is required to pay the cost of plates from which its notes are printed, both at organization and extension of charter. The assessments for the cost of the original plates and those ordered on extension of charters during the past fiscal year were $47,825 and $64,800, respectively. The fees assessed for examination of banks during the year aggregated $388,307.39, and during the same period taxes were paid on circulating notes to the amount of $2,163,882.05. Including tax on capital stock, 1864-1883, tax on capital and surplus under the War Revenue Act of 1898, and on deposits from 1864—1883, aggregating $75,884,368, the associations have been charged with and paid expenses during the existence of the system as follows:

Expenses.	Amount.
Redemption of circulating notes from 1874 to 1905....	$5,211,035
Cost of original plates, 1883 to 1905..................	527,760
Cost of extension plates, 1883 to 1905.................	368,170
Fees for examinations authorized by section 5240, United States Revised Statutes, 1883 to 1905.......	4,697,506
Total payments other than taxes......................	10,804,471
Combining the taxes and other expenses, a total is shown of	182,869,767

The profit on National bank circulation varies with the cost price of bonds deposited as security for circulation. In October last the market price of 2 per cent. consols of 1930 was at the lowest point during the year and hence circulation secured thereby shows a greater profit than during any other month of the year. In calculating the profit the interest on the bonds is added to the interest received on the circulation loaned at 6 per cent., giving the total receipts on an investment in $100,000 worth of bonds as $8,000. From the gross receipts are deducted the taxes on circulation, average expenses incident to cost of plates, redemption charges, etc., and the amount set aside as a sinking fund to provide for the premium paid for the bonds, the difference being the net receipts. Assuming that the amount invested in $100,000 worth of bonds was loaned at 6 per cent., the profit on the issue of circulating notes will represent the difference between the interest on the amount invested in bonds and the net receipts from the interest on bonds purchased and the amount received by loaning the circulating notes. The profit so ascertained at the average cost price of bonds in October is shown to be 1.123 per cent.

While the deposit of bonds is mandatory, the issue of circulating notes is permissive. There are eight National banks in operation with aggregate capital of $2,625,000, having bonds on deposit to the amount of $181,250, which have no circulating notes outstanding. One bank, The Chemical National Bank of New York, has never issued circulating notes during its existence as a National banking association.

Earnings and Dividends of National Banks.

On March 1, 1869, an act was passed requiring National banking associations to submit reports of their earnings and dividends to the Comptroller of the Currency within ten days after the declaration of a dividend. Since that date reports of this character have been compiled covering semi-annual periods ending March 1 and September 1. These returns from March 1, 1869, to March 1, 1905, inclusive, have been consolidated in annual statements, the capital and surplus being averaged and the total amount of net earnings and dividends, with the ratios of dividends to capital, dividends to capital and surplus, and net earnings to capital and surplus, shown. The annual summary of this report shows that from 1869 to 1876, inclusive, dividends were paid at an average rate of approximately 10 per cent. The liquidation following the stringency of 1892 is reflected in the decline in the rate of dividends on capital from 7½ per cent. in the year named to 6.7 in 1897. Since the last date there has been a gradual recovery and the dividend rates have fluctuated from a minimum of 6.9 per cent. in 1898 to a maximum of 9.9 in 1904, with a slight falling off in 1905 to 9.2.

Liquidations and Consolidations.

Including one association placed in voluntary liquidation prior to October 31, 1904, but not reported until subsequent to that date, 144 National banking associations with capital stock of $26,744,500 were closed during the year ended October 31, 1905, of which 90 with capital of $18,840,000 were closed by voluntary liquidation; 31 with capital stock $5,569,500 by expiration of corporate existence, and 22 with capital of $2,035,000 (exclusive of one bank closed and resumed during the year) by failure. Of the banks in the first class, 33 with capital of $9,620,000 were consolidated with 30 associations with capital of $13,910,000, the consolidation resulting in an increase of capital of the absorbing banks to $23,635,000. Nine of these associations with capital of $4,250,000 were reorganized under seven new charters, the capital of the latter banks being $5,100,000. In both classes instances occurred where two liquidated banks consolidated their interests in one new or absorbing association. Thirty-two banks with capital of $3,915,000 were succeeded or absorbed by State banks or trust companies, and 16 with capital of $1,055,000 closed to discontinue business.

Of the 31 associations closed as a result of expiration of corporate existence, the stockholders of 22 of the number reorganized under new charters with aggregate capital of $2,480,000; 5 of the number with capital of $830,000 were succeeded or absorbed by State banks or trust companies, and 4 with capital of $420,000 were not succeeded by any other class of bank.

Insolvent National Banks.

The history of the National banking system has been marked by very few failures, only 5.5 per cent. of the total number of associations chartered from 1863 to October 31, 1905, having been closed as the result of insolvency. The failures, with few exceptions, were due to fraudulent management or violations of the restrictive provisions of the National banking laws.

The capital of the 460 insolvent banks, liquidated, or in process of liquidation (including 21 restored to solvency), was $74,737,420, the assessments thereon to make good deficiency in assets amounting to $42,268,490. Assets coming into possession of Receivers were of the nominal value of $289,554,139, classed as: good, $140,861,361; doubtful, $88,399,431; worthless, $60,293,347.

The disposition of assets was as follows:

Collections	$135,221,042
Offsets allowed and settled	21,445,459
Losses (assets compounded or sold under order of court)	98,722,584
Returned to shareholders	8,917,034
Remaining on hand	25,248,020
Total	$289,554,139

In addition to collections from assets there was realized from the assessments upon shareholders $19,873,856, these collections having been disposed of as follows:

Loans paid and other disbursements	$31,194,756
Dividends	107,208,594
Legal expenses	4,341,391
Receivers' salaries and all other expenses	7,479,917
Returned to shareholders	2,383,473
Balance held by Comptroller or Receivers	2,486,767
Total	$155,094,898

The affairs of 361 of the 460 insolvent National banks have been settled. The capital of those banks was $56,182,420, and their assets coming into the possession of the Receivers amounted to $203,280,184. United States bonds amounting to $19,424,150 were held as security for $17,295,748 outstanding circulation. These bonds were sold for $20,970,480.39, leaving a balance transferable to the general assets of the trusts of $3,674,732.39. Stockholders were assessed $33,780,390, and there was realized from the assessments $15,897,440.

The disposition of assets was as follows:

Offsets allowed and settled	$15,553,455
Losses (assets, compounded or sold under order of court)	82,848,290
Collections from assets, etc	94,085,712
Assets returned to shareholders, nominal value	8,917,034
Assets remaining, nominal value	1,875,693
Total	$203,280,184

The disposition of collections from assets and from shareholders was as follows:

Loans paid and other disbursements	$21,459,075
Dividends paid	77,199,813
Legal expenses	3,339,365
Receivers' salaries and other expenses	6,021,552
Returned to shareholders in cash	1,935,254
Balance held by the Comptroller or Receivers	28,093
Total	$109,983,152

On claims proved, amounting to $109,514,273, dividends were paid, as heretofore shown, to the amount of $77,199,813, or 70.49 per cent. Including with dividends, loans paid and offets allowed, creditors received on the average 77.95 per cent. Up to and including 1904 the average rate of dividends paid on claims proved was 70.78 per cent., and on claims proved, including offsets and loans, 78.11 per cent.

For the purpose of ascertaining the results of the settlement of affairs of insolvent National banks located in central reserve and other reserve cities, a comparative statement has been compiled relating to the affairs of all insolvent National banks, classified as to their location—central reserve cities, all other reserve cities, and other cities and towns. In the first class are twenty banks with capital at date of failure of $10,810,300 and assets of $35,519,412, from which creditors received on an average 88.91 per cent. The second division relates to forty-five banks, located in other reserve cities, the capital and assets at date of failure being $16,052,800 and $68,799,836, respectively. Creditors of these banks received on an average 78.10 per cent. The 296 insolvent National banks located in other cities and towns were capitalized at $29,319,320, and their assets at date of failure were $98,958,614, from which creditors received on an average 73.87 per cent.

The cost of liquidation—that is, Receivers' salaries, legal and all other expenses, in relation to the assets of the trusts—averaged 4.4 per cent. for the central reserve city banks, 3.2 per cent. for other reserve city banks, 5.63 per cent. for banks located in other cities and towns, the average for all being 4.6 per cent.

Geographically the number of failures and capital of the banks involved, the affairs of which have been settled, are shown in the following table:

	Number of banks.	Capital.
New England States	19	$5,021,300
Eastern States	66	11,940,620
Southern States	69	9,771,500
Middle Western States	78	15,422,000
Western States	92	9,267,000
Pacific States	37	4,760,000
Total	361	56,182,420

In order to ascertain the extent to which officers and directors were interested in the insolvent National banks, an examination of the Receivers' reports of the forty-nine banks which failed during the two years ended October 31, 1905, has been made and shows that of the 43,850 shares of stock of the banks 7,771 were owned by the Presidents, 1,805 by Vice-Presidents, 3,210 by Cashiers, 8,687 by directors other than executive officers, and 290 by minor officers. The total number of shares held by directors and other officers was 21,763, or nearly one-half of the total number of shares of the associations with which they were connected.

Organization of National Banks.

From the date of the granting of the first charter to a National banking association, in 1863, to October 31, 1905, 7,966 associations were organized, of which 1,214, with capital at date of issue of charter of $298,861,928, were conversions of State banks, 64 per cent. of the number being located in the New England and Eastern States. At the close of business on October 31, 1905, 5,858 associations were in existence, 1,669 having been placed in voluntary liquidation and 439 (exclusive of twenty-one restored to solvency) in the charge of Receivers. Expressed in percentages, the proportion of active banks is 73.5 per cent.; in voluntary liquidation, 21 per cent.; insolvent, 5.5 per cent.

Under authority of the act of March 14, 1900, permitting of organization of banks with capital of less than $50,000 in places having population of not more than 3,000 there have been organized 1,755 National banks, with aggregate capital of $45,817,000, and during the same period charters were issued to 947 banks, with capital of $113,227,800, the individual capital being $50,000 or more, making the total number of organizations since March 14, 1900, 2,702, with authorized capital of $159,044,800 and charter bonds of $39,363,800. A further classification shows that 1,503 of these banks, with capital of $79,544,000, were of primary organization; 904, with capital of $59,859,000, reorganizations of State or private banks, and 295, with capital of $19,641,800, conversions of State banks. The combined capital of the converted and reorganized banks was approximately the same as that of banks of primary organization, although the number of banks of the latter class exceeded conversion and reorganization by 304.

In the year ended October 31, 1905, there were organized 506 associations with aggregate capital of $33,532,500, of which 318, with capital of $8,357,500, were with individual capital of less than $50,000, and 188, aggregate capital $25,175,000, with individual capital of $50,000 or more. The number of conversions was 45, reorganizations 188, and primary organizations 273.

State and Private Bank Failures.

Through the courtesy of the Bradstreet Commercial Agency this office has been placed in possession of information relating to the number, assets, and liabilities of State and private banks which failed in the year ended June 30, 1905. The total number of failures during the year was 57, the assets of the banks being $6,970,345, and the liabilities $10,273,023. In the year ended June 30, 1904. there were 102 failures of banks of this character, with assets of $24,296,823 and liabilities of $31,774,895. Included in the 57 failures of banks other than National in 1905 were 16 State banks, 4 Savings banks, 2 trust companies, and 35 private banks. The number of failures by geographical sections was: New England States, none; Eastern States, 8; Southern States, 10; Middle Western States, 32; Western States, 2, and Pacific States, 5.

Savings Banks.

Savings bank reports to the number of 1,237 have been received, of which 668 are from mutual institutions and 569 from stock Savings banks, the latter being operated for the benefit of both shareholders and depositors.

The principal items of resources and liabilities of Savings banks, both mutual and stock, are as follows: Loans, $1,534,114,618; bonds, stocks, and securities, $1,535,354,306; deposits, $3,093,077,357, and aggregate resources, $3,368,279,857. Compared with 1904, these figures show an increase in loans of $122,500,000; bonds, stocks, and securities of $45,300,000; deposits of $174,300,000, the aggregate resources having increased over $193,000,000.

The mutual Savings banks are located in the New England and the Eastern States, with the exception of 1 in West Virginia, 2 in Wisconsin, 3 in Ohio, 5 in Indiana, and 10 in Minnesota, the number of these reporting institutions remaining the same as last year.

The aggregate resources of mutual Savings banks is $2,967,341,724, against $2,817,996,115 in 1904, a gain of over $149,000,000. The loans and discounts amount to $1,269,755,274, an increase of $85,570,729 over 1904. The loans are classified as follows: On real estate, $1,054,950,935; other collateral security, $41,285,876; all other loans, $173,518,463. The amount invested in bonds, stocks, and other securities has been increased from $1,402,292,764 in 1904 to $1,453,091,615 in 1905, a gain of $50,798,851. The investments in bonds and other securities are as follows: United States bonds, $13,278,932; State, connty, and municipal bonds, $136,493,056; railroad bonds and stocks, $321,282,624; bank stock, $27,119,101; other stocks, bonds, and securities, $954,917,902. The cash in bank is only $265,210 greater than reported last year, being now $18,404,563; the cash on deposit with other banks is $121,815,707, or $6,624,123 more than shown by the reports of 1904.

Individual deposits have increased from $2,602,040,775 in 1904 to $2,736,533,039, a gain of over $134,000,000. The deposits are credited to 6,463,677 depositors, or 177,302 more than was shown by the reports for 1904. The average deposit account has increased during the same period from $413.92 to $423.37. Reports from each State having this class of banks show a larger average deposit account than in 1904 with the exception of Wisconsin and Minnesota.

School Savings Banks.

Statistics relating to the operation of school Savings banks in the United States, in existence on January 1, 1905, have been received through the courtesy of J. H. Thiry, of Long Island City, N. Y.

The school bank system was inaugurated in the schools of Long Island City in 1885. From the statement compiled by Mr. Thiry it appears that there are 4,541 school banks in operation located in 1,089 schools in 109 cities of the United States. The number of scholars registered in these schools is 347,895, of which 191,009 are depositors in the school banks. The amount collected since the introduction of the system is shown to be $2,782,-

012, the amount withdrawn $2,165,072, leaving a balance due depositors of $616,940.

The school Savings bank is the simplest form of banking institution known. A teacher collecting the money from the pupils of a class, Mr. Thiry's report states, constitutes a school Savings bank. From the statement submitted it appears that the school children of Dayton, Ohio, have the largest sum on deposit to their credit, namely, $111,433.

A letter (in part) from Mr. Thiry, explaining the workings of the school bank system, follows:

I beg to answer your inquiries as follows:

1. In what manner are the deposits safeguarded?

Answer. By the law of the State of New York. (For a copy of the bill of the Legislature and the rules and regulations see my annual for the years 1902 and 1904 in a separate cover.)

2. What disposition is made of the deposits, especially with respect to their investment?

A. The deposits of the scholars are subjected to the same process as those of adult depositors.

3. Is interest paid on deposits?

A. Yes; 4 per cent. on average.

4. In what manner is provision made for expenses incident to the management?

A. None. In some cities the banks receiving the deposits of the juvenile depositors furnish all the blank forms. In others the school boards furnish a part of them, which, however, do not amount to much.

5. What is the minimum and maximum amount which may be deposited at one time?

A. One cent and up.

As regards the debit and credit accounts, the teacher and principal have nothing to do with them. This is solely the work of the banks. * * * The monthly list of depositors, with name and amount deposited during the previous four weeks, is the only clerical work performed by the teacher besides the record of the four Mondays previous of deposits inscribed in the Monday column of the roll-call book. * * * I may say without vanity that the Long Island City plan, which is in practice in the majority of the schools included in the statistical table, has proved to be the shortest and the most effective of all the plans in practice in the European cities.

As far as the expenses of the general supervision of the system in America is concerned, such as correspondence, collecting, and publishing the annual report for the past twenty years, the introducer, moved by a sentiment of charity and patriotism, has tried to save from a moderate income enough to cover the expenses, which amount annually to about $300.

The introduction in 1885 of the school Savings bank system in the United States has evidently been the incentive of many other good things. First, it helped to swell the list of depositors in the localities where the plan was introduced. The stamp savings plan and the recent introduction of commercial stamps now offered by the merchants as a premium owe their origin to the school Savings bank plan.

Growth of Banking in the United States.

From returns made to this office on or about June 30, 1902, it appears that there were in operation 4,535 National banking associations, with capital of $701,990,554 and individual deposits of $3,098,875,772, and also 7,889 incorporated State and private banks, with capital and deposits of $499,621,208 and $6,005,847,214, respectively. The non-reporting banks to the number of 3,732 had capital and deposits estimated at $138,548,654 and $478,592,792, respectively, or an aggregate of 16,156 banks and banking institutions, with capital of $1,340,160,416 and deposits of $9,583,315,778. The first estimate made by this office as to the number, etc., of non-reporting banks, published in 1903, was for the year 1902. From returns on or about June 30, 1905, it is shown that the number of National banks has increased during the past three years to 5,668, with capital of $791,567,231 and deposits of $3,783,658,494. The number of State and private banks reporting and non-reporting are now 14,242, with capital of $748,263,149 and deposits aggregating $8,002,662,822. The total number of National, State, and private banks in the United States and island possessions is therefore 19,910, with aggregate capital of $1,539,830,380 and individual deposits of $11,786,-321,316. The number of National banks in active operation has increased since 1902 by 25 per cent. and the figures presented indicate that banks other than National have increased at the rate of about 22 per cent. during this period.

In 1902 National bank capital represented 52.4 per cent. and deposits

32.3 per cent. of aggregate capital and deposits, respectively, of all reporting banking institutions.

The percentage of capital of National banks to capital of all banks in 1905 was 51.41 per cent., and of deposits 32.10 per cent., showing a slight reduction since 1902. Within the period in question the capital of National, State, and private banks increased about 15 per cent., while the deposits increased approximately 23 per cent.

There was in existence in 1902, as estimated, one bank for every 4,897 inhabitants and, based on the estimate for the present year, there is one bank for every 4,182 inhabitants.

Deposits.

No items indicate so clearly the growth of banking as those relating to deposits. A compilation of the returns for the years 1896, 1900, 1904, and 1905 for each State and geographical division is submitted, showing the amount of individual deposits of each class of banks in each geographical division during the years mentioned. It will be noted that the increase was from $4,945,124,423 in 1896 to $7,238,986,450 in 1900, or 46+per cent. During the four years from 1900 to 1904 deposits increased to $10,000,546,999, or over 38 per cent. The deposits for the current year are $11,350,739,316, or an increase of 13.5 per cent. over 1904, and approximately 130 per cent. over 1896.

Geographically summarized, there is shown to have been an increase in the deposits of banks located in the New England States from $1,193,300,000 in 1896 to $1,791,400,000 in 1905, a gain of $598,100,000. The increase in the Eastern States during this period was $2,961,000,000, or from $2,291,700,000 in 1896 to $5,252,700,000 in 1905. In the Southern States the increase was from $221,700,000 to $767,300,000, an increase of $545,600,000. The deposits of banks in the Middle Western States which reported in 1896, amounting approximately to $877,800,000, have now increased to $2,461,200,000, showing a gain in that section of $1,583,400,000. The banks of the Western States increased their deposit accounts from $128,800,000 to $430,900,000, a gain of $302,100,000. In the Pacific States the banks gained $397,700,000 in deposits, or an increase from $231,800,000 to $629,500,000.

The deposits in the banks in the island possessions (Hawaii only) were first stated for 1900, when they amounted to $3,096,174.

Stock of Money of the World.

Under direction of the Director of the Mint there has been recently compiled a statement based on the latest information obtained relating to the monetary systems and approximate stock of money in the principal countries of the world at the close of the year 1904. The summary relates to 47 countries, in all of which gold is the monetary standard, with the exception of the Straits Settlements, Bolivia, and the Central American States.

The aggregate stock of gold, silver, and uncovered paper currency is reported as amounting to $12,510,000,000, classified as follows: Gold, $5,987,100,000; silver, $3,130,400,000; uncovered paper currency, $3,392,500,000. The gold represents 48 per cent. of the stock, and the silver and uncovered paper currency 25 and 27 per cent., respectively. Comparing this statement with that relating to the stock of money at the close of 1903, it appears that the holdings of gold have increased to the extent of $358,900,000, but that silver and uncovered paper currency have decreased $71,000,000 and $91,000,000, respectively, the net increase in the stock of money being $196,900,000. The greatest mass of gold is held in the United States and is stated as amounting to $1,348,200,000. France is second in the list, with a stock of $926,400,000; followed by Germany with $886,700,000; Russia, $783,700,000; United Kingdom, $533,200,000; Austria-Hungary, $305,000,000; India, $263,900,000; Italy, $131,400,000; and Australasia, $128,600,000. The leading countries with their stock of silver are as follows: United States, $685,100,000; India, $603,800,000; France, $411,100,000; China, $350,000,000; Germany, $210,200,000; Spain, $173,700,000; United Kingdom, $113,400,000; Russia, $101,900,000. With the exception of Columbia, which has $741,000,000, the United States leads the principal countries of the world with a stock of uncovered paper currency of $559,900,000, followed by Brazil with $368,100,000, the next in the list being Argentina, $286,100,000. Germany's stock of uncovered paper currency is $169,800,000, and that of Italy $150,700,000. The amount of this kind of currency in Spain is $125,100,000, the next in the list being the United Kingdom with $118,100,000; Belgium, $111,900,000; France, $110,900,000, and Japan, $101,200,000.

The greatest per capita stock of money is held in France, namely, $37.13, followed by the United States with $31.41; Germany, $22,46; Spain, $19,83; United Kingdom, $17.58; Italy, $9.26; Austria-Hungary, $9.04, and Russia, $6.90.

The countries reported have an aggregate population of 1,298,500,000 and an average per capita holding of money of $9.63.

Money in the United States.

At the close of the fiscal year ended June 30, 1905, the stock of money in the United States amounted to $2,883,109,864, of which $2,031,296,042 was in coin, including bullion in the Treasury, and $851,813,822 United States and National bank notes. The coin, bullion, and paper currency in the Treasury as assets amounted to $295,227,211, the remainder, $2,587,882,650, being in circulation. The estimated population of the country on this date was 83,260,000, giving an average circulation per capita of $31.08. The amount of money held by National and other reporting banks at date of reports nearest to June 30, 1905, was $987,800,000, which leaves $1,600,100,000 outside of the Treasury and the reporting banks. Stated in percentages the money in the Treasury represents 10.24 per cent. of the stock; in reporting banks, 34.27 per cent., and elsewhere 55.49 per cent. The per capita unaccounted for appears to be $19.22.

From midsummer of 1900 to June, 1905, the increase in money in banks was from $749,900,000 to $987,800,000, or $237,900,000. In 1900 the banks in the Eastern States held 49.22 per cent. of the total, the proportion falling to 46.61 in 1902, 46.01 in 1903; increased to 50.60 in 1904, and decreased to 47.75 in 1905.

Banks in the New England and Eastern States held 57.47 per cent. of the aggregate money in all banks in 1900, and 56.62 per cent. in 1904, whereas in 1902 and 1903 the proportion was but 54.56 and 53.35 per cent., respectively. In 1905 the average held by banks in those sections was 54.22 per cent.

Clearing-House Exchanges.

The volume of exchanges of the 103 clearing-houses in the United States amounted to $140,501,841,957, as against $102,356,435,047 for the year ended September 30, 1904, an increase of $38,145,406,910 and the largest gain in any year since these statistics have been published in reports issued by this Bureau. The general prosperity of the country and confidence in the stability of business credits are evidenced in the volume of clearings effected during the current year.

The clearings for the whole country in the years indicated were as follows: 1900, $84,000,000,000; 1901, $114,000,000,000; 1902, $115,000,000,000; 1903, $113,000,000,000; 1904, $102,000,000,000; 1905, $140,000,000,000.

The proportion of increase in transactions in 1905 over 1900 was 66 per cent.

The percentage of gain in each geographical section for five years were as follows: New England States, 19 per cent.; Eastern States, 74 per cent.; Southern States, 72 per cent.; Middle Western States, 52 per cent.; Western States, 48 per cent.; Pacific States, 100 per cent.

The statement of the exchanges of the clearing-houses of the United States for the year ended September 30, 1904, shows a decrease in volume, as compared with 1903, of $12,000,000,000, thirty-seven cities sharing in this decrease. For the year ended September 30, 1905, the reports from only 14 cities having clearing-houses show decreases as compared with 1904, viz: Cincinnati, Dayton, Youngstown, Springfield, Canton, and Akron, Ohio; Lowell and Fall River, Mass.; New Orleans, La.; Macon, Ga.; Lexington, Ky.; Davenport, Iowa, Topeka, Kans., and Beaumont, Tex.

The falling off in the volume of exchanges in the cities named during the past year was $57,681,839.

Bank Examination and Supervision.

After a careful study of the cases which have come under my observation during the past four years, I am firmly convinced that no system of bank examination or supervision from the outside of the bank can absolutely prevent fraudulent bank failures. The more thorough and efficient the supervision the more surely and quickly frauds will be discovered, and the more fear of detection will tend to prevent them, but they can not be surely and in every case prevented by any practical means outside of the bank.

I am also equally convinced by the same experience that with careful and efficient work on the part of the examiner, aided by intelligent and thorough letters of criticism based on the examiners' reports, any board of bank directors of fair intelligence with an honest desire to obey the law can, by coöperating with the examiner and the Comptroller, make the failure of their bank practically if not absolutely impossible.

I am sure that in this direction, the coöperation between the directors of a bank and the supervising authority, lies the best hope of decided and permanent improvement in the supervision of banks and the reduction of bank failures to a minimum.

No outside supervision can supply honesty or brains for the management of a bank or take the place of either when it is lacking. The best it can do is to discover acts of dishonesty or bad errors of judgment after they have occurred, and to some extent prevent illegal acts by fear of their discovery and punishment.

An examiner always works under one great and unavoidable disadvantage. He can do little or nothing until after the law has been violated when much, if not all, of the harm is done. If the trouble is a bad, excessive, or fraudulent loan, it has been made before he can act. If there is a shortage in the cash through a defalcation or robbery, the money is gone before he can know it, and often with little or no chance for its recovery. A good examiner does his whole duty in the discovery of such a case. It is not reasonable to ask him to prevent it.

A bank does not often fail suddenly. The condition which leans to it is apt to be of comparatively slow growth. Far the most frequent cause of failure is a large line of loans to some concern or group of concerns in which the officers are interested, or to the officers themselves. When the loans are new they look all right and frequently are good; but if things go wrong and this outside venture loses money, the loans begin to increase, and soon good money begins to go after bad with the inevitable result. It is surprising to see in how few cases men who may have been theretofore honest and square have the honesty and moral courage to face the failure of their bank, when due to bad judgment or incompetency, without resorting to frauds of some kind. It is extremely rare to find a bank has failed without some of the officers committing fraudulent or illegal acts to hide it.

Every examiner, however, has many cases to report which are taken up and corrected, sometimes after they have become very bad. There are a great many such cases where a bank gets into more or less serious trouble, and yet is saved, where one goes to failure. There is seldom a day in the Comptroller's office when there is not pending a case of a bank which is found, not necessarily from frauds or always violations of law, but from bad banking, in a condition which, if allowed to go on, would lead to serious trouble, but which is corrected on the examiner's report and advice. There always is a list of those that are being watched, and a very large percentage come out all right. They almost invariably do when the officers are honest and tell the truth. It is very hard to tell when the bank is beyond hope and really is insolvent. The hard cases are where the officers are dishonest and untruthful, and perpetrate all kinds of frauds to conceal the condition.

After a bank fails and disclosures of dishonesty are made, it is wondered why such things could go on undiscovered so long. The examiner is blamed and abused, with or without reason. In some cases he is very much to blame, but in those which I have had occasion to investigate this has not very frequently been found to be true. It must be remembered that these frauds and deceptions are in most instances being carried on by men of unusual ability—men who stand very high among their neighbors, not only in business, but also in social, religious, and political matters. Almost invariably they deceive the whole community, their business associates, their friends, and even their families. It is frequently an astounding revelation to all of these that the banker who has failed, defaulted, and perhaps absconded or killed himself, is not a man of wealth as well as the ideal of honor and business integrity. Only men who establish such reputations have the opportunity to betray large trusts, and of these, only those with skill, shrewdness, and peculiar courage can carry them on for any length of time without discovery. However his suspicions may be aroused, the examiner is, as I have said, under the great disadvantage of only being able to act after the crime is committed. He can discover them, but he can not surely prevent such frauds.

The system of National bank examination is much the most extensive which has ever been undertaken by any country or government, and the experience accumulated during the forty-two years of its operation covers almost every conceivable trouble or complication into which the affairs of a bank may be brought, either by dishonesty, incompetency, or neglect. The methods of examination, reports, and criticisms based on them have, of course, been a gradual growth. In spite of certain defects and weak points, some of them serious and now needing improvement, it has worked very well. In the main the examiners have been faithful, competent men, doing conscientious and good work. The record of the National banks in regard to failures is better than any banks we have ever had in the United States or those of any other country under at all similar conditions.

Of the 7,966 National banks which have been organized, 460 have failed, or 5½ per cent. of the whole number, as against about 17½ per cent. of banks other than national in the same period. The National banks which have failed have paid their creditors about 78 per cent. of the amount due them, while the other banks have paid only about 45 per cent. Of the billions and billions of dollars they have had on deposit, the National banks have lost for their creditors in the whole period of their existence only about $32,000,000.

These records in favor of the National banks are mainly, if not entirely, due to the wise provisions and restrictions of the National Bank Act and examination and supervision by the national authority. The examination provided in the bank act from the first—and in this it has never been changed—contemplated the examination of a bank by a single individual, and, except in the large cities, only provided such compensation as would cover one or two days' fair pay, including expenses. This is not sufficient examination, no matter how efficient and careful the examiner, to infallibly detect, much less prevent, fraud and dishonesty. It does detect much of it, perhaps most of it, but not by any means all. One is more often surprised at what is detected by shrewd examiners, and upon what slight clews, than at what escapes them.

The weakest feature of the present system of examinations is that the examiners are paid by fees instead of salaries. I believe every Comptroller of the Currency of recent years has advised a change in this system. The examiners as a whole are a good body of men—faithful, industrious, and attentive to their duty. But unfortunately this is not true of each individual, and the circumstances of their work being away from the observation of the office, makes it difficult to check them up and see that all the work is well done. The temptation to slight it is sometimes too great, and this should be removed as far as possible by changing the basis of their remuneration. It is not reasonable to expect a complete audit of the books of a bank and the checking up of every department in it for a fee of sometimes only $20. If one were to employ a professional accountant to do such work it would cost many times this amount. This in a large bank is the work of many days or weeks. Perhaps it is not practicable nor advisable to have such a complete service as this by officers of the Government. It is more a matter for the directors of a bank. It is now being done very thoroughly by an increasing number of the best banks, and it is a matter to which every board of directors should give the most careful consideration.

The Government can, however, and should by all means, improve the service by paying the examiners by the day and greatly increasing their number, so that a man would have time and take time to go into matters as thoroughly as is necessary to get at the real condition of the bank. The men ought to be paid good salaries; large enough to attract and hold good men. It is one of the difficulties of the present service that it is hard to keep a good man. Just as an examiner gets to know his district well, and becomes really efficient, he is apt to be hired by some bank looking for an officer. I see no way to altogether prevent this, but the salaries should be enough to keep men fit for the service in it. It is easy enough to get ambitious young men who are thoroughly competent to go into the service for the experience and acquaintance it gives them. It is more difficult and more important to keep them after they have been trained to the work.

There are now in the service 78 examiners, to examine 5,858 banks, or make 11,716 examinations a year. This number should be materially increased.

The examiners should be paid a per diem for the days actually at work and an allowance for traveling expenses and subsistence. Each examiner should have with him, also, a clerk or assistant, who should be a good accountant, familiar with bank books, and able to count money quickly and accurately. The pay of the assistant need not be large, but the assistant will add very greatly to the value and efficiency of examinations and save much of the time of the higher-priced man.

Increase in Bank Circulation.

The increase in the amount of National bank notes outstanding, which had been so great during the years 1903 and 1904, has been still greater during 1905. On October 31, 1905, the total amount in circulation was $524,508,249, which is by far the greatest sum outstanding during the history of the National banks.

This amount is 64.6 per cent. of the authorized capital stock of all the banks, or of the possible maximum of circulation, and is the highest percentage of possible circulation since 1882.

This increase in circulation is mainly due to the release of bonds on deposit with the Treasurer of the United States to secure Government deposits which could find little other profitable use, and to the refunding of the older issues of bonds into the 2 per cent. consols of 1930. The 2 per cent. bonds have, in consequence, declined in price until the profit on circulation has proved so attractive as to lead to its great increase.

On the present capitalization of the banks there is room for $287,617,826 further increase in this circulation, and a possible demand for this amount of bonds. Of the $580,429,000 2 per cent. bonds, consols of 1930, outstanding on October 31, 1905, $483,181,900 are deposited against circulation and $44,243,600 against the Government deposits in the banks, leaving only $53,003,500 which are not on deposit with the Treasurer.

The bonds on deposit to secure circulation on October 31, 1905, were divided as follows: Loan of 1908, threes, $2,215,540; loan of 1907, fours, $4,050,350; loan of 1925, fours, $4,465,000; consols of 1930, twos, $438,181,900.

From these figures it will be seen that for a further increase of circulation of the banks now organized and the new banks entering the system we shall have to depend upon the $53,000,000 of 2 per cents, and whatever additional quantity of these bonds is made available through refunding operations, and the bonds to be issued for the Panama Canal, if they are given the same privilege as the other 2's, in regard to circulation.

In spite of the great increase in the volume of the National bank circulation, as shown by the figures in this report, and a considerable increase in the amount of money of all kinds in circulation, there has been within the last few weeks a very decided disturbance in the money market, call money having advanced to figures which were alarming. This has led to the usual call upon the Treasury Department to relieve the situation. Fortunately the demand has subsided, and rates have declined. That this should have occurred when every line of business in all parts of the country was in a most prosperous condition and there was abundant basis for all the credit needed to do the business required, is a most serious reflection upon banking and financial conditions in the United States. It but emphasizes again the necessity for the creation of some remedy or safety-valve for our banking and financial machinery which could be used in case of such an emergency. No practical way has yet been suggested, of which the Comptroller is aware, which is not based upon adding elasticity to our currency.

With this in view, the Comptroller would again call attention to his recommendation, made in his annual report for 1902, on the subject of uncovered emergency bank notes. Several very good plans of this kind have been suggested, differing only in non-essential details.

The Comptroller would very respectfully but earnestly urge upon Congress the necessity for the adoption of some measure of this kind.

Limitation on Issue of Five-Dollar Notes.

The Comptroller has several times called attention to the provisions of the law of March 14, 1900, limiting the amount of five-dollar notes any bank can issue to one-third of its circulation.

The purpose of this provision was evidently to keep the proportion of five-dollar bank notes in circulation below one-third of the whole amount. The official records show that without this limitation the proportion of notes of this denomination has never exceeded one-third, and since the limit was placed on them the proportion of five-dollar bank notes fell from 31 per cent. in 1900 to 13.6 per cent. October 31, 1904, and was 14.01 per cent. October 31, 1905.

Most of the larger banks do not need any five-dollar notes, and so issue none. The smaller banks in the country districts, however, have a great demand for smaller bills, and it seems a useless hardship on them to limit the proportion of five-dollar bills which they may issue to meet the demand of their customers.

The Comptroller would therefore recommend that he be authorized to suspend the limitation on five-dollar notes issued by any one bank as long as the proportion of five-dollar bank notes in circulation does not exceed one-third of the circulation issued to all banks. This will afford a badly needed relief in some parts of the country, and is therefore very strongly urged.

Limitation on Reduction of Circulation.

Section 9 of the act approved July 12, 1882, limits the amount of lawful money which may be deposited with the Treasurer of the United States by National banks reducing their circulation to $3,000,000 during any calendar month.

The repeal of this limitation, it is believed, would contribute materially to the elasticity of the currency. The principal causes which led to its enactment no longer exist as a reason for its continuance, having been removed or corrected by subsequent legislation, as fully shown in the Comptroller's annual report to Congress for the year 1902.

The volume of National bank circulation should be governed by the business needs of the country. The banks should be as free to retire the whole or any part of their circulation during periods of redundancy as they are at liberty to increase their note issues in times of money scarcity. The uncertainty of being able to promptly retire their notes when demand for them has ceased deters many banks from increasing their circulation when such increase would be a material aid to the business needs of their respective communities during periods of commercial activity.

The only known objection to the unrestricted reduction of bank-note circulation advanced in opposition to the repeal of the $3,000,000 a month limitation is the fear of too great a contraction of the currency at a time when it would be detrimental to the business needs of the country. It is claimed that if the limitation is removed the banks would take advantage of every rise in the market by withdrawing and selling their bonds held as security for circulation in order to realize the greater profit in the increased premiums over that to be derived from circulation.

While this was one of the principal reasons which led to the adoption of the $3,000,000 limitation, the act of March 14, 1900, minimized the temptation to indulge in operations of this character by increasing the issue of circulation from 90 per cent. to par of the bonds, thereby giving the banks dollar for dollar of the face value of the bonds deposited, and reducing the incentive to engage in transactions of this nature to whatever profit might be represented by the difference between the price paid for and the fluctuating market value of the bonds.

The volume of circulation, however, does not appear to have been materially affected by operations of this kind, either before or since the adoption of the three-million limitation, either in periods of stringency or redundancy, and it is not believed that the repeal of this restrictive clause would result in any undue contraction of the currency in times of monetary stringency.

The volume of National bank circulation should be governed by the law of supply and demand. The removal of the obstacle to the prompt retirement of currency when the supply exceeds the demand would induce the banks to immediately increase their note issues when the demand for circulation exceeds the supply, and the increased elasticity which such a result would give the currency is more to be desired than the danger of undue contraction is to be feared.

The Comptroller would therefore renew his recommendation that the $3,000,000 limit on the retirement of circulation be repealed.

Excessive Loans.

With the increase in the size of business houses and the magnitude of their operations there has come a necessity for larger loans from the banks; and unless a bank has an enormous capital, one-tenth of it is not sufficient to take care of the loans needed by any large customer, which the bank feels compelled to do to hold his business. The result of this is the very large number of excess loans reported. When such loans are discovered the banks are always notified that they must be reduced to the legal limit, and in most instances they are, even though they may soon reappear in new notes. The chief difficulty with the enforcement of this clause of the bank act is the lack of any reasonable penalty which can be imposed. There is no way to discipline an offender but the general clause authorizing the Comptroller to begin a suit for the forfeiture of the charter of any bank violating any of the provisions of the act. In other words, there is no penalty but death to the corporation for what is alone no more than a serious misdemeanor. The result of this is that in more than forty years no Comptroller has felt justified in invoking such a severe penalty. In most cases where the violations have been so excessive and flagrant as to justify closing a bank for excess loans, they have soon been closed through insolvency. In many cases where it was still possible to collect the loans the mere threat of a suit has led to their being collected, or at least taken out of the bank. But this is not as it should be. The law should be made reasonable and right, so it could and should be enforced, and then all banks should be made to live up to it strictly.

If the 10 per cent. limit is too small, it should be changed to what is right and fair, and there should be some reasonable penalty put upon the violations of this clause, so the Comptroller could enforce obedience to it without such a proceeding as a suit in court for forfeiture of charter.

When the loan limit was originally placed at 10 per cent. of the capital stock of the bank few banks had any large surplus. It was not expected that new banks then organizing would pay in surplus with their capital; and by many it is claimed that the capital was meant to include surplus, which only differed from it through a bookkeeper's entry, and that this is now the meaning and intent of the law. However that may be, it would seem if it is safe for a bank with $500,000 capital and no surplus to loan $50,000 it should be safe for one with $250,000 capital and $500,000 surplus to loan as much.

After much consideration and discussion of this subject with many able and conservative bankers and business men, the Comptroller is satisfied that this is a reasonable view of it and that banks may safely loan 10 per cent. of their unimpaired capital and surplus, and would recommend that the law be amended to that effect.

Wm. B. Ridgely,
Comptroller of the Currency.

The Speaker of the House of Representatives.

AMERICAN SECURITIES IN EUROPE.

W. R. Lawson, Esq.

Dear Sir: In the latter part of your very interesting article in The Bankers' Magazine, October, 1905, I notice this statement in reference to English investments in American securities between 1873 and 1893:

"These two decades represent the zenith of English influence in Wall street. With the reorganization of 1894-6 it waned, German influence taking its place. But a more important change was the gradual predominance which New York acquired in its own market. It may now be said to control all its principal railroad stocks and to be no longer dependent either on London or Berlin."

Now, this claim that at the present time foreign capitalists have less interest in American railroads than in a former period has been very persistently exploited by our own financial experts, but thus far no real evidence has been produced to show that the claim is well founded. In his article on the "American Invasion" (Scribner's Magazine, January, 1902), Frank A. Vanderlip estimates that in the four preceding years we bought back from Europe $1,200,000,000 worth of American securities. A request for some definite information on this point elicited from Mr. Vanderlip the following very frank reply:

"I am in receipt of your letter of December 29 and note your desire to find statistics verifying a statement I made in a recent magazine article that the United States had bought back from Europe $1,200,000,000 worth of our securities. This, I regret to say, is impossible. There are no definite figures, nor is there any way in which you can set about to prove my assertion. The calculation is entirely one of estimate in which many collateral pieces of information entered."

Here we have the real basis of this whole claim of foreign liquidation. It is a calculation based entirely on estimates. That is to say, it is all mere guess-work. Mr. Vanderlip is undoubtedly correct in saying "there are no definite figures" to prove his statement: but I can say quite positively that there are some very definite figures, and a lot of facts and circumstances, to disprove it. The figures are to be found in the market reports of dealings for foreign account on and off the New York Stock Exchange as published in the leading newspapers. For the four years ending December 31, 1901, the dealings for foreign account on the Stock Exchange show an excess of purchases of some 3,700,000 shares. The excess for each year was as follows: 1898, 516,000 shares; 1899, 550,000 shares; 1900, 1,298,000; 1901, 1,433,000.

It has been suggested that these exchange dealings are not a safe guide in the matter, because they do not include the dealings in our stocks on foreign exchanges, or foreign dealings in this market outside of the New York Stock Exchange. As to the first, investigation shows that as a rule the trend of business in American securities abroad is pretty much the same as it is in Wall street. As to the second, I find reports of foreign investments in our mines, industrial plants, and in railroad and Government securities to the value of over $300,000,000; but of this much-exploited foreign liquidation, I can find no evidence whatever outside of the Stock Exchange.

Furthermore, there are certain facts and circumstances which strongly corroborate these market reports. If there had been this enormous liquidation since 1894, or even since 1897, we should certainly see some evidence of the fact in the diminishing activity in American stocks on foreign exchanges; but a comparison of the reports of any year prior to 1894 with the reports of the past five years shows that it is very much the other way. The buying and selling of American securities on the exchanges of London, Berlin, Amsterdam, and Paris, is on a more extensive scale than in any former period. This is notably the case in regard to the last two cities. Since 1899 it is safe to say that more French capital has gone into American securities, corporations, notes, and finance bills, than in the previous fifty years.

If, again, this liquidation had gone on to such an extent that the principal American railroads were now owned and controlled by American capital, we should certainly expect to witness the rapid retirement of the agents of foreign capital from the control of these properties. But here, too, it is very much the other way. J. P. Morgan, Kuhn, Loeb & Co., Speyer & Co., J. & W. Seligman, August Belmont, Ladenburg, Thalmann & Co., Hallgarten & Co., and other promoting bankers are very much more in evidence at the present time than they ever were in any former period.

A summary of the daily reports of foreign dealings in this market during the period mentioned by Mr. Vanderlip was published in my article on Trade Balances in THE BANKERS' MAGAZINE, July, 1902. A fuller and more complete summary was published in my article on the same question in the "Sewanee Review," July, 1903, and July, 1904. The last article also contained a summary of the reports for 1902 and 1903. In this last-named article, the Rock Island bonds sold abroad are said to have amounted to $163,000,000. That amount was to have been issued, but only $25,000,000 were sold abroad.

These are the only detailed statements of foreign transactions in this market in the six years ending December 31, 1903, that have been given to the public, and thus far no attempt has been made to show that it is not a fairly correct statement. The liquidation advocates have never published a detailed statement of such transactions for even one whole month of this entire period. Aside from Mr. Vanderlip's reply to my request for information on the subject, the only other reply I have received is the following from "The Evening Post," of July 16, 1904:

"The general facts in this matter have been agreed upon by the consensus of opinion among bankers, investors, and financial critics at every market where our securities are dealt in."

This is altogether too indefinite. It proves nothing. I am looking for the facts: and so I come to you for them, thinking that perhaps you may have discovered some sources of information that have not been available to Mr. Vanderlip or to any of the other numerous advocates of this liquidation claim.

I should also like to ask you (first) if our stocks and bonds are not more actively dealt in on European markets now than they were prior to 1894; and (second) are not the foreign bankers and other agents of foreign capitalists more prominent in this market than they were prior to 1894?

Respectfully,

BROOKLYN, N. Y., November 20, 1905. W. H. ALLEN.

THE PANAMA BONDS.—It is stated that no Panama bonds will be issued until Congress shall have authorized their use as a basis for National bank circulation at one-half of one per cent., the same as the consols of 1930. Two per cent. bonds, it is said, would not be worth par if bank circulation based thereon was taxed at one per cent. as the law now provides, on circulation based on other bonds than the two per cents. of 1930. And even if the bonds were issued and sold the money would not be available until Congress should appropriate it.

Treasury officials are somewhat surprised at the published statement that the Secretary of the Treasury is contemplating the issuance of bonds under present conditions. Secretary Shaw has twice called the attention of Congress to this needed legislation, and Speaker Cannon has given him assurance that he will do everything in his power to expedite its passage.

It is probable that bonds will be issued after the contemplated legislation approximately as the proceeds are needed in the construction of the Isthmian Canal. Any other policy would subject the Government to the payment of interest while the money was in the Treasury awaitng the progress of the canal.

MODERN BANKING FIXTURES AND FURNITURE.

By Paul L. Barrett.

PART II.

Clothes do not make the man, neither does the furniture make the bank or office, but it goes a long way toward signifying the general characteristics of those who govern the institution. A slovenly-kept bank often leads us to believe its business methods are the same: an antiquated interior impresses us that its methods are behind the times. A gaudy equipment gives us the impression of recklessness. There is, however, a point of appropriateness where all things seem to be in strict proportion, producing an effect of solid dignity and general stability which we never fail to recognize upon entering the doors of some of the leading financial institutions of the country. In this connection, we can gain much by reviewing what the market affords and what has been done along this line.

During the past ten years, in which time the question of proper and up-to-date furniture has taken an important part in the make-up of a bank, there has been a great change in the styles of furniture, owing perhaps to a more careful study of the requirements by the manufacturer. The fancy carvings have given way to heavy, rich, but plain designs: one of the chief benefits of which is found that such furniture is much easier kept clean.

Offices of Harriman & Co., New York.—Customers' Room.

(Courtesy of Derby Desk Co.)

Taking up such articles as are generally used, we consider first, the executive desk. Of these, what is now called the low roll banker's desk is coming in great demand. These may be had in a variety of designs, but the most effective and the one best suited to the general requirements was brought out by a large Eastern manufacturer. The pattern was originated by him for one of the large Eastern banking houses. What has made this style of desk so popular, is that there are no panels at all. All surfaces are entirely flat, the character of the desk being brought out by the richness of the woods used in its construction, together with fine cabinet work. For those who think this pattern too severe, large single panels have been substituted. The edges are square cut and writing beds and top shelves are of heavy built-up materials. Flat tops of these same designs have also

OFFICES OF HARRIMAN & CO., NEW YORK.—MR. HARRIMAN'S OFFICE.

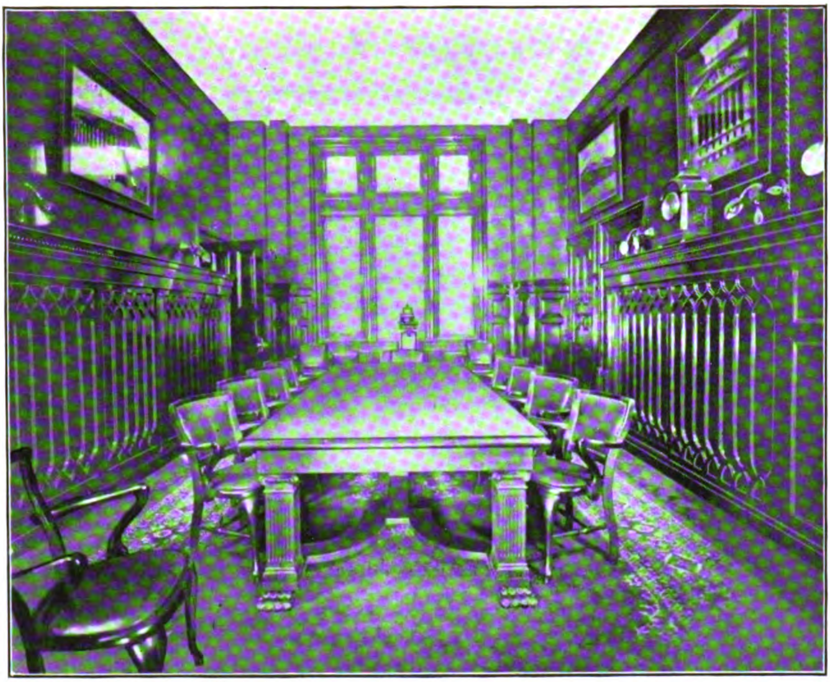
(Courtesy of Derby Desk Co.)

been produced and are rapidly coming into favor on account of the unobstructed view they afford: though some of the roll top are being built with very low rolls.

This particular design is distinctly American in its conception, and illustrates the most advanced ideas in practical banking architecture. One large desk manufacturing concern, the exponents of this style of furniture, has a staff of designers who are constantly in demand by architects and banks to furnish ideas to conform to the general style of some of their large new buildings.

Directors' tables, chairs, bookcases, etc., are to be obtained conforming exactly to the patterns of the desks. The effect of the plain, solid construction can hardly be imagined until seen in some of the modern banking institutions.

This style of furniture is sought, not alone by financial institutions, but



Offices of Harriman & Co., New York.—Board Room.
(Courtesy of Derby Desk Co.)

Offices of Harriman & Co., New York.—Customers' Room.
(Courtesy of Derby Desk Co.

OFFICES OF HARRIMAN & CO., NEW YORK.—REAR OFFICE.

(Courtesy of Derby Desk Co.)

also by many large manufacturing companies, railroads, etc. In fact, three of the country's newest public buildings, the State capitols of Minnesota and Pennsylvania and the Court-House of Essex County, Newark, N. J., are fitted with similar designs of work throughout.

The woods used nowadays are chiefly oak and mahogany, which should match the trim of the building, but Circassian walnut and English oak are sometimes used when a costly effect is desired.

A trip through the offices of the Messrs. Harriman & Co., on the second floor of the new Trinity building, New York, impresses one as to what can be done in making a place representative of dignity and wealth. Mahogany is the wood used throughout, to blend with which a Spanish leather of a peculiar green and red effect is used on all chairs and settees.

At the end of the customer's room is a large mantle fifteen feet high by twelve wide, the canopy of which is supported by two pillars of solid mahogany each eighteen inches in diameter. Long settees are placed in front of this fire-place where the customers may keep warm during a chilly market.

The desks in the private offices are after the design of the Governor's desk in the State capitol of Pennsylvania at Harrisburg. The other desks are of the flat surface banker's low roll pattern. All tables and chairs match these and produce a very pleasing effect.

Space will not permit of further descriptions of work along this line, but one thing should be noted: that to have a bank or office look right, it is not always necessary to go to a great deal of expense. In patronizing the large manufacturers who make a specialty of this fine work, one is able to get the benefit of the best that has been produced both as to design and workmanship and often many pleasing effects may be obtained at a small cost.

THE RECEIVING TELLER'S DEPARTMENT.

The principal functions of a commercial bank are to receive money on deposit, to make loans in the form of discounting notes, and demand-loans guaranteed by collateral securities, and the power to issue notes. The deposits consist of currency, checks, drafts, and other negotiable instruments left with the bank for collection and credit for the account of the depositor. These deposits are converted by the bank into cash, and the funds resulting are drawn against, sooner or later, at the will of the depositor; but during the interval the banker has the use of the funds, or the balance to the credit of the depositor less the amount for the required legal reserve, to be loaned by him according as he may think best; and through the discount and interest on these loans he makes his profit. The interest in many States has a maximum fixed by law, but loans are often made below the legal rate, depending, of course, upon the general conditions of the money market, and the security offered by the borrower.

The fact that there are commercial banks gives the borrower, the merchant, broadly speaking, the advantage of a cheap interest rate, for if he had at certain times in the year to depend upon funds other than his own to carry on his business, and those funds could only be had from private individuals, instead of the accumulated deposits of the people, he might not only have to pay exorbitant rates for the use of the money, but might find difficulty in getting even so much as his legitimate business would demand. When in these days we hear of borrowers having to pay fifteen and twenty per cent., this applies only to call loans in Wall street, when the legal reserve has had to be encroached upon, and the credit power of the banks curtailed by unusual shipments of currency to the South and West to move the crops, and not the reasonable demand made by the merchant which his bank account and credit entitles him to.

The note-issuing power is confined strictly to National banks having deposited with the United States Treasury United States Government bonds, and paying a tax of one or one-half per cent., according to the issue of the bonds deposited. The State banks do not avail themselves of this privilege on account of the heavy tax of ten per cent. imposed by the Government, and so making this function not profitable for them.

This paper, however, is to treat of the Receiving Teller's Department, so I will leave the details of loans, the earning capacity, and the note circulation of a bank for some other time.

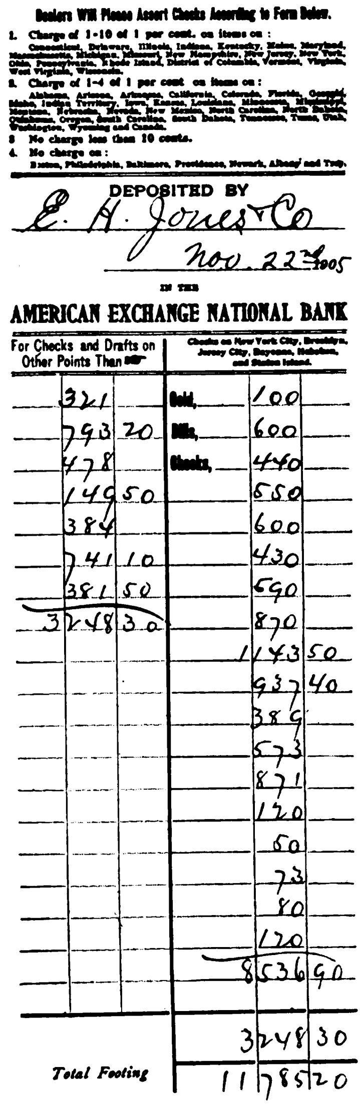
The Receiving Teller receives from the customers of the bank deposits, listed on deposit slips, of currency, and deposit currency; that is, checks, drafts, money orders, etc., payable on demand, which he credits to the account of the depositor, contingent, of course, on the payment of the instruments. This last statement makes it imperative upon the Teller that he must know the responsibility of the account of the customer with whom he is dealing, and if he has any doubt or suspicion about any item deposited, he should either refer the matter to an officer of the bank for his judgment, or, if necessary, send it out for certification. Promissory notes, time and sight drafts, are deposited with the collection clerk for collection, and are not credited to the account of the customer until paid.

The usual form of a deposit slip is: first, coin; second, bills; third, checks—city and country.

Those checks which are payable in the city are listed in the right-hand column of the slip, and those payable out of town are listed on the left. A separate footing is made of the list of country checks, brought forward and included in the total of the deposit.

The Teller should always count the money first; exceeding care is required in this, as a raised or counterfeit bill, or a short or over difference once passed, loses its identity as to the depositor, the loss falls on the bank, and the Teller's reputation is at stake.

The verifying of checks also requires great care; errors in listing of checks and vouchers, checks withdrawn and not deducted before the deposit is made; checks enclosed but not listed; checks listed twice are frequent and must be detected at the time of receiving by the Teller, or a night session stares the department in the face.



Dealers Will Please Assort Checks According to Form Below.

1. Charge of 1-10 of 1 per cent. on items on :
Connecticut, Delaware, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, District of Columbia, Vermont, Virginia, West Virginia, Wisconsin.
2. Charge of 1-4 of 1 per cent on items on :
Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indian Territory, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming and Canada.
3. No charge less than 10 cents.
4. No charge on :
Boston, Philadelphia, Baltimore, Providence, Newark, Albany and Troy.

DEPOSITED BY

E. H. Jones & Co

Nov. 22 1905

IN THE

AMERICAN EXCHANGE NATIONAL BANK

For Checks and Drafts on Other Points Than [illegible]			Checks on New York City, Brooklyn, Jersey City, Bayonne, Hoboken, and Staten Island.		
	321		Gold,	100	
	793	20	Bills,	600	
	478		Checks,	440	
	149	50		550	
	384			600	
	741	10		430	
	381	50		590	
3	248	30		870	
				1143	50
				937	40
				389	
				573	
				871	
				120	
				50	
				73	
				80	
				120	
				8536	90
				3248	30
Total Footing				11785	20

FORM OF DEPOSIT SLIP.

But not all the mistakes are made by the depositor, however; a check might be listed correctly by the depositor, but the figures are illegible, or a certification stamp is across one or more of the figures, and they appear entirely different from what they are intended, and the figures might perhaps be listed as they look to be by the men at the rack. Here the Teller's good work comes in again, say by drawing a pencil through the original figures at the time and making legible figures which agree with the amount in the body of the check.

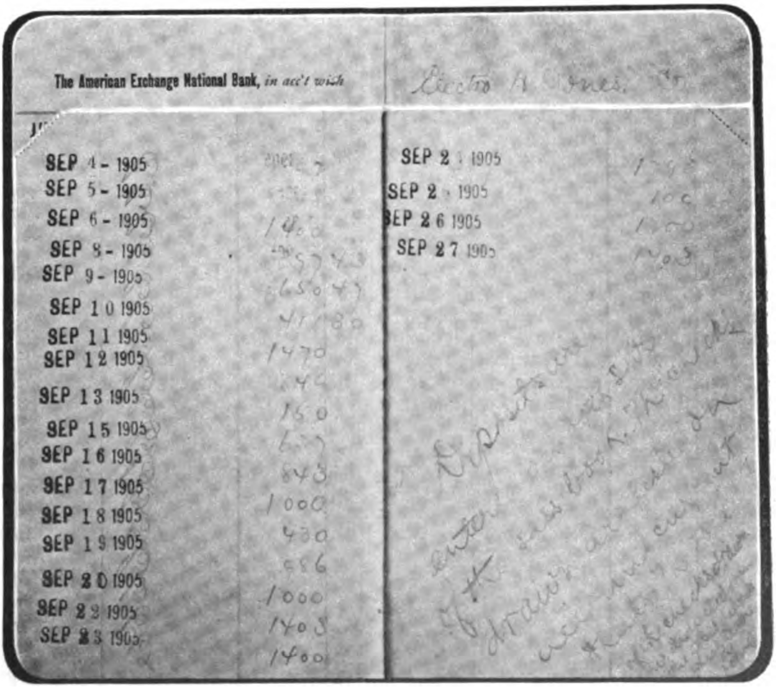
The endorsements of the checks deposited are then examined; by this, of course, is meant to see that the checks are endorsed by the depositor, and if such endorsements require a guarantee; for instance, checks endorsed for deposit, for credit, by attorney, Cashier, bookkeeper, etc. With checks for large amounts it is a good policy to examine all prior endorsements in order to detect any irregularities, and have the same rectified at once. Great care must also be taken to compare the name of the endorser with that written on the deposit slip; they may differ, and where a depositor has one or more different accounts with the same bank, an error on the part of the depositor or an oversight on the part of the Teller may create considerable confusion. This same care applies as well to the passbook and the deposit slip.

A few words about the passbook. It is well always to have the name of the depositor before you in the passbook. This can be done by having the pages of the passbook, excepting the first and last, cut off on the top about one inch; you then have at all times before you on the top of the left side the name of your own bank, and on the top of the right side the name of the depositor. Another great convenience in a passbook, I have found, is to have the upper right-hand corner of the page perforated. When the page has been fully used you tear off the small perforated slip of this full page, and you can turn at once to the page to be used for entering deposits.

The Teller should always give some form of written receipt to the customer for deposits of currency made without a passbook, for then he is ready for any erroneous or fraudulent claim that might be made by the depositor against him by insisting that the receipt be produced for the deposit claimed.

After a deposit is checked and the endorsements examined, the city checks are endorsed with a paid clearing-house stamp, and are assorted in the rack to their respective drawee banks. These are then listed twice on different adding machines and by different men, and a proof made of each package or bank; one of the slips is kept as a memorandum for future reference, while the other is sent with the checks to the drawee bank. The out-of-town checks are charged by total of each lot, and sent to the correspondents' department; there the checks are listed, the fee for collection or exchange is charged, and the checks are forwarded to the various correspondents.

When a deposit slip has been checked and entered in the passbook, it is assorted in the compartment of the rack corresponding to the ledger in

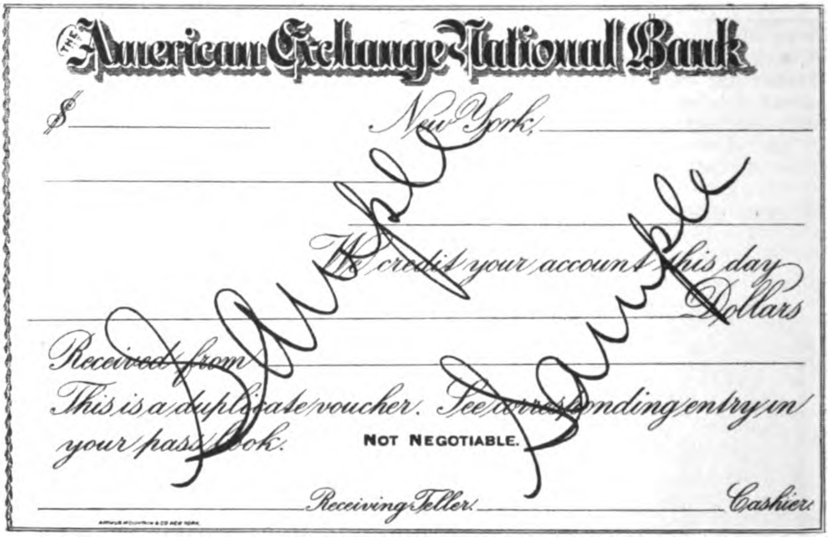


Depositor's Passbook.—Deposits are entered on both sides of the passbook. The checks drawn are listed on account current sheets. The total of the checks drawn is deducted from the total deposits, which leaves the balance.

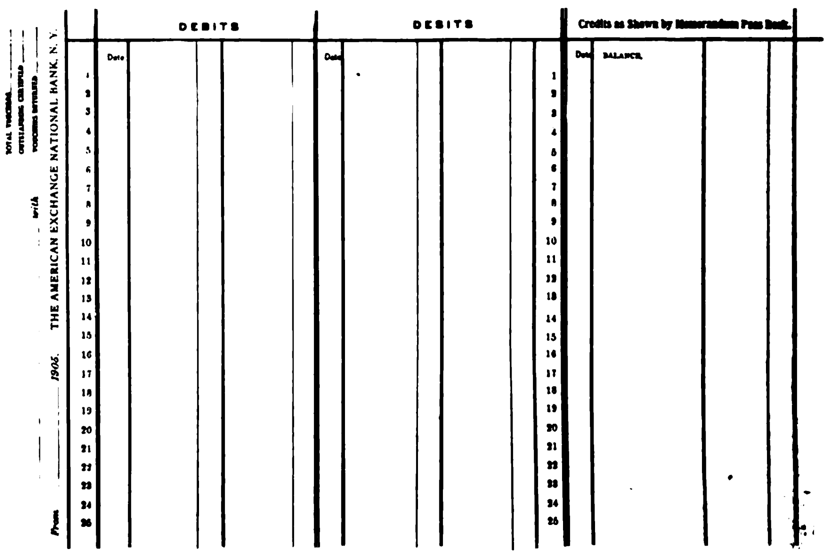
which the account is kept. The slip is entered, name and amount, in what is termed the Credit Book, and the account posted by the bookkeeper from this book to the ledger. In order to lessen the chances of any serious error in crediting or posting the various accounts, the assistant bookkeeper posts from the original deposit slips on account current sheets. These account current sheets and the ledger are compared every few days, and any error in posting of either account or amount is at once investigated and the error rectified.

The hour has now arrived for closing, and the final proof and disposition of the work begun. The deposits have been entered in the credit books, they have been called back, and the total amount of each book taken. The total of all the credit books, plus the amount charged by the Paying Teller, constitute the total liability side of the Receiving Teller's Department.

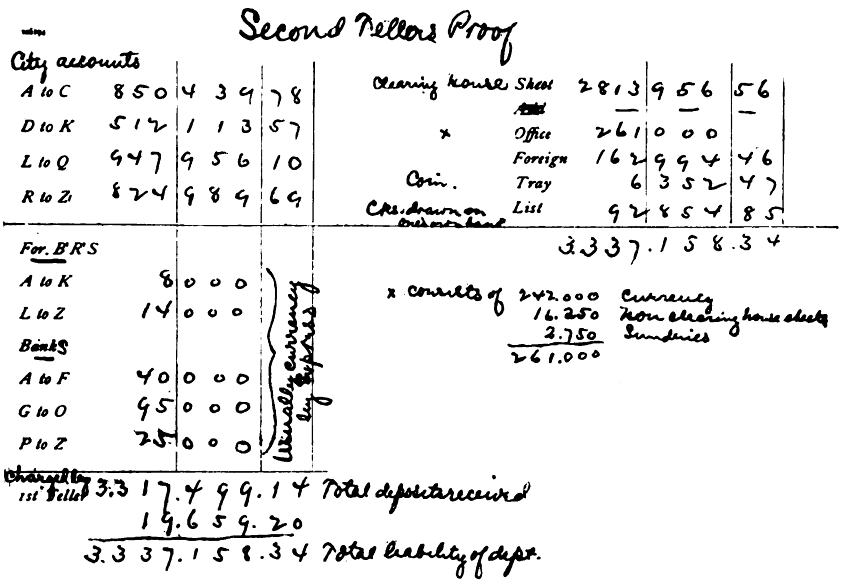
We now start with the cash or assets of the department; that is, the items of which the deposits consisted. A list of the total of each clearing-



house bank is made, and the total of all the banks is the clearing-house amount. Checks on trust companies and private individuals not in the clearing-house are made up separately, the total listed on the office slip and charged to the Paying Teller, who, the following morning, charges them to the City Collection Department, to be collected. Checks on one's own bank were passed on as to their goodness at the time of receiving the deposit, and these checks are charged to the check department, to be charged to their respective accounts. The loose currency and coin are counted and made up in a package. This together with the money counted and strapped in packages by the customers, and express money, is charged to the Paying Teller on the office slip, which the Paying Teller receives the following morning. The currency he charges in turn to the money department, which department proves the money, separates the clean from the mutilated bills,



assorts the various denominations and kinds, as legal, National, coin, silver and gold, sends the National bank notes to Washington, the mutilated United States currency to the Sub-Treasury, and the clean money is returned to the Paying Teller, all ready to be paid out by him. The charge to National bank note accounts, and the receipts for mutilated currency, together with the money returned to the Paying Teller by the money depart-



Second Tellers Proof

City accounts								
A to C	850	4 3 9	78	Clearing house	Sheet	2813	9 5 6	56
D to K	512	1 1 3	57	×	Office	261	0 0 0	
L to Q	947	9 5 6	10		Foreign	162	9 9 4	46
R to Z	824	9 8 9	69	Coin.	Tray	6	3 5 2	47
				Cks. drawn on our own bank	List	92	8 5 4	85

3.337.158.34

For. B'R'S		
A to K	8	0 0 0
L to Z	14	0 0 0
Banks		
A to F	40	0 0 0
G to O	95	0 0 0
P to Z	25	0 0 0

Usually currency by express

× consists of 242.000 Currency
16.250 non clearing house checks
2.750 Sundries
261.000

Charged by 1st Teller 3.317.499.14 Total deposits received
19.659.20
3.337.158.34 Total liability of dept.

ment, constitutes the money charged originally by the Receiving Teller to the Paying Teller.

We are now ready to strike. We have the amount of the clearing-house checks, the non-clearing-house checks, the checks on one's own bank, the country checks, the currency. What is the verdict? Everyone holds his breath. The cash is O. K., a shout goes up, and everyone is happy.

M. F. Bauer,
Receiving Teller, American Exchange National Bank.

Money in Circulation in the United States.—There was $9,000,000 added to the volume of money in circulation in November, practically every dollar of which was in National bank notes. There was an increase of $3,000,000 in United States notes, offset by decreases in gold and silver certificates.

Money in Circulation in the United States.

	Jan. 1, 1905.	*Oct. 1, 1905.*	*Nov. 1, 1905.*	*Dec. 1, 1905.*
Gold coin	$649,548,528	$652,330,135	$651,644,998	$649,040,590
Silver dollars	80,039,395	79,436,901	81,822,311	83,326,228
Subsidiary silver	102,891,327	105,539,966	107,157,932	108,776,379
Gold certificates	466,739,689	471,595,979	479,965,439	477,154,249
Silver certificates	468,017,227	469,973,307	471,625,776	470,964,248
Treasury notes, Act July 14, 1890	10,940,054	8,764,858	8,594,378	8,435,722
United States notes	342,287,627	336,338,926	340,107,480	343,196,550
National bank notes	449,157,278	500,250,319	512,213,264	521,240,773
Total	$2,569,621,125	$2,624,230,391	$2,653,131,578	$2,662,184,539
Population of United States	82,562,000	83,609,000	83,726,000	83,843,000
Circulation per capita	$31.12	$31.39	$31.69	$31.75

EDWARD E. DUFF.

At the recent convention of the Savings Bank Section of the American Bankers' Association, Edward E. Duff, Vice-President of the Safe Deposit and Trust Company, Pittsburg, was chosen Chairman of the section.

In 1883 Mr. Duff entered the service of the People's Savings Bank, of Pittsburg, at the age of eighteen, as a general clerk, when that institution

EDWARD E. DUFF,

Chairman Savings Bank Section, American Bankers' Association.

had only two other active men, viz., the Secretary and Treasurer, and Teller, and he served continually with this institution as clerk and officer for a period of twenty years, at which time he was elected a Vice-President and relinquished the active management of the People's Savings Bank to assume the position of Vice-President and Treasurer of the Safe Deposit and Trust Company, which company now owns the People's Savings Bank as well as the People's Savings Bank of Pittsburg.

During his connection with the People's Savings Bank Mr. Duff served successively as general clerk, book-keeper, teller, Assistant Secretary and Treasurer, to which position he was elected in 1890, and in 1892 was elected Secretary and Treasurer. At the time of his election as Assistant Secretary and Treasurer the bank had deposits of a little over $2,000,000, and when he retired from active management its deposits were about $10,000,-

000. During his connection with the Savings Bank he was honored by reëlection for ten successive years as Treasurer of The Bankers and Clerks' Mutual Benefit Association, an organization composed of bankers and bank clerks, as its name indicates. After serving this period he declined a reëlection, but has since served as a trustee, and only recently retired as President, which office he had held for the past year and to which office it has been customary to elect one person for a single term only.

Mr. Duff was elected to the position of Vice-President and Treasurer of the Safe Deposit and Trust Company in April, 1903, which position he has since held, and has been the active executive head of the institution. He has also been a director in the People's National Bank of several years. About a month ago he resigned the treasurership of the Safe Deposit and Trust Company, relieving himself of some of his duties.

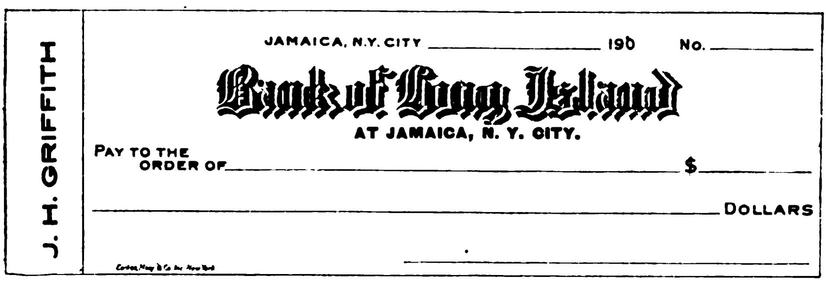
He was honored by the Savings Bank Section of the American Bankers' Association a year ago by election to the position of Vice-Chairman, and in October of this year was still further honored by election to the office of Chairman of the Savings Bank Section.

UNIFORM CHECKS.

It has been a part of the writer's duty to handle from two to three thousand checks each business day for some time. This work has been largely increased, aggravated is a better word, by the infinite variety in color, shape and style of the so-called checks handled. They have varied in color from a brilliant scarlet to a funereal black, and in shape from the ordinary oblong to a shape and size which closely approached that of a single-sheet poster.

The most aggravating of the documents, miscalled checks, are the double-sheet invoices—a combination invoice, receipt and check. These complicated documents are often drawn and dated in one town and payable, after certain conditions as to signatures, etc., are complied with, in some metropolitan city. The combinations are usually drawn by large firms who are perhaps able to dictate to their banks and who would resent being called to account for making the bank clerks attend to an important part of their bookkeeping department.

The combination checks usually require careful examination to ascertain the place where payable, and the conditions as to receipt, endorsements,


J. H. GRIFFITH

JAMAICA, N.Y. CITY ______ 190 NO. ______

Bank of Long Island

AT JAMAICA, N. Y. CITY.

PAY TO THE ORDER OF ______ $ ______

______ DOLLARS

etc. Such so-called checks often take more time to examine and assort than a dozen properly drawn checks.

The fact that a check is drawn as a voucher for so many kegs of nails, pounds of pork or days' labor, is of no interest to the bank clerk who has to handle the document. Checks in the form of vouchers, invoices or receipts should never be handled as cash.

Another aggravating form of checks is one of abnormal size, either longer or wider than the average size. These checks are often made worse by a so-called safety device which makes one or both ends ragged and uneven. The ordinary safety devices, unless very simple and easily comprehended, are a source of delay and annoyance to paying tellers and are of doubtful value.

The inordinate ambition of individuals to advertise themselves on their checks is little short of a public nuisance. A half-tone illustration of the drawee of a check on either end of the document is as much out of place as a bull in a china shop. So also is the statement that the drawee of the check sells peanuts or repairs broken china. The banks themselves are often aggressive in this regard. They cover their checks with a lot of information regarding the financial condition of the institution or such facts as that their town is the largest in the county, or that it boasts of a courthouse. The so-called safety paper is often another source of annoyance. Many of these papers make the writing so obscure as to strain the eyesight of the poor clerks who have to handle checks drawn upon it.

A check should be about eight inches in length and three inches in width, printed in plain type on a good quality of slightly tinted paper. It should contain nothing but the information desired to be conveyed—the date line, the name and location of the bank, the number, the amount and the signature of the drawer. If the drawer has an unreadable signature—as is too often the case—it is permissible to print the name and address across one end of the check—but this should be the limit of advertising in all cases. If bank officials will do everything in their power to secure uniformity in blank and completed checks the tendency to add to the labors of the bank clerks by vouchers, invoices, receipts and monstrosities of the printer's art—which masquerade as checks—will be overcome, and it may be possible to eventually secure a uniform size and style of check. J. H. G.

Italian Gold Reserves.—We have received from the Bank of Italy a letter from Rome, dated November 8 and signed B. Stringer, the General Manager of the Bank, complaining that in our article giving the gold reserves of the United States, France, Russia, Germany, Austria-Hungary, and England, we left Italy out altogether, and asking us to supply the omission. We do very willingly. The letter says: "At the end of last month the three Italian banks of issue had a total bullion reserve in gold of 715 million lire (about £28,600,000), and in silver of 95 million lire (about £3,800,000); in all 810 million lire (equal to £32,400,000). To this must be added, further, 133 million lire (or about £5,320,000) in the shape of bills and credits in gold on foreign countries and Treasury bills of various Governments, also payable in gold. You will see that the figure given above as to the bullion reserve alone is somewhat higher than that of the Bank of England, whilst the whole reserve, inclusive of bills, credits, and Treasury bills, payable in gold, is only a trifle less than that of the Imperial Bank of Germany." It will be seen that, adding the figures of the Bank of Italy to those given a fortnight ago, the gold reserves of the seven greatest banking institutions amount to the immense total of 514 millions sterling.—*The Statist* (*London*).

Rapid Check Listing.—The contest for accuracy and speed in check listing which was a feature of the Office Appliance Show in Madison Square Garden was won by E. D. McCullough of the American Trust and Savings Bank, Chicago. Mr. McCullough listed 500 checks in 9 minutes, 12 seconds on a hand-operated Universal Adding Machine. Forty competitors, including the most expert men from New York banks were entered in the contest, and but two of the machines used were Universals.

Derby, Iowa.—J. Herbert Park, who is President of the Derby State Bank recently started here with $35,000 capital, is President of the Cambria (Iowa) Savings Bank, and Vice-President of the Home State Bank, Humeston, Iowa. He also holds a large amount of stock in the Burlington Savings Bank.

BANKING AND FINANCIAL NEWS.

NEW YORK CITY.

—Stuart H. Patterson, formerly of the firm of Patterson, Teele & Dennis, is now associated with the banking house of Fisk & Robinson.

—The Lincoln Trust Co., whose head offices are at Madison Square, has leased the premises at 413 Broadway, and will establish a branch office.

—Walter W. Lee, Manager of the Wall Street branch of the North American Trust Co., has been elected Vice-President of the National Bank of North America, and will enter on the duties of his new office at the beginning of next year.

Mr. Lee is only thirty-one years of age, but has had valuable banking experience. At the age of seventeen he entered the Gallatin National Bank as an office boy, rising in a few years to the position of loan clerk. In 1889 he became Assistant Secretary of the City Trust Company, and when this company was merged with the North American Trust Co. he became Manager of the Wall Street branch of this institution.

—The Seaboard National Bank has increased its capital from $500,000 to $1,000,000 by declaring a stock dividend out of surplus earnings.

Recently the Seaboard National extended its corporate existence for twenty years. In connection with the new issue of stock, the directors make the following statement:

"During the past twenty years as a National bank it has earned on its paid-up capital of $500,000 upwards of $2,000,000, of which about $700,000 has ben paid to the stockholders in dividends, and over $1,500,000 placed in the surplus fund.

In view of the very largely increased business of the bank, the directors have thought it wise to declare a stock dividend of 100 per cent. payable out of the surplus, making the capital of the bank $1,000,000, of which $500,000 was originally paid in and $500,000 earned; the surplus, $1,000,000, was also earned. The directors think that this action will be appreciated by its friends, increasing as it does the stockholders liability, in addition to the capital of the bank, to $1,000,000."

—A syndicate has been formed to reorganize the Credit Clearing House, a mercantile agency formed here a few years ago. The new company will add to its plant the old International Mercantile Agency. Among the men interested are Clarence Whitman, Charles A. Conant, John Moody, Charles A. Henderson and H. A. Wheeler.

—Geo. Leask, senior member of the firm of Geo. Leask & Co., bankers, 85 Wall street, was recently elected a director of the Lincoln Trust Co.

—H. B. Fonda recently resigned as Assistant Cashier of the National Bank of Commerce to become Treasurer of the Trust Company of America.

—At the meeting of the Banking Publicity Association, held in the Lincoln Building, New York City, November 14, Alfred M. Barrett; Assistant Secretary of the Guardian Trust Company, New York, was elected Chairman of the New York Council.

—The Societe Financiere Franco-Americaine, with £2,000,000 capital has been organized by the Union Parisienne, of Paris, and Messrs. Speyer & Co., New York, to promote dealing in American securities.

NEW ENGLAND STATES.

New Haven, Ct.—At a meeting of the New Haven Clearing-House Association, October 25, Samuel Hemingway, President of the Second National Bank, was elected President of the Clearing House-Association, to succeed the late Wilber F. Day.

—It was announced recently that the Comptroller of the Currency had granted an application of the Beaver National Bank of this city to begin business. The new institution will be located at Wall, Pearl and Beaver streets, and will cater to the coffee, tea, molasses, tobacco and cotton trades. It will have a capital of $200,000 and a surplus of $100,000. The organizers are John B. Daniels, William G. Brown, Edward S. Farrow and William A. Griffith.

MIDDLE STATES.

Baltimore, Md.—It is reported that the Commercial and Farmers' National Bank, which a short time ago increased its capital from $300,000 to $500,000, is contemplating an increase to $1,000,000. At the January stockholders' meeting, this matter, and also the question of a new building, will come up for decision.

WESTERN STATES.

Oklahoma Bank Consolidation.—The Commercial Bank, of Oklahoma City, recently consolidated with the State National Bank, giving the latter an individual responsibility of $1,500,000. C. F. Colcord, former President of the Commercial National, becomes Vice-President of the State National; and E. C. Trueblood, former Assistant Cashier of the Commercial National, is now teller of the State National.

St. Louis.—According to the official statement of the Mississippi Valley Trust Co. on November 9, the deposits of the company show an increase of 5.4 per cent. in the last year, while the surplus and undivided profits show a net increase of 7.6 per cent. after payment of sixteen per cent. in cash dividends to stockholders. The net earnings on capital were 23.6 per cent., while earnings on entire capital, surplus and profits were 8.4 per cent. During the year $480,000 in dividends have been paid and over $228,000 added to undivided profits. The total resources November 9, 1905, were $25,642,423.76, while a year ago they were $24,506,623.23.

—The National Bank of Commerce has issued an interesting booklet treating of the relations of a bank and its customers.

Chicago.—The Western Bank Note and Engraving Co. has removed to its new buildings at Indiana avenue and Twentieth street. Besides the fire-proof structure, the company now has special vaults and other equipment designed to protect documents not only against fire but against counterfeiting and fraudulent reproduction.

—On December 5 the Bank of America opened for business, with a capital of $500,000.

—The Chicago City Bank will add $300,000 to its capital stock on January 1.

Columbus, Ohio.—The Capital Savings and Trust Co., which commenced business in May last, on November 14 had $400,000 capital, $13,665 surplus and profits and $325,000 deposits. This company is erecting a sixteen-story building of fire-proof construction.

Milwaukee.—On January 1 the Marshall & Ilsley Bank will increase its capital from $300,000 to $500,000, and at the same time the surplus will be increased to $250,000.

Hutchinson, Kas.—On November 9 the First National Bank reported $200,000 capital, $25,000 surplus, $16,130 undivided profits, and $1,490,456 deposits. Of its total resources of $1,831,587 there is invested in United States bonds $155,000, while the cash and sight exchange together amount to $511,425.

Peoria, Ill.—In the past year—Nov. 9, 1904, to Nov. 10, 1905—the Commercial-German National Bank has increased its deposit by $800,000.

Ottumwa, Iowa.—About January 1 the Iowa National Bank will move into its new six-story building, which is of modern steel construction. Three fire and burglar-proof vaults will constitute an important part of the bank's equipment, and the furniture and fixtures will be throughout models of taste, durability and convenience.

Leavenworth, Kas.—The State Savings Bank has recently moved into its new building, on the old site. With the additional facilities provided by increased space and new equipment in the way of vaults, safe-deposit boxes, etc., the bank is better than ever prepared to care for its growing business.

Kansas City, Mo.—The First National Bank is putting up a new building at Tenth street and Baltimore avenue—one of the best business corners in the city. This structure is being built of Georgia marble, and is to be occupied exclusively by the bank. When the building is finished and fitted up, it will be one of the notably fine bank homes of the Southwest.

PACIFIC SLOPE.

Spokane, Wash.—J. P. M. Richards, President of the Spokane and Eastern Trust Company, in a recent trip through Columbia, Garfield, Walla Walla and Umatilla counties, observed a remarkable decline of the country school in some sections. Inquiry and further investigation developed a more than corresponding growth among the town and city schools, large new brick buildings being under construction in several of the principal towns whither farmers were removing with their families for the educational advantages; and besides increasing the size of their farms by extensive purchases of adjacent lands, the farmers were carrying on these larger farms from town, where they reside and, in many instances, employing fine large automobiles in their daily travel to and from their residences to their farms in the country. It is not an unusual thing, says Mr. Richards, for additional purchases of land to be completely paid for from the proceeds of three or four crops under present prosperous conditions.

The best land is selling at $30, $40 and $50 per acre. In some instances an extra choice 160 within ten miles of town is held at $60 per acre. Real estate in towns seems to be assessed at about sixty per cent. of its actual cash value and pays from seven to 10 per cent. net in rental return.

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.

APPLICATIONS TO ORGANIZE NATIONAL BANKS APPROVED.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

First National Bank, McDonough, Ga.; by L. O. Benton, et al.
First National Bank, Amo, Ind.; by Jno. Kendal, et al.
Whittier National Bank; Whittier, Cal.; by J. A. Graves, et al.
First National Bank, Lockport, Ill.; by D. L. Harmon, et al.
First National Bank, Texico, N. M.; by Joseph B. Sledge, et al.
First National Bank, Quitman, Ga.; by L. W. Branch, et al.
First National Bank, Stone Fort, Ill.; by M. Ozment, et al.
First National Bank, Carrier Mills, Ill.; by M. Ozment, et al.
Esmont National Bank, Esmont, Va.; by Wm. B. Forsyth, et al.
First National Bank, Holland, Texas; by L. B. Mewhinney, et al.
City National Bank, Morristown, Tenn.; by Geo. W. Ivy, et al.
First National Bank, Erick, Okla.; by I. C. Thurmond, et al.
Atkins National Bank, Maysville, Ga.; by T. E. Atkins, et al.
Citizens' National Bank, Redlands, Cal.; by Walter M. Campbell, et al.
National Bank of Garland, Garland, Texas; by Jno. T. Jones, et al.
First National Bank, Renwick, Iowa; by W. M. Hoffman, et al.
First National Bank, Rock Lake, N. D.; by C. J. Lord, et al.
Palisade National Bank, Palisade, Colo.; by Verner Z. Reed, et al.
First National Bank, Hayes Center, Neb.; by Jno. B. Cruzen, et al.
State National Bank, Phoenix, Ariz.; by Jno. C. Adams, et al.
Berthoud National Bank, Berthoud, Colo.; by John Bunyan, et al.
People's National Bank, Lebanon, Ind.; by James A. Hogshire, et al.
Produce National Bank, South Deerfield, Mass.; by James B. Bridges, et al.
First National Bank, Greenwood, N. Y.; by Arthur P. Woodward, et al.
First National Bank, Upland, Cal.; by H. E. Swan, et al.
First National Bank, Sandoval, Ill.; by R. A. Youngblood, et al.
First National Bank, Terral, I. T.; W. H. Eddleman, et al.
First National Bank, Allendale, Ill.; by Frederick Holsen, et al.
Hall County National Bank, Memphis, Texas; by Charles Drake, et al.
Tupper Lake National Bank, Tupper Lake, N. Y.; by J. A. Thissell, et al.
Emmetsburg National Bank, Emmetsburg, Iowa; by M. L. Brown, et al.
Mineola National Bank, Mineola, Texas; by R. N. Stafford, et al.
Beaver National Bank, New York, N. Y.; by John B. Daniels, et al.
Citizens' National Bank, Cheyenne, Wyo.; by E. W. Stone, et al.
First National Bank, Gibson City, Ill.; by Evan Mattinson, et al.
Merchants' National Bank, Glendive, Mont.; by R. H. Watson, et al.
National Bank of Joseph, Joseph, Oreg.; by F. F. Scribner, et al.
First National Bank, Schulenburg, Texas; by I. E. Clark, et al.
National Bank of Commerce, Clinton, Mo.; by F. E. Frantz, et al.
Raton National Bank, Raton, N. M.; by Benj. Sherrod, et al.
First National Bank, New Haven, Ill.; by Wm. P. Tuley, et al.
Farmers' National Bank, Quarryville, Pa.; by Daniel E. Helm, et al.
First National Bank, Randolph, Utah; by L. S. Hills, et al.
First National Bank, Ohiowa, Neb.; by R. A. Harvey, et al.
Kenedy National Bank, Kenedy, Texas; by H. S. Jacobi, et al.
First National Bank, Samson, Ala.; by G. H. Malone, et al.
Citizens' National Bank, Antlers, I. T.; by S. P. Ancker, et al.
Second National Bank, Fort Pierre, S. D.; by James R. McKnight, et al.
First National Bank, Reinbeck, Iowa; by John H. Leavitt, et al.
Merchants' National Bank, Dickinson, N. D.; by J. H. Daly, et al.

NATIONAL BANKS ORGANIZED.

7959—Shelby National Bank, Shelby, North Carolina; capital, $50,000; Pres., O. L. Watts; Vice-Pres., H. I. Washburn; Cashier, James T. Bowman.

7960—First National Bank, Adrian, Minn.; capital, $35,000; Pres., A. G. Lindgren; Vice-Pres., W. R. Faragher; Cashier, Charles W. Kilpatrick.

7961—Canyon National Bank, Canyon, Texas; capital, $30,000; Pres., R. W. O'Keefe; Vice-Pres., J. I. Campbell; Cashier, I. L. Hunt.

7962—First National Bank, Colbert, I. T.; capital, $25,000; Pres., G. A. Ramsey; Vice-Pres., J. J. Cravens and A. N. Leecroft; Cashier, W. H. McCarley; Asst. Cashier, E. P. Harris.

7963—First National Bank, Buena Vista, Ga.; capital, $25,000; Pres.,

L. O. Benton; Vice-Pres., Geo. R. Lowe; Cashier, R. H. Stokes.

7964—First National Bank, Owasso, I. T.; capital, $25,000; Pres., F. W. Casner; Vice-Pres., S. W. Miller; Cashier, S. T. Wolfe.

7965—First National Bank, Lindsay, Cal.; capital, $25,000; Pres., S. Mitchell; Vice-Pres., Ernest L. Daniells; Cashier, G. V. Reed.

7966—Ladysmith National Bank, Ladysmith, Wis.; capital, $25,000; Pres., Laurids Jorgenson; Vice-Pres., John L. Jorgenson; Cashier, Willard E. Thompson.

7967—First National Bank, Waukomis, Okla.; capital, $25,000; Pres., J. A. Butler; Vice-Pres., L. M. Butler; Cashier, S. A. Butler.

7968—First National Bank, Wakonda, S. D.; capital, $25,000; Pres., Rufus Jackson; Vice-Pres., E. W. Babb; Cashier, J. W. Bryant.

7969—First National Bank, McDonough, Ga.; capital, $30,000; Pres., T. A. Sloan; Vice-Pres., L. O. Benton; Cashier, A. M. Stewart.

7970—First National Bank, White City, Kans.; capital, $25,000; Pres., E. C. Jenkins; Vice-Pres., H. Simmons; Cashier, M. W. Baker; Asst. Cashier, H. O. Walker.

7971—First National Bank, Morris City, Ill.; capital, $25,000; Pres., Robert J. Bailey; Vice-Pres., Chas. P. Witters; Cashier, John O. DeLap.

7972—First National Bank, Fairfax, Okla.; capital, $25,000; Pres., Louis A. Wismeyer; Vice-Pres., J. M. Moody and Charles Pasche; Cashier, Raymond H. Hoss; Asst. Cashier, J. F. Rochau.

7973—Logan County National Bank, Sterling, Colo.; capital, $50,000; Pres., J. J. Cheairs; Vice-Pres., A. G. Sherwin; Cashier, E. M. Gillett; Asst. Cashier, K. C. Gillett; Second Asst. Cashier, P. L. Conklin.

7974—First National Bank, Martinsburg, Pa.; capital, $25,000; Pres., S. S. Horton; Cashier, C. A. Patterson.

7975—First National Bank, Haynesville, Ala.; capital, $25,000; Pres., W. P. Russell; Vice-Pres., Charles Schuessler; Cashier, G. E. McGhee.

7976—First National Bank, Ravia, I. T.; capital, $25,000; Pres., Robert T. Wilkinson; Vice-Pres., Wm. A. McAllister; Cashier, Jno. H. Anderson.

7977—Dalhart National Bank, Dalhart, Texas; capital, $25,000; Pres., J. R. Jenkins; Vice-Pres., W. H. Wolff; Cashier, E. C. Williams.

7978—First National Bank, Shoshoni, Wyo.; capital, $50,000; Pres., C. H. King; Vice-Pres., J. K. Moore; Cashier, Theo. Becker.

7979—First National Bank, Lyons, Ga.; capital, $25,000 Pres., L. O. Benton; Vice-Pres., W. O. Donovan; Cashier, W. R. Minter.

7980—Farmers & Merchants' National Bank, Santa Ana, Cal.; capital, $50,000; Pres., W. A. Huff; Vice-Pres., R. H. Sanborn; Cashier, J. A. Turner; Asst. Cashier, H. T. Rutherford.

7981—Irvington National Bank, Irvington, N. J.; capital, $100,000; Pres., William L. Glorieux; Vice-Pres., Adrian Riker; Cashier, F. T. Shoyer.

7982—National Bank of Montgomery, Montgomery, N. Y.; capital, $25,000; Pres., William H. Senior; Vice-Pres., John A. Crabtree; Cashier, E. J. Emerson.

7983—Collingswood National Bank, Collingswood, N. J.; capital, $25,000; Pres., Henry R. Tatem; Vice-Pres., H. L. Merrick; Cashier, Geo. B. Oliver.

7984—First National Bank, Somerton, Ohio; capital, $25,000; Pres., Enfield J. Hoge; Vice-Pres., John T. Skinner; Cashier, Irving A. Hodgin.

7985—First National Bank, Opp, Ala.; capital, $50,000; Pres., W. H. Holloway; Vice-Pres., J. E. Henderson; Cashier, F. J. Mizell; Asst. Cashier, C. W. Mizell.

7986—Atkins National Bank, Maysville, Ga.; capital, $35,000; Pres., T. E. Atkins; Vice-Pres., W. F. Morris; Cashier, Ed. S. Carver.

NEW STATE BANKS, BANKERS, ETC.

ALABAMA.

Clio—Clio Banking Co.; capital, $24,000; Pres., H. M. Sessions; Vice-Pres., G. O. Wallace; Cashier, W. A. Arnold; Asst. Cashier, A. C. Dillard.

ARKANSAS.

Flippen—Marion County Bank; Cashier, R. F. Bond.

Fort Smith—Bank of Arkansas; capital, $50,000; Pres., T. J. Smith; Vice-Pres., J. F. Neece; Cashier, C. B. Carter; Asst. Cashier, Jilson S. Johnson.

Gurdon—Bank of Gurdon; capital, $10,000; Pres., E. A. Whitmon; Vice-Pres., N. P. O'Neal; Cashier, A. D. Boss.

Harrisburg—Merchants & Planters' Bank; capital, $20,000; Pres., T. A. Stone; Vice-Pres., J. C. Davis; Cashier, Oak H. Rhodes.

Mena—Union Savings & Trust Co.; capital, $50,000; Pres., Eugene Cox; Vice-Pres., Geo. Legate; Cashier, E. W. Hutchinson; Asst. Cashier, S. H. Allen.

CALIFORNIA.

Fillmore—Fillmore State Bank; Pres., John Carne; Vice-Pres., Hugh Warring; Cashier, Norman F. Maw.

Huntington Beach—Savings Bank of Huntington Beach; capital, $12,500; Pres., W. T. Newland; Vice-Pres., J. F. Corbett; Cashier, J. F. Heartwell.

Oakland—Bankers' Trust Co.; capital, $300,000; Pres., W. W. Garthwaite; Vice-Pres., Henry Rogers and J. Y. Eccleston; Treas., A. E. Caldwell; Asst. Sec., J. A. Thomson.

Pinole—Bank of Pinole; capital, $25,000; Pres., J. Bermingham, Jr.; Vice-Pres., Patrick Tormey; Cashier, E. M. Downer.

Salinas—Salinas City Bank of Savings; capital, $15,000; Pres., J. H.

McDougall; Vice-Pres., W. J. Irvine; Cashier, F. S. Clark.
San Francisco—Bank of America; capital, $1,000,000; Pres., Clarence M. Brune; Sec., J. B. Duggan; Asst. Cashier, Ralph W. Bias.

COLORADO.

Kremmling—Bank of Kremmling; capital, $5,000; Pres., Anton Heine; Cashier, W. H. Harrison.

FLORIDA.

Clearwater—Bank of Clearwater; capital, $18,500; Pres., D. F. Conolly; Vice-Pres., J. J. Eldridge; Cashier, H. W. Bivins.
Greenville—Bank of Greenville; capital, $16,000; Pres., E. J. Hays; Vice-Pres., J. W. Bishop; Cashier, M. A. McDowell.
Jacksonville—Citizens' Bank; capital, $50,000; Pres., Duncan M. Fletcher; Vice-Pres., David H. Doig and Charles H. Mann; Cashier J. Denham Bird.—People's Bank & Trust Co.; capital, $50,000; Pres., Arthur T. Williams; Vice-Pres., L. J. Campbell, Cashier, H. D. Watts.

GEORGIA.

Boston—Bank of Boston; capital, $25,000; Pres., Z. H. Clark; Vice-Pres., J. W. Taylor.
Bowdon—Bank of Bowdon; capital, $25,000; Pres., C. J. Dunn; Vice-Pres., J. L. Lovvorn; Cashier, E. J. Dunn.
Bullochville—Bank of Bullochville; capital, $15,000; Pres., B. F. Bulloch; Vice-Pres., H. B. Leverett; Cashier, A. C. Dunn.
Coolidge—Bank of Coolidge; capital, $15,000; Pres., W. H. Crow; Vice-Pres., W. A. J. Paramore; Cashier, P. G. Mallory.
Danville—Bank of Danville; capital, $15,000; Pres., H. L. D. Hughes; Vice-Pres., I. N. Maxwell; Cashier, T. E. McKibben.
Franklin—Bank of Heard County; capital $25,000; Pres., Fuller E. Callaway; Vice-Pres., Frank S. Loftin; Cashier, E. E. Lewis.
Pendergrass—Pendergrass Banking Co.; capital, $15,000; Pres., J. O. Norris; Vice-Pres., P. J. Roberts; Cashier, J. O. Rutherford.
Social Circle—Walton County Bank; capital, $25,000; Pres., E. L. Newton; Vice-Pres., G. E. Knox; Cashier, J. L. Newton.

IDAHO.

Hailey—Commercial & Savings Bank; capital, $35,000; Pres., Willis E. Sullivan; Vice-Pres., Frank B. Cross; Cashier, Presley F. Horne.
Heyburn—Heyburn State Bank; capital, $10,000; Pres., J. S. McQuiston; Cashier, F. M. Snyder.
Moscow—First Trust Co. (successor to Spokane & Eastern Trust Co.). capital, $25,000; Pres., J. P. M. Richards; Vice-Pres., Henry M. Richards; Sec., H. W. Witherspoon; Asst. Sec., P. Leuschel.
Paris—Bear Lake State Bank; capital, $15,000; Pres., J. R. Shepherd; Vice-Pres., A. K. Steunenberg; Cashier, Will H. Young.

ILLINOIS.

Apple River—Tyson Banking Co.; Cashier, Geo. W. Tyson; Asst. Cashier, M. J. Tyson.
Carrier Mills—First State Bank; capital, $25,000; Pres., W. F. Scott; Vice-Pres., H. N. Finney; Cashier, S. C. Galeener.
Chicago—Lake View Trust & Savings Bank; capital, $200,000; Pres., H. E. Otte; Vice-Pres., W. F. Hayes; Cashier, Otto J. Gondolf.
Clayton—Clayton Exchange Bank; capital, $20,000; Pres., G. W. Montgomery; Vice-Pres., W. T. Craig; Cashier, W. H. Craig; Asst. Cashier, Ike L. Teachener.
Dewitt—Bank of Dewitt; capital, $10,000; Pres., Frank Elvin; Cashier, O. C. Means.
Flat Rock—Flat Rock Bank; capital, $18,000; Pres., Geo. T. Taylor; Vice-Pres., John H. Taylor; Cashier, Harry C. Brown; Asst. Cashier, Grant Taylor.
Gays—Bank of Gays; Pres., T. D. Slater; Cashier, L. A. Slater.
Manito—People's State Bank; capital, $25,000; Pres., J. S. Pollard; Vice-Pres., Conrad Luppen; Cashier, E. E. Randolph; Asst. Cashier, R. L. Mohr.
Marshall—Marshall State Bank; capital, $60,000; Pres., W. L. Athon; Vice-Pres., J. W. Graham; Cashier, R. H. Brown; Asst. Cashier, Bert Hogue.
Waltonville—Waltonville Bank; capital, $100,000; Pres., I. G. Gee; Vice-Pres., O. P. Norris; Cashier, Knox Gee; Asst. Cashier, John D. Hivins.

INDIAN TERRITORY.

Lindsay—Farmers' Exchange Bank; capital, $15,000; Pres., F. R. Johnson; Vice-Pres., J. R. Johnson; Cashier, J. G. Long.
Olney—First State Bank; capital, $10,000; Pres., W. W. Allen; Vice-Pres., E. A. Newman; Cashier, U. J. Burrows.

IOWA.

Breda—Breda Savings Bank (successor to Bank of Breda); capital, $10,000; Pres., G. H. Messenger; Vice-Pres., J. H. Ricke; Cashier, E. L. Butler; Asst. Cashier, A. J. Polking.
Coulter—Coulter Savings Bank (successor to Bank of Coulter); capital, $10,000; Pres., T. J. B. Robinson; Vice-Pres., N. W. Becker; Cashier, Ole Hansen.
Fredericksburg—First State Bank (successor to Bank of Fredericksburg); capital, $25,000; Pres., L. Padden; Vice-Pres., W. G. Shaffer; Cashier, Guy M. Padden.
Orient—Orient Savings Bank; capital, $10,000; Pres., S. L. Shreves; Vice-Pres., E. H. Shreves; Cashier, R. A. Shreves.
Perry—People's Savings Bank; capital, $25,000; Pres., J. P. O'Malley; Vice-Pres., G. W. Vanlaningham; Cashier, Jno. Carmody.
Ralston—Ralston Savings Bank (successor to Bank of Ralston); capital, $10,000; Pres., Warren Garst; Vice-Pres., V. E. Clark; Cashier, Geo. W. Wood, Jr.
Tama—Commercial Savings Bank; capital, $50,000; Pres., G. H. Austin; Vice-Pres., F. W. Brokhausen; Cashier, D. E. Goodell.

KANSAS.

Baldwin—People's State Bank; Pres., J. P. Bell; Vice-Pres., H. H. Hays; Cashier, A. B. Pomeroy.

Castleton—State Bank; capital, $10,000; Pres., J. H. Tharp; Vice-Pres., Charles Evans; Cashier, J. A. Lewis.

Gorham—Gorham State Bank; capital, $10,000; Pres., John Mills; Vice-Pres., J. A. Mermis; Cashier, W. T. Foster.

La Crosse—La Crosse State Bank; capital, $16,000; Pres., S. I. Hale; Vice-Pres., W. H. Ferguson; Cashier, Charles L. Rogers.

Munden—Munden State Bank; capital, $10,000; Pres., W. L. Thomas; Vice-Pres., D. E. Lower; Cashier, W. A. Carmean; Asst. Cashier, W. D. Lower.

White City—Farmers' State Bank; capital, $12,000; Pres., W. R. Bigham; Vice-Pres., G. A. Brittain; Cashier, A. R. Wallace.

KENTUCKY.

Bonnieville—People's Bank; capital, $15,000; Pres., J. B. McHatton; Vice-Pres., J. H. Clarke; Cashier, A. B. Slaughter.

Burlington—People's Bank; capital, $10,000; Pres., B. W. Adams; Vice-Pres., W. L. B. Rause; Cashier, A. B. Renaker.

Shelbyville—People's Bank & Trust Co.; capital, $50,000; Pres., Jno. T. Middelton; Vice-Pres., W. C. Ash; Cashier, E. C. McMahon.

Turner's Station — Farmer's Bank; capital, $7,500; Pres., G. R. Turner; Vice-Pres., F. Rankley; Cashier, R. E. Tingle.

MICHIGAN.

Addison — Addison State Savings Bank; capital, $20,000; Pres., O. B. Bowen; Vice-Pres., Fred B. Kline; Cashier, Henry F. Davis.

Erie—Freidenberg, Dansard & Co.; Cashier, Fred L. Buyea.

Harbor Springs—Emmet Co. State Bank; capital, $25,000; Pres., W. J. Clarke; Vice-Pres., J. T. Clarke; Cashier, R. F. Lemon.

MINNESOTA.

Alvarado—Bank of Alvarado; Pres., O. H. Toralseth; Vice-Pres., H. L. Melgaard; Cashier, I. R. Severtson. —State Bank; capital, $10,000; Pres., L. M. Olson; Cashier, Aug. A. Johnson.

Canton—Winneshiek County Bank (successor to Bank of Canton); Pres., C. J. Weiser; Vice-Pres., E. W. D. Holway and R. Algyer; Cashier, F. A. Masters.

Howard Lake — German - American Bank; capital, $15,000; Pres., Mart Fleener; Vice-Pres., C. A. Wilson; Cashier, G. G. Lukinson.

Kenyon—Farmers' State Bank (successor to Bank of Kenyon); capital, $25,000; Pres., B. J. Borlang; Vice-Pres., M. T. Gunderson; Cashier, Arthur B. Borlang.

Lucan—Redwood County Bank; capital, $10,000; Pres., F. W. Stevens; Vice-Pres., A. Schmidt; Cashier, P. M. Dickerson; Asst. Cashier, H. Nissen.

Minneapolis—Swedish-American Savings Bank; Pres., N. O. Werner; Vice-Pres., C. S. Hulbert and J. A. Latta; Treas., E. L. Mattson.—Union State Bank; capital, $50,000; Pres., Andrew E. Johnson; Vice-Pres., Olaf O. Searle; Cashier, Luth Jarger.

Ogilvie—State Bank (successor to Bank of Ogilvie); capital, $10,000; Pres., John M. Haven; Vice-Pres., Austin B. Morse; Cashier, Clinton L. Knapp.

Oslo—First State Bank; capital, $10,000; Pres., G. R. Jacobi; Vice-Pres., A. J. Hilden; Cashier, R. W. Frazee.

Pequot—Bank of Pequot; capital, $10,000; Pres., J. S. Buttolph.

Walters—Citizens' Bank (successor to Bank of Walters); Pres., P. A. Retrum; Vice-Pres., Charles Retrum; Cashier, Martin Retrum.

MISSISSIPPI.

Bogue Chitto—Planters' Bank; capital, $15,000; Pres., R. E. Buster; Vice-Pres., Dan Bolian; Cashier, W. P. Bonds, Jr.

Hattiesburg—People's Bank; capital, $3,480; Pres., Joseph Pettus; Vice-Pres., Joseph Williams; Cashier, E. D. Howell; Asst. Cashier, T. S. Phigpen.

Lake—Bank of Lake; capital, $12,500; Pres., E. F. Ballard; Vice-Pres., Floyd Loper; Cashier, J. R. Davis.

Natchez—Bank of Commerce (successor to National Bank of Commerce); capital, $100,000; Pres., L. B. Robinson; Vice-Pres., C. R. Byrnes; Cashier, L. R. Martin; Asst. Cashier, W. B. Marks.

Ruleville—Citizens' Bank; capital, $50,000; Pres., Alex. W. Oliver; Vice-Pres., Chas. Wilson and J. W. Rule; Cashier, J. G. Howell.

Seminary—Bank of Seminary; capital, $25,000; Pres., F. W. Foote; Vice-Pres., J. J. Bethea; Cashier, J. W. Wright.

Winona—Winona Savings Bank; capital, $25,000; Pres., J. C. Purnell; Cashier, J. C. Purnell, Jr.

Yazoo City—Citizens' Bank & Trust Co.; capital, $100,000; Pres., M. M. Brister; Vice-Pres., J. S. Perrin; Cashier, W. B. Stinson; Asst. Cashier, H. H. Hays.

MISSOURI.

Amazonia—Amazonia State Bank; capital, $10,000; Pres., Peter Moser; Vice-Pres., Franz Buehlman; Cashier, Geo. M. Teale.

Birch Tree—Birch Tree State Bank; capital, $6,500; Pres., W. D. Marshall; Vice-Pres., P. D. Gum; Cashier, E. T. Pate.

Clarkton—Farmers' Bank; capital, $5,000; Pres., G. W. Bradley; Vice-Pres., W. M. Hubbard; Cashier, W. P. Chatham.

Cross Timbers — Farmers & Merchants' Bank; capital, $10,000; Pres., G. A. Bliss; Vice-Pres., J. T. Harvey; Cashier, L. H. Davis.

Ethel—Citizens' Bank; capital, $10,000; Pres., T. W. Bradley; Vice-Pres., J. B. Edwards; Cashier, B. D. Bradley.

Fairfield—Citizens' Bank; capital, $10,000; Pres., L. T. Suitor; Vice-Pres., J. W. Crawford; Cashier, R. W. Hudson.

Fordland—Bank of Fordland; capital, $5,000; Pres., W. J. Callender; Vice-Pres., H. A. Rabnau; Cashier, Wm. R. Morgan.

Novinger—Union Bank; capital, $10,000; Pres., S. A. Novinger; Vice-

Pres., S. C. Vice; Cashier, Isaac N. Novinger.
Plevna—Bank of Plevna; capital, $5,000; Cashier, A. W. Hamilton.
Seymour—Bank of Commerce; capital, $6,000; Pres., Theo. J. Smith; Vice-Pres., R. M. Chaffin; Cashier, A. H. Davis.
St. Louis—Grand Avenue Bank; capital, $100,000; Pres., E. E. Magill; Vice-Pres., A. W. Lambert and I. T. McMenamy; Cashier, W. L. Nichols.
Tebbetts—Bank of Tebbetts; capital, $8,150; Pres., B. F. Chiles; Vice-Pres., W. L. Kidwell; Cashier, W. R. Hord.

MONTANA.

Forsyth—Bank of Commerce; capital, $50,000; Pres., J. E. Edwards; Vice-Pres., C. M. Bair; Cashier, E. A. Richardson; Asst. Cashier, P. J. Bunker.
Kendall—First State Bank; capital, $25,000; Pres., H. H. Lang; Vice-Pres., H. I. Shaw; Cashier, R. L. Henderson.
Manhattan—Manhattan State Bank; capital, $25,000; Pres., B. F. Gibson; Vice-Pres., S. McKennan; Cashier, Harry J. Thomas.
Sidney—Bank of the Valley; capital, $20,000; Pres., B. S. Adams; Vice-Pres., Ira M. Alling; Cashier, Thomas C. Gardner; Asst. Cashier, W. K. Adams.

NEBRASKA.

Beaver Crossing—Citizens' Bank; capital, $15,000; Pres., W. J. Organ; Vice-Pres., Henry Gake; Cashier, L. G. Gake.
Blue Hill—Commercial State Bank; capital, $12,000; Pres., M. McBride; Vice-Pres., Jacob Goll; Cashier, E. McBride.
Burwell—Burwell State Bank; capital, $10,000; Pres., E. Bailey; Vice-Pres., J. W. Breckus; Cashier, Roy A. Downs.
Lewellen—Bank of Lewellen; capital, $5,000; Pres., J. W. Wehn; Cashier, C. H. Burk; Cashier, J. H. Wehn.
Ocontoe—Farmers' Bank; capital, $5,000; Pres., J. W. Conley; Vice-Pres., F. Dwerlkotte; Cashier, J. V. Devine.
Orchard—Citizens' State Bank; capital, $10,000; Pres., Wm. Davidson; Vice-Pres., Edmund C. Rector; Cashier, W. H. Stocker.
Pauline—Bank of Pauline; capital, $5,000; Pres., A. L. Clarke; Vice-Pres., W. A. Taylor; Cashier, F. N. Ferry.
Trumbull—Farmers' Exchange Bank; capital, $5,000; Pres., C. G. Lane; Vice-Pres., W. A. Martin; Cashier, Ernest Ormsby.
Wilcox—Exchange Bank; capital, $10,000; Pres., C. W. Gishmiller; Vice-Pres., E. M. Crannell; Cashier, D. C. Shetler; Asst. Cashier, Charles W. Lamborn.

NEVADA.

Searchlight — Searchlight Bank & Trust Co.; capital, $16,000; Pres., Homer A. Hansen; Vice-Pres. and Cashier, G. H. McClintock; Asst. Cashier, G. W. Rindell.
New York City—Tefft, Parmelee & Nash.
Nyack—Rockland County Trust Co.; capital, $100,000; Pres., Van Wyck Rossiter; Vice-Pres., Robert D. Kent; Sec. and Treas., Thomas W. Swan.
York—Charles N. Stewart.

NORTH CAROLINA.

Cleveland—Merchants & Farmers' Bank; capital, $5,000; Pres., B. A. Knox; Vice-Pres., J. A. Lyerly; Cashier, D. P. Dellinger.
Murphy—People's Bank; capital, $16,000; Pres., A. B. Dickey; Vice-Pres., G. A. Klein; Cashier, J. R. McLelland; Asst. Cashier, J. M. Vaughn.
Sylva—Jackson County Bank; capital, $12,000; Pres., C. J. Harris; Vice-Pres., C. C. Cowan; Cashier, M. Buchanan.

NORTH DAKOTA.

Buchanan—Buchanan State Bank; capital, $10,000; Pres., W. B. S. Trimble; Vice-Pres., H. T. Graves; Cashier, F. H. Keeler; Asst. Cashier, W. P. Hayes.
Calvin—Calvin State Bank; capital, $15,000; Pres., D. M. Tallman; Vice-Pres., D. H. Beecher; Cashier, C. S. Buck; Asst. Cashier, W. A. Hillin.
Crosby—First State Bank; capital, $10,000; Pres., E. J. Weiser; Vice-Pres., F. A. Irish; Cashier, I. J. Clark; Asst. Cashier, A. G. Engdall.
Dunseith—Security State Bank; capital, $10,000; Pres., D. A. McLarty; Vice-Pres., Matt McCarthy; Cashier, R. G. D'Evelyn.
Easby—First State Bank; capital, $10,000; Pres., J. D. Milne; Vice-Pres., C. B. McMillan; Cashier, P. W. Ault.
Egeland—Bank of Egeland; capital, $10,000; Pres., J. G. Syfford; Vice-Pres., W. E. Gibbons; Cashier, Fred F. Walz.
Fairdale—State Bank; capital, $10,000; Pres., Karl J. Farup; Vice-Pres., C. D. Lord; Cashier, L. L. Larson.
Fessenden—Farmers' Trust Co.; Pres., T. L. Beiseker; Vice-Pres., E. F. Volkmann; Sec. and Treas., C. L. Bishop.
Gackle—Logan County Bank; capital, $10,000; Pres., R. H. Owen; Vice-Pres., Christ Geisler; Cashier, R. A. Werner; Asst. Cashier, F. E. Rieman.
Garrison—Farmers' Bank; capital, $10,000; Pres., Adam Hannah; Vice-Pres., B. Landmark; Cashier, Charles F. Benedict.
Grano—Citizens' State Bank; capital, $10,000; Pres., J. R. Tolton; Vice-Pres., C. M. Case; Cashier, A. M. Fruh; Asst. Cashier, G. J. Semingson.
Hickson—Hickson State Bank; capital, $10,000; Pres., A. K. Tweto; Vice-Pres., Ole Hicks; Cashier, Ingval Johnson.
Irene—First State Bank; capital, $10,000; Pres., James Balfour; Vice-Pres., C. B. McMillan; Cashier, H. F. Baker.
Kramer—First State Bank; capital, $10,000; Pres., John Birkholz; Vice-Pres., C. T. Jaffrey; Cashier, F. M. Satre.
Mooreton—Mooreton State Bank; capital, $20,000; Pres., W. D. Henry; Vice-Pres., Math. Braun; Cashier, D. L. Quinlan.

Munich—Security State Bank; capital, $10,000; Pres., J. Q. Adams; Vice-Pres., B. F. Miller; Cashier, R. V. Bice; Asst. Cashier, J. A. Kramer.

Russell—Citizens' State Bank; capital, $10,000; Pres., Geo. Sunberg; Vice-Pres., John E. Diamond; Cashier, H. M. Cornell; Asst. Cashier, W. H. Cornell.—Russell State Bank; capital, $15,000; Pres., F. H. Welcome; Vice-Pres., A. C. Russell; Cashier, W. S. Davidson; Asst. Cashier, J. G. Scott.

Rutland—First State Bank; capital, $10,000; Pres., John R. Jones; Vice-Pres., D. J. Jones; Cashier, H. L. Greene; Asst. Cashier, L. S. Sanderson.

Sarles—Security State Bank; capital, $16,000; Pres., F. H. Wellcome; Vice-Pres., Robert Arnot; Cashier, J. E. Arnot.

Sykeston—Citizens' State Bank; capital, $10,000; Pres., H. H. Wheelock; Vice-Pres., C. V. Varnum; Cashier, Bert W. Legg.

Thorne—Farmers & Merchants' State Bank; capital, $10,000; Pres., D. A. McLarty, Vice-Pres., Matt McCarthy; Cashier, H. H. Galbrath.

Turtle Lake—Farmers & Merchants' Bank; capital, $10,000; Pres., Wm. Lierboe; Cashier, R. T. Lierboe.

Upham—Farmers' State Bank; capital, $10,000; Pres., Silas W. Bond; Vice-Pres., Geo. H. Phelps; Cashier, W. S. Young.

OHIO.

Columbus—Capitol Savings & Trust Co.; capital, $400,000; Pres., W. D. Guilbert; Vice-Pres., Stephen Monypeny; W. W. Miller and H. B. Stewart; Sec. and Treas., Alexander W. Mackenzie.

Republic—Republic Banking Co.; Cashier, I. B. Neikirk.

West Union—Bank of West Union; capital, $9,000; Pres., J. F. Plummer; Cashier, J. O. McManis.

OKLAHOMA.

Carnegie—Farmers' State Bank; capital, $10,000; Pres., O. M. Hite; Vice-Pres., L. T. McPheeter; Cashier, B. D. Hite; Asst. Cashier, J. A. Menefee.

Oklahoma—Columbia Bank & Trust Co.; capital, $20,000; Pres., C. R. Brooks; Vice-Pres., C. J. Pratt and S. F. Swinford; Sec. and Treas., W. E. Hodges; Asst. Sec., A. J. McMahon.

Verden—Bank of Verden; capital, $10,000; Pres., H. B. Johnson; Vice-Pres., James N. Jones; Cashier, H. J. Butterly.

Waurika—Citizen's State Bank; capital, $10,000; Pres., A. L. Walker; Vice-Pres., H. S. Bruner; Cashier, D. W. Cummins.

OREGON.

Baker City—Baker City Loan & Trust Co.; capital, $50,000; Pres., Wm. Pollman; Vice-Pres., John Schutz.

Jordan Valley—Bank of Jordan Valley; capital, $20,000; Pres., J. H. Blackaby; Vice-Pres., R. L. Munger; Cashier, Fred J. Palmer.

Portland—Bank of America.

PENNSYLVANIA.

Braddock—Bessemer Trust Co.; capital, $125,000; Pres., John G. Kelly; Vice-Pres., Robert P. Duft; Treas., Geo. A. Todd.

Harrisburg—Security Trust Co.; capital, $125,000; Pres., Geo. A. Gorgas; Vice-Pres., M. H. Spahr; Cashier, J. O. S. Poorman; Sec. and Treas., Jno. C. Wensell.

Ulysses—Ulysses Banking Co.; Pres., John F. Stone; Vice-Pres., John B. Coulston; Cashier, D. D. Merrymon.

SOUTH CAROLINA.

Chester—People's Bank; capital, $35,000; Pres., G. B. White; Vice-Pres., D. J. Macaulay; Cashier; W. A. Corkill; Asst. Cashier, M. H. White.

Ridge Spring—People's Bank; capital, $17,000; Pres., F. G. Asbill; Vice-Pres., Benj. Boatwright; Cashier, L. S. Trotti.

SOUTH DAKOTA.

Brandon—Brandon Savings Bank; capital, $5,000; Pres., H. R. Dennis; Vice-Pres., E. M. Lee; Cashier, Andreas Johnson.

Corsica—Corsica State Bank; capital, $5,000; Pres., J. H. Schroeder, Vice-Pres., A. L. Schroeder; Cashier, D. H. Raben.

Carpenter—State Bank; capital, $5,000; Pres., J. C. Opsohl; Vice-Pres., David Cox; Cashier, A. P. Jones.

Hecla—First State Bank; capital, $10,000; Pres., Chas. Eygabroad; Vice-Pres., F. B. Bannon; Cashier, Roswell Bottum; Asst. Cashier, I. G. Clark.

Lane—Citizens' State Bank; capital, $5,000; Pres., E. B. Soper, Jr.; Vice-Pres., L. J. Grisinger; Cashier, C. A. Kleppin.

TENNESSEE.

Arlington—Arlington Bank & Trust Co.; capital, $10,000; Pres., H. S. Griffin; Vice-Pres., S. Y. Wilson; Cashier, Guy S. Woodside.

Bluff City—Bluff City Bank; capital, $10,000; Pres., W. B. Bachman; Vice-Pres., W. B. St. John; Cashier R. P. Allen.

Butler—Butler Banking Co.; capital, $10,000; Pres., D. S. Wright; Cashier, W. J. Pierce.

Chapel Hill—Bank of Chapel Hill; capital, $6,000; Pres., F. H. Ezell; Vice-Pres., J. R. Wilhoite; Cashier, S. L. Giles.

Hartsville—Citizens' Bank; capital, $25,000; Pres., P. W. Hager; Vice-Pres., W. J. Hale; Cashier, R. F. Langford; Asst. Cashier, J. M. Hall.

Jamestown—Bank of Jamestown; capital, $20,000; Pres., Wm. Cooper; Vice-Pres., W. J. Gordon; Cashier, I. N. Odum; Asst. Cashier, W. D. Ferrell.

Memphis—Central Bank & Trust Co.; capital, $250,000; Pres., N. C. Perkins; Vice-Pres., J. F. Mathis; Cashier, J. C. Ottinger.

Rutledge—People's Bank; capital, Pres., G. Mc. Henderson; Vice-Pres., A. M. Nance; Cashier, J. M. Luntsford.

Shelbyville—Citizens' Bank; capital, $25,000; Pres., Ernest Coldwell; Vice-Pres., D. D. Hix; Cashier, J. E. Huffman.

Westmoreland—Westmoreland Bank; capital, $4,000; Pres., J. C. Harris, Vice-Pres., J. F. Witham; Cashier, P. C. Snyder.

Austin—Citizens' Bank & Trust Co.;

capital, $100,000; Pres., Wm. R. Hamby; Vice-Pres., A. J. Eilers; Cashier, J. W. Hooper.

TEXAS.

Belton—Farmers' State Bank; capital, $25,000; Pres., J. E. Ferguson; Vice-Pres., C. J. Jackson; Cashier, C. W. Shannon.
Falfurrias—Falfurrias State Bank; capital, $10,000; Pres., Ed. C. Lasoten; Vice-Pres., B. T. Henry; Cashier, Garland B. Miller.
Fort Worth—Floore-Epes Loan & Trust Co.; capital, $25,000; Pres., John W. Floore; Vice-Pres., C. B. Epes.
Gainesville—First State Bank (successor to Eddleman, Smith & Co.): capital, $50,000; Pres., W. H. Eddleman; Vice-Pres., Cicero Smith and J. C. Robertson; Cashier A. T. Snoddy; Asst. Cashier, A. C. McLendon.
Markham—Markham State Bank; capital, $10,000; Pres., F. J. Hardey; Cashier, M. Thompson.

VIRGINIA.

Burkeville—Farmers & Merchants' Bank; capital, $10,000; Pres., T. C. Berger; Vice-Pres., A. R. Halladay; Cashier, W. H. Glascock.
Cumberland — Cumberland Bank; Pres., K. T. Crawley; Vice-Pres., V. S. Lynch; Cashier, J. W. Kidwell.
Narrows—First State Bank; capital, $10,000; Pres., J. G. Alvis; Vice-Pres., T. C. Fuller; Cashier, J. P. Brown.

WASHINGTON.

Deer Park—Bank of Deer Park; capital, $3[illegible],000; Pres., P. J. Kelly.
Seattle—Bank of America.
Thornton—Bank of Thornton.
Winlock—Bank of Winlock; capital, $10,000; Cashier, A. N. Cheney.

WEST VIRGINIA.

Harman—Stockmen's Bank; capital, $20,000; Pres., I. M. Groves; Vice-Pres., Geo. Nithken; Cashier, Irving Ritchie.
Hinton—Citizens' Bank; capital, $20,-000; Pres., W. H. Warren; Vice-Pres., C. A. Baker; Cashier, L. P. Graham.

WYOMING.

Sundance—Sundance State Bank; capital, $[illegible]; Pres., J. W. Rogers; Vice-Pres., A. L. Ripley; Cashier, J. G. Bush; Asst. Cashier, Edwin Rounds.

WISCONSIN.

Bonduel—State Bank; Pres., Chris. Bonnin; Vice-Pres., Robert Rose.
Holcomb—State Bank; capital, $10,-000; Pres., A. J. Edminster; Vice-Pres., Chas. N. Gorham; Cashier, W. I. Gallup.
Hudson—People's State Bank; capital, $50,000; Pres., G. W. Bell; Vice-Pres., N. B. Bailey and Spencer Haven; Cashier, C. N. Gorham; Asst. Cashier, A. G. Armstrong.
Platteville—State Bank; capital, $50,-000; Pres., J. R. Spear; Vice-Pres., James Dolan; Cashier, W. H. Doyle.
Sheboygan—Farmers & Merchants' Bank; capital, $50,000; Pres., N. J. Schafer; Vice-Pres., Charles Houf; Cashier, O. C. Neuminster.

WYOMING.

Burlington—Burlington State Bank; capital, $10,000; Pres., H. A. Barrows; Vice-Pres., John Winterling; Cashier, Charles F. Hensley.
Torrington—Torrington State Bank (successor to Snow & Clark); capital, $10,000; Pres., J. T. Snow; Vice-Pres., H. S. Clarke, Jr.; Cashier, J. T. McDonald.

CANADA.

TORONTO.

Baden—Sovereign Bank of Canada; J. A. Acheson, Mgr.
Cookstown—Union Bank of Canada; F. D. Anderson, Mgr.
Dutton—Molsons Bank; A. C. Craig, Mgr.
Lucknow—Molsons Bank; Geo. H. Smith, Mgr.
New Dundee—Sovereign Bank of Canada; R. T. Dunlop, Mgr.
Norwich—Traders' Bank of Canada; E. A. Batcheller, Mgr.
Paisley—Traders' Bank of Canada; F. G. Depew, Mgr.

MANITOBA.

Winnipeg—Traders' Bank of Canada; Geo. Bowles, Mgr.

QUEBEC.

Ville-Marie—Quebec Bank; A. J. Lord, Mgr.

NORTHWEST TERRITORY.

Kinistino—Canadian Bank of Commerce; E. R. Jarvis, Mgr., pro tem.
Milestone—Union Bank of Canada; R. H. Baird, Mgr.
Vermilion—Canadian Bank of Commerce; E. C. Brown, Mgr., pro tem.
Yellowgrass—Canadian Bank of Commerce; F. J. Turner, Mgr., pro tem.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

Bessemer—Bessemer State Bank; capital increased to $75,000.
Carrollton—Bank of Carrollton; A. H. Dabbs, Pres. in place of J. S. Hanley, deceased; W. E. Dabbs, Cashier.
Linden—First National Bank; C. H. Miller; Pres. in place of J. H. Wood; J. N. Fortner, Vice-Pres. in place of C. H. Miller.
Montgomery — American National

Bank; William Berney, Pres., deceased.

ARIZONA.

Bisbee—First National Bank; W. J. Eddleman, Vice-Pres.

CALIFORNIA.

Berkeley—Berkeley National Bank; Geso. P. Baxter, Pres. in place of J. W. Richards.—University Savings Bank; Geo. P. Baxter, Vice-Pres.

Los Angeles—First National Bank; W. C. Patterson and G. E. Bittinger, Vice-Presidents in place of J. C. Drake and F. Q. Story.—German-American Savings Bank and Union Bank of Savings; consolidated under former title.

San Diego—National Bank of Commerce; B. W. McKenzie, Vice-Pres. in place of Graham E. Babcock.—First National Bank; D. F. Garrettson, Pres. in place of J. Gruendike.

COLORADO.

Alamosa—American National Bank; O. H. Shoup, Vice-Pres.

Denver—Capitol National Bank; H. J. Alexander, Vice-Pres. in place of Delos A. Chappell; G. E. Armstrong, Cashier in place of H. J. Alexander; E. C. Ellett; Asst. Cashier in place of G. E. Armstrong.

Eaton—First National Bank; A. C. Adams, Pres. in place of W. W. Sullivan.

Fort Collins—First National Bank; G. F. Trotter, Cashier in place of E. D. Avery.

CONNECTICUT.

New Haven—New Haven Clearing-House Association; Samuel Hemingway, Pres. in place of Wilbur F. Day, deceased.

New Milford—First National Bank; H. S. Mygatt, Pres. in place of Isaac B. Bristol, deceased; E. J. Sturges, Cashier in place of H. S. Mygatt.

DELAWARE.

Wilmington—Central National Bank; Henry M. Lodge, Pres. in place of Phillip Plunkett.

ILLINOIS.

Atwood—First National Bank; Joseph Lewis, Pres. in place of E. R. Parsons; J. A. Rhodes, Vice-Pres. in place of O. M. Slater; C. E. Morrison, Cashier in place of T. D. Slater; Theo. A. Gross, Asst. Cashier.

Aurora—First National Bank; W. V. Slaker, Asst. Cashier in place of E. A. Pease.

Biggsville—First National Bank; J. M. McIntosh, Pres.; John A. Brook, Vice-Pres. in place of J. M. McIntosh.

Carterville—First National Bank; J. O. Walker, Vice-Pres.; A. J. Guerretta, Cashier.

Chenoa—State Bank; Charles Nickel, Pres., deceased.

Chicago Heights — First National Bank; J. W. Thomas, Pres. in place of Wm. E. Canady; E. R. Davis, Vice-Pres. in place of J. W. Thomas; M. W. M. Davis, Cashier in place of E. R. Davis; no Asst. Cashier in place of W. M. Davis.

Lawrenceville—First National Bank; F. W. Keller, Pres. in place of G. M. Whittaker; W. S. Titus; Cashier in place of F. W. Keller; no Asst. Cashier in place of W. S. Titus.

Leland—First National Bank; Geo. O. Grover, Cashier in place of A. H. Karn; no Asst. Cashier in place of N. G. Klove.

Mansfield—First National Bank; J. C. Langley, Cashier, reported an embezzler.

Paxton—First National Bank; Wm. H. White, Cashier in place of Geo. L. Shaw; no Asst. Cashier in place of Wm. H. White.

Springfield—Ridgely National Bank; J. H. Holbrook, Vice-Pres.

INDIANA.

Loogootee—First National Bank; W. D. Madden, Cashier in place of J. M. Twitty.

Marion—Marion State Bank; Geo. Sweetser, Vice-Pres., deceased.

Montpelier—Farmers' Deposit Bank; Henry R. Brackin, Pres., deceased.

Wabash—Citizens' Bank; Otto G. Hill, Cashier, resigned.—Farmers & Merchants' National Bank; Otto G. Hill, Cashier in place of John H. Bireley, resigned.

Warren—First National Bank; Levi Huffman, Vice-Pres.

INDIAN TERRITORY.

Claremore—First National Bank; W. R. McGeorge, Pres. in place of J. O. Hall.

Mounds—First National Bank; Earl Brown, Cashier in place of C. S. Reed.

Nowata—Nowata National Bank; J. A. Wettack, Vice-Pres. in place of J. F. Wettack; Jno. B. Pollard, Cashier in place of J. A. Wettack; J. L. Williams, Asst. Cashier.

Okmulgee—Citizens' National Bank; M. F. Graham, Cashier in place of A. F. Seier; no Asst. Cashier in place of M. F. Graham.

Tulsa—City National Bank; J. M. Bayless, Pres. in place of A. F. Ault.

Wagoner—Wagoner National Bank; C. W. Sheldon, Cashier in place of A. F. Seiger; no Asst. Cashier in place of D. W. Drew.

Woodville—First National Bank; A. G. Noble; Pres. in place of H. E. Beard; R. A. Owen, Vice-Pres. in place of A. G. Noble; Ion J. Weatherford, Asst. Cashier.

IOWA.

Corwith—First National Bank; H. C. Hatterscheid, Cashier in place of H. E. Paul.

Hull—First National Bank; M. D. Gibbs, Pres. in place of H. H. Wyatt.

Lenox—First National Bank; L. B. Wilson, Pres. in place of Phil. Ridgeway.

Letts—Citizens' Savings Bank; W. M. McCormick, Cashier, deceased.

Ottumwa—First National Bank; Geo. F. Trotter, Cashier, resigned.

Tabor—State Bank; reopened for business November 10; H. C. Dye, Vice-Pres., resigned.

Thompson—First National Bank; N. E. Isaac, Cashier in place of F. W. Thompson; E. R. Alquist, Asst. Cashier in place of N. E. Isaacs.

KANSAS.

Garden City—First National Bank; Thomas Lynn, Cashier in place of W. B. George.

Lancaster—State Bank; T. J. Bohannon, Vice-Pres. in place of John Cain, deceased.

Norton—First National Bank; Charles W. Campbell, Cashier in place of F. J. Clinkinbeard.

Parsons—State Bank; J. M. Flynn; Pres.; C. W. Ryan, Vice-Pres.; W. W. Cavanaugh, Cashier.

KENTUCKY.

Burnside—Burnside Banking Co.; Geo. P. Taylor, Pres., deceased.
Danville—Boyle National Bank; Boyle O. Rodes, Pres., deceased.
Frankfort—Capital Trust Co.; S. French Hoge, Sec. and Treas.
Leitchfield—Grayson County National Bank; E. R. Bassett, Pres. in place of D. O. Riley; R. J. Bassett; Cashier in place of E. R. Bassett.
Paris — Agricultural Bank; Henry Spears, Pres., deceased.
West Point—Kentucky and Indiana Bank; John H. Yancy, Pres., deceased.

MAINE.

Bangor—Veazie National Bank; Edwin G. Merrill, Pres. in place of Chas. V. Lord.
Rumford Falls—Rumford National Bank; Edward S. Kennard, Cashier in place of L. B. Lane.

MASSACHUSETTS.

Edgartown—Marthas Vineyard National Bank; removed to Tisbury, and title changed to Marthas Vineyard National Bank of Tisbury; Wm. W. Boardman, Cashier in place of H. L. Wimpenny, 2d.
Lynn—National Security Bank; C. L. Lindsey, Cashier in place of Geo. R. Felt.

MICHIGAN.

Allegan—First State Bank; capital stock increased to $50,000.—First National Bank; Nathan B. West, Pres., deceased.
Alpena—Alpena National Bank; Wm. H. Johnson, Pres.; Herman Besser, Vice-Pres. in place of Wm. H. Johnson.
Ionia—State Savings Bank; capital increased to $100,000. — National Bank of Ionia; J. H. Ruel, Cashier in place of C. D. Ransom.
Linden—Bank of Linden; Chauncey Harris, Cashier, resigned.

MINNESOTA.

Owatonna—National Farmers' Bank; Carl K. Bennett, Vice-Pres. in place of B. S. Cook; A. C. Searl, Second Vice-Pres.; G. B. Bennett, Cashier in place of Carl K. Bennett; Harry D. Tompkins, Asst. Cashier in place of G. B. Bennett.
Wabasso—Citizens' State Bank, and State Bank; consolidated under former title.

MISSOURI.

Kansas City—Union National Bank; Edwin W. Zea, Cashier in place of Charles H. V. Lewis.
Richmond — Ray County Savings Bank; James Seymour, Cashier, deceased.
Seneca—First National Bank; J. E. Shepherd, Vice-Pres.; E. V. Kellett, Cashier in place of A. L. Duff; B. H. Stuart, Asst. Cashier.
St. Louis—St. Louis Clearing-House; Wm. W. Hoxton, Manager, in place of Thomas A. Stoddart, deceased.

MONTANA.

Chinook—First National Bank; L. N. Beaulieu, Cashier in place of Charles E. Owens.
Forsyth—First National Bank; Freeman Philbrick, Pres. in place of J. E. Edwards.

NEBRASKA.

Elgin—First National Bank; Frank Horst, Cashier in place of W. P. Logan.
Tecumseh—Citizens' National Bank; C. J. Canon, Cashier in place of G. W. Halsted.
Tekamah—Burt County State Bank; H. S. H. Spielman, Pres. in place of R. L. Adams, resigned.

NEVADA.

Lovelock—First National Bank; F. I. Gunnell, Asst. Cashier.

NEW HAMPSHIRE.

Manchester—Amoskeag National Bank; Arthur M. Heard, Pres. in place of G. B. Chandler, deceased; Willis B. Kendall, Cashier in place of Arthur M. Heard.

NEW JERSEY.

Bound Brook—First National Bank; Jos. W. Ballantine, Second Vice-Pres.
Englewood—Citizens' National Bank; Geo. W. Springer, Asst. Cashier.
Mount Holly—Mount Holly National Bank; John H. Dobbins, Asst. Cashier in place of S. S. Wylie, deceased; C. S. Heller, Second Asst. Cashier.
Sussex—Farmers' National Bank; Theodore F. Margorum, Pres., deceased.

NEW MEXICO.

Belen—First National Bank; L. C. Becker, Cashier in place of R. A Frost.

NEW YORK.

Albany—National Commercial Bank; Walter W. Batchelder, Asst. Cashier in place of Hugh N. Kirkland, resigned.
Brooklyn—People's Bank; capital increased to $200,000.
Buffalo—Citizens' Bank; H. F. Freise, Cashier in place of Henry J. Block, deceased.
Dover Plains—Dover Plains National Bank; Richard Platt Ketcham, Cashier, deceased.
Hudson—First National Bank; Jordan Philip, Cashier in place of A. R. Benson.
Johnstown—People's Bank; capital increased to $200,000.
New York—Seaboard National Bank; capital stock increased to $1,000,000. —Consolidated National Bank; O. F. Thomas, Pres. in place of Willis S. Paine.—Trust Company of America; H. B. Fonda, Treasurer.—National Bank of Commerce; J. Byrne, Jr., Asst. Cashier in place of H. B. Fonda. — Lincoln National Bank; David C. Grant, Asst. Cashier in place of T. C. Van Santvoord, deceased; no Second Asst. Cashier in place of David C. Grant.—Mutual Bank; Hugh N. Kirkland, Cashier in place of L. W. Wiggin; Wm. B. Krug, Vice-Pres.
Troy—United National Bank; S. S. Bullions, Pres. in place of G. B. Warren, deceased; no Cashier in place of S. S. Bullions.
Watertown—National Union Bank; D. C. Middleton, Pres. in place of W. W. Taggart.

West New Brighton—Richmond County Savings Bank; John Westbrook, Pres., deceased.
Wolcott—First National Bank; Edwin D. Scott, Cashier, resigned.

NORTH DAKOTA.

Hillsboro—First National Bank; J. E. Fencel, Cashier in place of A. L. Intlehouse.—Hillsboro National Bank; W. R. Lasham, Vice-Pres. in place of Ole Arnegard; Ole Arnegard, Cashier in place of S. M. Hydle.
Leeds—First National Bank; E. F. Jones, Cashier in place of O. H. Erickson.
Towner—First National Bank; J. N. Kuhl, Cashier.
Willow City—First National Bank; R. E. McCain, Cashier in place of Emery Olmstead.

OHIO.

Chillicothe—First National Bank; Samuel M. Veail, Cashier in place of Edward R. McKee.
Columbus—Capital City Bank; S. S. Rickly, Pres., deceased.
Eaton—Preble County National Bank; no President in place of Andrew Hiestand, deceased.
Leipsic—First National Bank; L. B. Alford, Pres. in place of W. A. White; Henry J. Stechschulte, Cashier in place of Bert Mann; Thomas H. Rower, Asst. Cashier.
Westerville—First National Bank; C. L. Brundage, Cashier in place of I. Shaffer.

OKLAHOMA.

Blackwell—Blackwell National Bank; V. G. Hagaman; Vice-Pres. in place of W. M. Vickery.
Cherokee—First National Bank; A. H. Stout, Vice-Pres. in place of A. J. Titus.
Cordell—City National Bank; J. M. Armsfield, Vice-Pres. in place of Richard A. Billups.
Nardin—Home State Bank; merged with Bank of Nardin.
Oklahoma—Commercial National Bank and State National Bank; consolidated under latter title.
Ralston—First National Bank; E. A. Bullock, Pres. in place of H. E. Thompson; J. E. Berry, Cashier in place of E. A. Bullock.
Roosevelt—Roosevelt State Bank; consolidated with First Bank.
Thomas—Thomas National Bank; Charles E. Shaw, Pres. in place of G. J. E. Moser.
Watonga—First National Bank; Ed S. Wheelock, Cashier in place of Charles H. Nash.
Weatherford—First National Bank; J. R. Utterback, Vice-Pres. in place of Charles E. Davis; P. E. Schaub, Cashier in place of Charles E. Shaw; no Asst. Cashier in place of P. E. Schaub.

PENNSYLVANIA.

Beaver Falls—Federal Title & Trust Co.; capital increased to $250,000.
Bellefonte—First National Bank; Moses Montgomery, Asst. Cashier, deceased.
Bellwood — First National Bank; Robert L. Scott, Cashier in place of W. E Shope, Acting Cashier.
Biglerville—Biglerville National Bank; Jno. W. Bigham, Cashier in place of C. S. Kleinfelter.
Blairsville—Blairsville National Bank; H. P. Rhoads, Cashier in place of E. E. Lewis; no Asst. Cashier in place of H. P. Rhoads.
Connellsville—Citizens' National Bank; James L. Kurtz, Cashier in place of R. W. Soisson.
Dallastown—First National Bank; W. H. Austine, Cashier in place of E. R. Heisey; James L. Simon, Asst. Cashier.
Delta—First National Bank; R. L. Jones, Pres. in place of V. G. Stubbs; Wm. G. McCoy, Vice-Pres. in place of R. L. Jones; J. Roy Showalter, Second Vice-Pres.
Emporium—First National Bank; B. W. Green, Pres. in place of Geo. A. Walker, deceased.
Glen Campbell—First National Bank; J. O. Clark, Pres. in place of J. W. Clark.
Marion Center—Marion Center National Bank; W. A. Wick, Cashier in place of Wm. L. Buchanan.
New Haven—New Haven National Bank; James C. Long, Cashier in place of James L. Kurtz.
Northumberland — Northumberland National Bank; no Vice-Pres. in place of G. R. Van Alen.
Philadelphia—National Deposit Bank; A. C. Woodman and W. R. Paul, Vice-Presidents.
Pittsburg—First National Bank of Birmingham; C. F. Beech, Cashier in place of Daniel Beech.
Portage—First National Bank; F. W. Eicher, Cashier in place of Wm. K. Swartz; Wm. T. Yeckley, Asst. Cashier.
Shippenville—First National Bank; H. H. Bittenbender, Cashier.
Trafford City—First National Bank; John Sylvan Brown, Pres. in place of J. F. Hepler.
Trevorton—First National Bank; D. F. Reichert, Second Vice-Pres.; A. B. Seal, Cashier.
Westchester — National Bank of Chester County; J. Preston Thomas, Pres., deceased.

SOUTH CAROLINA.

Greenville—National Bank of Greenville; J. E. Beattie, Vice-Pres. in place of H. C. Markley; Perry Beattie, Cashier in place of H. C. Beattie; no Asst. Cashier in place of Perry Beattie.

TENNESSEE.

Lebanon—American National Bank; A. A. Adams, Vice-Pres. in place of J. A. Lester.
McMinnville—First National Bank; J. N. Walling, Pres. in place of Jesse Walling; J. B. Biles, Vice-Pres. in place of J. S. Harrison; C. J. Potter, Cashier in place of H. R. Walling.
Sparta—American National Bank; J. H. Anderson, Cashier in place of James N. Cox.—First National Bank; Thomas Mason, Cashier in place of J. N. Walling; no Asst. Cashier in place of Thomas Mason.

TEXAS.

Austin—American National Bank; C. P. Randolph, Cashier in place of W. R. Hamby; Roger Roberdeau, Asst. Cashier in place of C. P. Randolph.

Beaumont—Gulf National Bank; A. L. Williams, Vice-Pres. in place of R. A. Green; J. L. Cunningham, Cashier in place of A. L. Williams.
Comanche—Farmers & Merchants' National Bank; J. G. Wyatt, Vice-Pres. in place of W. R. Slider.
Dalhart—First National Bank; C. E. Oakes, Cashier in place of Coney C. Slaughter.
Ennis—Ennis National Bank; no President in place of Mark Latimer, deceased.
Fort Worth—Western National Bank; P. H. Edwards, Cashier in place of Claud McCauley.
Frankston—First National Bank; J. M. Cook, Vice-Pres. in place of E. L. Jones.
Hubbard—Farmers' National Bank; B. C. Roberts, Cashier in place of Harvey Peacock; no Asst. Cashier in place of B. C. Roberts.
Italy—Citizens' National Bank; James Bracken, Cashier in place of Fount Ray.
Mesquite—First National Bank; L. S. Darling, Pres. in place of R. S. Kimbrough, deceased.
Mount Pleasant—Merchants & Planters' National Bank; T. B. Caldwell, Pres. in place of F. W. Fitzpatrick.
Nacogdoches—Stone Fort National Bank; no President in place of Charles Hoya.
Palestine—Royall National Bank; Jno. R. Hearne, Pres.
San Angelo—Western National Bank; Fayette Tankersley, Pres. in place of E. R. Jackson; F. O. Perry, Vice-Pres. in place of U. G. Taylor; A. B. Sherwood, Cashier, in place of B. B. Hall.
San Antonio—City National Bank; no Pres. in place of M. Halff; no Vice-Pres. in place of A. H. Halff.

UTAH.

Ogden—First National Bank; L. S. Hills, Vice-Pres. in place of Thomas D. Dee.

VERMONT.

Montpelier—First National Bank; Fred E. Smith, Pres. in place of Charles Dewey, deceased; Frank M. Corry, Vice-Pres. in place of Fred E. Smith.

VIRGINIA.

Culpepper—Culpepper National Bank; W. W. Chelf, Cashier in place of Thomas C. Smith.

WASHINGTON.

Prosser—First National Bank; J. M. Pratt, Cashier in place of F. H. Gloyd.
Seattle—First National Bank; Charles P. Masterson, Cashier, resigned.

WEST VIRGINIA.

Belington—First National Bank; W. I. Booth, Asst. Cashier.
Hendricks—First National Bank; C. W. Minea, Cashier.
Milwaukee—Milwaukee National Bank; no Asst. Cashier in place of John F. Strohmeyer.—Marshall & Ilsley Bank; capital increased to $500,000; surplus increased to $250,000.
Portage—First National Bank; no President in place of J. E. Wells; J. W. Hansen, Asst. Cashier in place of E. P. Drinker.

CANADA

NEW BRUNSWICK.

St. John—Bank of New Brunswick; R. B. Kesson, Manager in place of W. E. Stavert.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

Lineville—First National Bank.

ILLINOIS.

Georgetown — Georgetown National Bank; in voluntary liquidation October 27; absorbed by First National Bank.
Windsor—First National Bank; in voluntary liquidation November 16; absorbed by Commercial State Bank.

KENTUCKY.

Morehead—Lenora National Bank; in hands of Receiver November 20.

LOUISIANA.

Leesville—First National Bank; in hands of Receiver November 24.

MASSACHUSETTS.

Boston—American National Bank.

OHIO.

Fairport Harbor—First National Bank; n voluntary liquidation October 30.
Minerva—First National Bank; in voluntary liquidation November 1; consolidated with Bank of Minerva Co.

OKLAHOMA.

Kingfisher—Farmers' National Bank; in hands of Receiver November 1.

TENNESSEE.

McMinnville—American National Bank; in voluntary liquidation November 9; consolidated with First National Bank.
Memphis—National Bank of Commerce; in voluntary liquidation November 1; consolidated with Memphis Trust Co.

TEXAS.

Gunter—First National Bank; in voluntary liquidation November 15; absorbed by Continental Bank & Trust Co.
Jefferson—Merchants & Planters' Bank; assigned to T. L. Torrens.

WASHINGTON.

Thornton—S. H. Thompson; assigned.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, December 4, 1905.

A STRINGENT MONEY MARKET made the month of November memorable. The past decade has witnessed such a tremendous development of American wealth and resources that there has grown up a class of optimists who insist that the old things have passed away, and the new are to be entirely different from anything ever before witnessed. Those who entertain this view naturally insist that experience counts for nothing. If history is never to repeat itself, of course knowledge of history is of little practical use.

A few years ago, when the stock market was running the mad pace of two to three million shares a day, it was seriously asserted that only a normal condition was prevailing and never again would the daily transactions fall as low as one million shares except in mid-summer.

Not very long ago it was as seriously urged that we would never again see money lending at call at twenty-five per cent. So great and powerful had become our financial institutions, and so perfect had been made the mechanism of banking, that the old flurries in the money market would be impossible hereafter.

The events of the past month have disturbed this theory. After advancing for some time call money touched fifteen per cent. on Saturday, November 11. On that day the New York Clearing-House banks reported a deficit of $2,428,800, and on Monday, November 13, call money advanced to twenty-five per cent. The deficit was not very large, the reserve being 24.76 per cent. of the deposits when it should have been twenty-five per cent., as generally figured. But a deficit is of so rare an occurrence as to be overmuch feared when it does put in an appearance.

The last deficit, prior to the one in November, was on September 20, 1902, and then the reserve fell only to 24.81 per cent., but money on call went to twenty-five per cent. This was about the time of the collapse of the speculation in which Gates figured. The largest deficit in twenty years was reported on August 12, 1893, when it reached $16,545,300 and the reserve was down to 20.55 per cent.

The banks have come in for a good deal of criticism in that they had not prepared for just such an emergency as arose. While every year there is talk about the West being so well supplied with funds that it will not have to draw upon New York for money with which to move the crops, yet every year New York is called upon to supply funds, sometimes its own, sometimes funds which belong in the West, but deposited here. The larger the crops the surer the call for money in the East.

This year the West has had bountiful crops. The Secretary of Agriculture estimates the farm value of products this year at $6,415,000,000 as compared with $6,159,000,000 in 1904 and with $5,917,000,000 in 1905. The value of corn alone is $1,216,000,000, an increase of $126,000,000 over the crop of 1904. The wheat crop is valued at $525,000,000, an increase of $15,000,000. In the prosperity of the farmer may be traced the causes of the recent money stringency, at least in part.

The local banks suffered a serious drain since the beginning of August, but they fared even worse last year. This year the total cash reserves reached $315,000,000 on July 29. On November 18 they had fallen below $253,000,000, a loss of $62,000,000. Last year the reserves increased until August 20, when they were $361,000,000. By the end of November they had fallen to $294,000,000, and from that point dropped to about $288,000,000 on December 17, making the extreme loss about $73,000,000. In 1903 the reserve fell from $251,000,000 on August 1 to $215,000,000 on November 21, a decrease of only $36,000,000.

There were some extraordinary changes reported by the banks during the month. The deficit existed only one week, giving place to a surplus of $5,000,000 in the following week and of $9,000,000 in the next week, but on December 2 it was only $2,565,375. The deposits on November 18 fell below $1,000,000,000 for the first time since March 19, 1904. On February 11 this year they reached nearly $1,203,000,000. A comparison which is given below shows that the losses in loans, deposits and reserves in the five weeks from the end of October to the beginning of December were not nearly as great this year as in 1904.

November	Loans.		Deposits.		Cash Reserves.	
	Decrease, 1904.	*1905.*	*Decrease, 1904.*	*1905.*	*Decrease, 1904.*	*1905.*
1st week...	$2,407,100	Inc. $16,453,000	$8,281,800	Inc. $10,686,200	$8,751,700	Dec. $7,405,100
2d week....	14,789,600	Dec. 13,984,600	20,107,400	Dec. 24,459,700	6,244,700	" 10,898,000
3d week....	12,879,200	" 27,204,200	16,167,400	" 29,249,800	8,346,700	" 1,968,500
4th week...	10,289,800	" 4,795,800	15,665,100	Inc. 108,600	5,124,600	Inc. 6,289,100
5th week...	11,818,000	Inc. 11,594,000	16,334,400	" 7,994,900	3,925,900	Dec. 4,598,000
Total....	$51,683,700	Dec. $17,937,100	$76,556,100	Dec. $34,919,800	$27,393,600	Dec. $18,595,500

Last year there was a steady decrease in each of the items every week. This year it was not the case, and the total decrease in the five weeks was $38,000,000 less in loans, $41,000,000 less in deposits and nearly $9,000,000 less in reserves.

As the banks began to make a better showing later in the month the money market became easier, but at the close of November call loans had again advanced to nine per cent. It may be mentioned here that at the time the banks showed a deficit in reserves an appeal was made to the Secretary of the Treasury to help the money market. After a conference with some of the bankers, however, the Secretary expressed the opinion that the situation did not require the intervention of the Government. On November 20 the Secretary gave public notice that the refunding of the three and four per cent. bonds into two per cents would be discontinued on November 29. About $52,000,000 of bonds have been exchanged since September 28.

The stock market had a break during the money squeeze, but recovered and prices generally were strong at the close of the month. The trading was much more active than in October, but the transactions in both stocks and bonds were smaller than in November last year. There is some fear of a tight money market in December, not an unusual event in the last month of a year, and this is making operators cautious.

There was a very active cotton market and the price of the staple was very sharply advanced. The census report on November 21 showed the cotton ginned to November 14 this year aggregated 7,498,167 bales, as compared with 9,786,646 bales in 1904. Following the report cotton advanced to twelve cents a pound with only a slight concession from that figure at the end of the month.

The annual session of Congress will begin on December 4, and it is possible that it may introduce a disturbing element into the financial situation. That there will be an attempt at railroad legislation seems to admit of no doubt. The President is expected to propose it in his message to Congress. To what length of rate regulation the proposed legislation may go, it would not be easy to predict, but there will be a fight made to give the Inter-State Commerce Commission absolute power to fix rates.

The folly of such exercise of governmental authority ought to be apparent, but unfortunately for the railroads they have so frequently shown a disposition to ignore, even to override, the obvious rights of the public that many people ordinarily fair-minded enough are now disposed to apply the rod to the backs of the railroads without regard to whether the punishment is just or not.

But Congress might well consider the wisdom of withholding so important a power as rate-making from the Inter-State Commerce Commission, if for no other reason than that the Commission has so frequently shown its inability to perform wisely the duties already imposed upon it. It would probably be understating the truth to say that the decision of the Commission, whenever they have come before the courts, have been modified or overruled three times out of four.

If, however, Congress is to start in upon a campaign against the railroads, with even a remote prospect of success, there will be a shaking up of confidence in financial circles, which the most favorable conditions of business, now apparent in all directions, will not prevent.

The railroads are showing evidences of prosperity, and also of confidence in the future, in various ways. The New York Central has just announced that it will increase its capital from $132,250,000 to the full authorized amount, $150,000,000. Stockholders will be permitted to subscribe for the new stock at par, the present market price being about 150. The proceeds of the new issue will be used in improvements.

The Chicago, Milwaukee and St. Paul has made official announcement of its intention to build an extension to the Pacific Coast. This is considered one of the most important railroad projects that have been undertaken in a number of years. It will involve the expenditure of $50,000,000 and create another through line from the Mississippi to the Pacific. Whether the company will issue stock or bonds for the building of the extension has not been made known to the public.

Lackawanna declared an extra dividend of ten per cent. on its stock last month, making a total of twenty per cent. for the year. The last dozen years have developed Lackawanna at a wonderful rate.

Some surprise was caused by the statement that the Erie Railroad which recently bought the Cincinnati, Hamilton and Dayton Railway from J. P. Morgan & Co. had resold the property to that firm. It appears that the acquisition of the property by the Erie did not prove as desirable as was anticipated and J. P. Morgan & Co. took the road off its hands.

The time seems to have arrived again when the production of iron may be taken as a trustworthy index of the situation. The output of pig iron is again exceeding all previous records. For the first time in any month the total exceeded 2,000,000 tons in October, and the weekly capacity of the furnaces in blast on November 1 was nearly 15,000 tons larger than on October 1. In the ten months ended October 31 the production of pig iron amounted to 18,527,761. which is more than 500,000 tons larger than the full year's output in 1903 when the highest record was made. It is probable that the total this year will exceed 22,000,000 tons, and it is estimated that it is possible to increase our annual product to 30,000,000 tons. The following statistics of pig iron production for the last three years will be found of interest.

PIG IRON PRODUCTION.

MONTH.	MONTHLY PRODUCTION.			WEEKLY CAPACITY OF FURNACES FIRST DAY OF EACH MONTH.		
	1903.	*1904.*	*1905.*	*1903.*	*1904.*	*1905.*
	Gross tons.	Gross tons.	Gross tons.	Tons.	Tons.	Tons.
January	1,472,788	921,231	1,776,500	346,073	185,636	377,879
February	1,390,615	1,205,449	1,597,000	335,339	273,692	405,792
March	1,590,470	1,447,065	1,936,000	347,424	308,751	403,157
April	1,608,431	1,557,267	1,922,041	386,215	337,257	439,564
May	1,713,614	1,533,350	1,967,586	373,496	368,244	452,031
June	1,673,228	1,292,030	1,793,286	388,178	336,197	443,092
July	1,546,184	1,106,297	1,741,935	384,825	272,301	408,617
August	1,571,128	1,187,672	1,841,413	353,681	246,092	410,088
September	1,553,717	1,352,677	1,898,873	360,197	291,573	412,563
October	1,425,658	1,450,401	2,058,127	353,142	319,249	445,468
November	1,039,622	1,481,832	....	273,715	334,249	460,449
December	846,605	1,614,349	....	244,156	357,846	....
Total	18,009,252	16,497,033	18,527,761	....	....	....

There have been several events in the investment field in the last few weeks which have been more or less significant. There was a sale of $12,-500,000 New York city 3½ per cent. bonds, all but about $900,000 of which were sold at par. The average net price for all was only 100.007 per cent., which is about the lowest ever realized. The sale was at an unfortunate time, the money market being in an unsatisfactory state. Controller Grout expressed the view that the mortgage tax law, which exempts mortgages from the State tax, had caused investors to turn to real estate mortgages which yielded 4½ per cent. The sales of bonds by the city in the last three years and the prices obtained are shown as follows:

NEW YORK CITY BOND SALES.

Date.	Amount.	Price.	Date.	Amount.	Price.
June 26, 1902	$4,667,000	104.999	January 20, 1904	$10,000,000	100.23
November 12, 1902	7,500,000	106.162	March 24, 1904	3,000,000	100.10
January 22, 1903	7,000,000	104.568	May 3, 1904	37,000,000	100.94
March 5, 1903	2,500,000	104.291	November 24, 1904	25,000,000	102.401
April 9, 1903	2,500,000	103.278	April 24, 1905	22,000,000	100.712
May 12, 1903	3,000,000	104.33	April 24, 1905	3,000,000	100.081
July 22, 1903	3,500,000	102.00	November 23, 1905	12,500,000	100.007
November 19, 1903	7,510,000	101.05			

Japan last month arranged for the issue of a new loan of $125,000,000 to bear interest at 4 per cent. The loan is distributed as follows: $62,500,000 to Paris, $31,250,000 to London, $15,625,000 to Germany and $15,625,000 to New York. Only one-eighth of the loan comes here and in the opinion of some bankers it is a sufficient amount. The bonds are not specially secured, as some recent loans were, and pay only four per cent., while the issue price is 90. The total issue of bonds by Japan since the war, including the present issue, amounts to $675,000,000 as follows:

JAPANESE BOND ISSUES.

First series, six per cent	$50,000,000
Second series, six per cent	60,000,000
First series, four and one half per cent	150,000,000
Second series, four and one half per cent	150,000,000
First series, four per cent	125,000,000
Internal, February, 1904, five per cent	50,000,000
Internal, May, 1904, five per cent	50,000,000
Internal, October, 1904, five per cent	40,000,000
Total	$675,000,000

While Japan is placing its new loan Russia has been forced by internal troubles to call a halt in its loan negotiations. Russia has now $431,000,000 of bonds outstanding on account of the war and was getting ready for a new issue when the outbreak occurred. It is now a serious question what will be done with the old debt, and a partial repudiation of principal or interest would not be unexpected. Considerable quantities of Russian bonds are held in this country and their market value has been seriously impaired by the misfortunes of the Russian Government.

A notable occurrence was the advance in the price of silver in London to 30⅝d. per ounce and in New York to 66¾ cents. This is the highest price reached since 1896. The price touched 31-15/16d. in London in that year and since then the highest price until last month was 30¼d., touched in 1900.

THE MONEY MARKET.—Rates for call loans advanced to 25 per cent. on November 13, the decrease in reserves, which made the banks report a deficit on November 11, causing the advance. There was a rapid decline, however, in the next few days, but another advance on November 29, to 9 per cent. Sixty-day loans advanced to 6 per cent. plus a commission on the 13th, which made the rate equal to about 8 per cent. At the close of the month call money ruled at 4½ to 9 per cent., averaging about 5½ per cent. Banks and trust companies loaned at 5 per cent. as the minimum. Time money on Stock Exchange collateral is quoted at 5½ @ 5¾ per cent. for sixty days, 5¼ @ 5½ per cent. for ninety days, 4¾ @ 5 per cent. for four months, and 5 per cent. for five and six months on good mixed collateral. For commercial paper the rates are 5½ @ 5¾ per cent. for sixty to ninety days' endorsed bills receivable, 5½ @ 5¾ per cent. for first-class four to six months' single names, and 6 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	3 – 6	1¾–2	2 –3	5 –7	4 –5½	4½–9
Call loans, banks and trust companies	2 –	2 –	2¼–	4½–	4 –	5 –
Brokers' loans on collateral, 30 to 60 days	2¾ 3	2¾–3	3¼– ½	4¼– ½	4¾ 5	5½– ¾
Brokers' loans on collateral, 90 days to 4 months	3 – ¼	3 – ¼	3½–4	4½–	4½– ¾	5¼– ½
Brokers' loans on collateral, 5 to 7 months	3½–4	3¾–4	4 – ¼	4½–	4½ - ¾	5 –
Commercial paper, endorsed bills receivable, 60 to 90 days	3½–4	4 – ¼	4¼– ½	4½ - 5	4¾–5¼	5½– ¾
Commercial paper prime single names, 4 to 6 months	3¾ –4¼	4 – ¼	4½– ¾	4½–5	4¾–5¼	5½– ¾
Commercial paper, good single names, 4 to 6 months	4½ 5	4½–5	5 – ⅛	5½–6	5½–6	6 –

NEW YORK CITY BANKS.—At the beginning of the month the reserves of the banks began to fall off. In the first week there was a loss of $7,000,000, in the second week of nearly $11,000,000 and in the third week of $2,000,000—a total of $20,000,000. About $6,000,000 was recovered in the week ended November 25, but $4,500,000 was lost again in the following week. Compared with the end of October there was a net loss for the month of $18,500,000, of which $16,000,000 was in specie. Deposits gained more than $10,000,000 in the first week, but were reduced $24,000,000 in the second week and $29,000,000 in the third week. There was an increase in the week ended December 2, but the deposits on that date were $35,000,000 less than on October 28. Loans also increased the first week $16,000,000, but were reduced $14,000,000, $27,000,000 and $5,000,000 respectively in each of the three succeeding weeks. An increase of $11,000,000 in the last week left the loans on December 2 $18,000,000 less than on October 28. The reserve showed a deficit of $2,428,800 on November 11, but there was a surplus of $2,565,375 on December 2.

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	Specie.	Legal tenders.	Deposits.	Surplus Reserve.	Circulation.	Clearings.
Nov. 4	$1,058,272,000	$190,464,000	$75,084,300	$1,052,778,500	$2,354,275	$54,358,500	$2,011,497,000
" 11	1,044,287,800	182,266,300	72,384,600	1,028,818,800	*2,428,800	54,311,700	1,909,512,200
" 18	1,017,083,000	179,607,300	73,075,100	999,069,000	5,057,175	54,689,900	2,151,172,700
" 25	1,012,288,300	184,466,600	74,484,900	999,177,600	9,157,100	54,602,600	2,029,767,600
Dec. 2	1,023,882,300	179,843,400	74,516,100	1,007,172,500	2,565,375	54,066,500	1,954,195,900

* Deficit.

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1903.		1904.		1905.	
	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.	Deposits.	Surplus Reserve.
January	$873,115,000	$10,193,850	$866,178,900	$9,541,850	$1,104,049,100	$13,683,425
February	931,778,900	27,880,775	1,023,943,800	25,129,050	1,189,828,600	26,979,550
March	956,206,400	5,951,900	1,027,920,400	32,150,200	1,179,824,900	14,646,075
April	894,260,000	6,280,900	1,069,369,400	27,755,050	1,138,661,300	8,664,575
May	905,760,200	11,181,850	1,114,367,800	33,144,250	1,146,528,600	16,665,250
June	913,081,800	9,645,150	1,098,953,500	29,692,325	1,136,477,700	6,050,275
July	903,719,800	12,923,850	1,152,988,800	36,105,300	1,166,038,900	11,658,875
August	908,884,500	24,060,075	1,204,965,600	55,989,600	1,190,744,900	15,305,975
September	920,123,900	20,677,925	1,207,302,800	57,375,400	1,166,587,200	5,498,785
October	897,214,400	13,937,500	1,212,977,100	19,913 425	1,080,465,100	7,440,025
November	885,618,600	10,274,150	1,204,434,200	16,793,650	1,042,092,300	12,430,925
December	841,552,000	6,125,200	1,127,878,100	8,539,075	1,023,882,300	2,565,375

Deposits reached the highest amount, $1,224,206,600, on September 17, 1904; loans, $1,146-163,700 on August 5, 1905, and the surplus reserve $111,623,000 on Feb. 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 Reserve.*
Oct. 28....	$132,148,500	$141,028,400	$5,833,700	$7,171,600	$11,988,300	$5,357,800	* $4,905,700
Nov. 4....	132,272,100	141,878,000	6,011,000	6,870,900	12,366,000	5,566,400	* 4,653,950
" 11....	133,280,900	142,166,200	5,917,800	7,085,200	11,891,100	5,811,600	* 5,335,850
" 18....	133,522,700	142,776,700	5,889,100	7,079,600	12,614,500	5,108,100	* 5,002,875
" 25....	133,479,900	142,391,800	5,731,720	7,037,200	12,337,100	5,495,100	* 4,996,850

* Deficit.

BOSTON BANKS.

Dates.	*Loans.*	*Deposits.*	*Specie.*	*Legal Tenders.*	*Circulation.*	*Clearings.*
Oct. 28........	$187,075,000	$215,604,000	$17,341,000	$5,751,000	$7,550,000	$150,989,900
Nov. 4........	187,215,000	222,248,000	16,816,000	5,954,000	7,566,000	180,312,300
" 11........	185,781,000	215,971,000	16,952,000	6,097,000	7,522,000	153,126,900
" 18........	183,119,000	212,647,000	16,125,000	6,394,000	7,184,000	169,096,300
" 25........	180,278,000	207,113,000	15,244,000	6,599,000	7,188,000	151,822,900

PHILADELPHIA BANKS.

Dates.	*Loans.*	*Deposits.*	*Lawful Money Reserve.*	*Circulation.*	*Clearings.*
Oct. 28..................	$213,982,000	$247,764,000	$59,012,000	$13,134,000	$144,617,700
Nov. 4..................	215,876,000	248,433,000	58,375,000	13,745,000	156,686,000
" 11..................	215,323,000	247,099,000	55,829,000	13,849,000	132,906,000
" 18..................	212,292,000	243,919,000	55,088,000	13,918,000	159,445,600
" 25..................	210,449,000	244,513,000	58,867,000	14,112,000	149,201,000

FOREIGN BANKS.—The Banks of England and Germany each gained about $8,000,000 gold last month. France lost $5,000,000 and Russia about $2,000,000. All except Germany have a larger amount than was held a year ago, the three having gained together about $120,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	Oct. 1, 1905.		*Nov. 1, 1905.*		*Dec. 1, 1905.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England............	£34,628,996	....	£31,923,525	....	£33,559,580	....
France.............	118,712,508	£43,872,057	116,628,990	£43,762,456	115,652,295	£43,828,242
Germany...........	33,644,000	11,214,000	31,291,000	10,430,000	32,822,000	10,941,000
Russia.............	113,349,000	5,400,000	115,370,000	4,324,000	114,925,000	3,764,000
Austria-Hungary..	46,186,000	12,384,000	45,541,000	12,055,000	45,467,000	12,089,000
Spain..............	14,937,000	22,556,000	14,969,000	22,469,000	14,996,000	22,769,000
Italy..............	24,742,000	3,259,800	24,900,000	3,166,100	26,045,000	3,148,200
Netherlands.......	6,598,100	6,065,800	6,599,100	5,963,100	6,602,100	6,042,700
Nat. Belgium......	3,233,333	1,616,667	3,244,000	1,622,000	3,232,000	1,616,000
Totals..........	£396,030,937	£106,368,824	£390,466,615	£103,791,656	£393,300,975	£104,148,142

MONEY RATES ABROAD.—The Bank of Germany advanced its rate of discount from 5 to 5½ per cent. on November 4. This was the only change. The Bank of England rate remains at 4 per cent. Discounts of sixty to ninety-day bills in London at the close of the month were 3⅝ @ 3¾ per cent., against 4 @ 4⅛ per cent. a month ago. The open market rate at Paris was 3 per cent., against 2⅞ per cent. a month ago, and at Berlin and Frankfort 4¾ @ 4⅞ per cent., against 4⅜ @ 4½ per cent. a month ago.

Bank of England Statement and London Markets.

	Aug. 31, 1905.	Sept. 30, 1905.	Oct. 31, 1905.	Nov. 30, 1905.
Circulation (exc. b'k post bills)	£29,663,000	£29,271,000	£29,189,000	£28,718,000
Public deposits	12,493,000	14,203,000	13,641,000	12,668,000
Other deposits	42,471,000	45,169,000	40,226,000	43,034,000
Government securities	18,876,000	18,667,000	16,840,000	17,089,000
Other securities	28,877,000	35,297,000	34,085,000	33,203,000
Reserve of notes and coin	25,437,000	23,808,000	20,771,000	23,292,000
Coin and bullion	36,651,047	34,628,996	31,509,740	33,559,580
Reserve to liabilities	46.22%	40.03%	38.50%	41.75%
Bank rate of discount	2 1/2%	4%	4%	4%
Price of Consols (2 1/2 per cents.)	91 1/8	89 11/16	88 1/2	90
Price of silver per ounce	28d.	28d.	27 7/8d.	30 5/16d.

FOREIGN EXCHANGE.—The local money market was the controlling influence in the sterling exchange market during the month. At the time when money was quoted at the highest rate, 25 per cent. on November 13, rates for sterling were the lowest. They advanced as the money market became easier, but toward the close of the month were lower.

Rates for Sterling at Close of Each Week.

Week ended.	Bankers' Sterling.		Cable transfers.	Prime commercial, Long.	Documentary Sterling, 60 days.
	60 days.	Sight.			
Nov. 4	4.8320 @ 4.8325	4.8675 @ 4.8685	4.8730 @ 4.8740	4.82 5/8 @ 4.82 3/4	4.82 5/8 @ 4.83 5/8
" 11	4.8210 @ 4.8225	4.8585 @ 4.8595	4.8635 @ 4.8645	4.81 1/2 @ 4.81 3/4	4.81 1/4 @ 4.82 3/4
" 18	4.8285 @ 4.8310	4.8655 @ 4.8665	4.8700 @ 4.8720	4.82 1/4 @ 4.82 5/8	4.81 7/8 @ 4.83 1/8
" 25	4.8270 @ 4.8285	4.8625 @ 4.8635	4.8685 @ 4.8695	4.82 1/4 @ 4.82 3/4	4.81 3/4 @ 4.83
Dec. 2	4.8260 @ 4.8275	4.8585 @ 4.8590	4.8630 @ 4.8640	4.82 1/4 @ 4.82 5/8	4.81 3/4 @ 4.83 3/4

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

	Aug. 1.	Sept. 1.	Oct. 1.	Nov. 1.	Dec. 1.
Sterling Bankers—60 days	4.84 5/8— 3/4	4.84 3/8— 1/2	4.82 3/8— 1/2	4.83 1/8— 1/4	4.82 1/2— 3/4
" " Sight	4.86 3/8— 1/2	4.86 1/4— 3/8	4.85 1/4— 3/8	4.86 5/8— 7/8	4.85 7/8— 6
" " Cables	4.86 5/8— 3/4	4.86 5/8— 3/4	4.85 3/4— 7/8	4.87 1/4— 3/8	4.86 3/8— 1/2
" Commercial long	4.84 1/2— 5/8	4.84 1/8— 1/4	4.81 7/8— 2	4.82 1/2— 3	4.82 1/4— 3/8
" Docu'tary for paym't.	4.84 — 5/8	4.83 1/4— 4 1/4	4.81 1/4— 2 1/8	4.82 1/4— 3 5/8	4.81 3/4— 3 3/4
Paris—Cable transfers	5.16 1/4—	5.16 7/8— 1/4	5.17 1/2—	5.15 5/8—	5.16 1/4—
" Bankers' 60 days	5.18 3/4—	5.18 3/4— 1/8	5.20 —19 3/8	5.19 3/8—18 3/4	5.20 —19 3/8
" Bankers' sight	5.16 7/8—	5.16 7/8—	5.18 1/8—	5.16 1/4—	5.16 7/8—
Swiss—Bankers' sight	5.16 7/8—	5.16 7/8— 1/4	5.18 1/8—	5.16 7/8—	5.17 1/2— 1/4
Berlin—Bankers' 60 days	94 11/16— 3/4	94 11/16— 3/4	94 7/16— 1/2	94 1/2— 9/16	94 7/16— 1/2
" Bankers' sight	95 1/16— 1/8	95 1/16— 1/8	94 15/16— 5 1/32	95 1/8— 3/16	95 1/8— 3/16
Belgium—Bankers' sight	5.17 1/2—	5.17 1/2—	5.18 3/4—	5.18 1/8— 17 1/2	5.18 3/4—
Amsterdam—Bankers' sight	40 1/4— 5/16	40 1/4—	40 1/16— 1/8	40 1/8— 3/16	40 1/16—
Kronors—Bankers' sight	26.[illegible]— [illegible]	26.80— .82	26.78—.80	26.80—82	26.77—.79
Italian lire—sight	5.15 5/8—	5.16 7/8 — 1/4	5.17 1/2—	5.15 5/8 —	5.16 1/4— 5/8

SILVER.—The price of silver in London advanced steadily and rapidly throughout the month, touching 30-5/16d. on November 30. This is the highest point reached since 1896.

Monthly Range of Silver in London—1903, 1904, 1905.

Month.	1903.		1904.		1905.		Month.	1903.		1904.		1905.	
	High	Low.	High	Low.	High	Low.		High	Low.	High	Low.	High	Low.
January	22 3/8	21 11/16	27 5/16	25 1/8	28 3/8	27 9/16	July	25 3/8	24 1/4	27	26 3/8	27 5/16	26 7/8
February	22 5/16	21 7/8	27 1/2	25 5/8	28 5/16	27 5/8	August	26 3/4	25 1/16	27	26 3/16	28 3/4	27 1/8
March	22 15/16	22 1/8	26 11/16	25 1/8	27 11/16	25 13/16	Septemb'r	26 7/16	26 5/16	26 7/8	26	28 3/4	28
April	25 1/16	23 5/8	25 1/8	24 7/8	26 5/8	25 7/16	October	28 1/2	27 7/16	26 13/16	26 1/8	28 13/16	28 3/8
May	25 1/4	24 7/16	25 13/16	25 1/8	27 5/16	26 1/8	Novemb'r	27 5/8	26 1/4	27 5/16	26 3/4	30 5/16	28 15/16
June	24 9/16	24 1/8	26 1/8	25 5/16	27 1/8	26 3/4	Decemb'r	26 1/8	25	28 9/16	27 5/16	....	....

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Sovereigns	$4.85½	$4.88	Mexican doubloons	$15.55	$15.65
Bank of England notes	4.85½	4.88	Mexican 20 pesos	19.55	19.65
Twenty francs	3.87	3.90	Ten guilders	3.95	4.00
Twenty marks	4.73	4.75	Mexican dollars	.50	.52
Twenty-five pesetas	4.78	4.82	Peruvian soles	.46¼	.48¼
Spanish doubloons	15.55	15.65	Chilian pesos	.46¼	.48¼

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, 30⅛d. per ounce. New York market for large commercial silver bars, 65¾ @ 67⅛c. Fine silver (Government assay), .65⅞ @ 67⅝c. The official price was 65⅝c.

NATIONAL BANK CIRCULATION.—A further increase in National bank circulation was made last month, the gain amounting to $8,821,009, or more than $500,000 in excess of the increase in October. The total circulation is now in excess of $533,000,000, while $500,000,000 of Government bonds are now held by the banks to secure circulation. Of the latter, $491,612,700 are the new 2 per cent. issue. The banks also hold $45,664,600 of the 2 per cents as security for public deposits. There are still $57,000,000 of these bonds outstanding not used for either circulation or public deposits, and these may afford a further increase in circulation.

NATIONAL BANK CIRCULATION.

	Aug. 31, 1905.	*Sept. 30, 1905.*	*Oct. 31, 1905.*	*Nov. 30, 1905.*
Total amount outstanding	$512,220,367	$516,325,240	$524,408,249	$533,329,258
Circulation based on U. S. bonds	478,786,165	481,688,526	489,937,806	497,616,304
Circulation secured by lawful money	33,434,202	34,663,714	34,470,443	35,712,954
U. S. bonds to secure circulation:				
Funded loan of 1907, 4 per cent	14,931,850	15,494,350	4,094,350	3,025,500
Four per cents. of 1895	4,124,000	4,374,000	4,465,000	3,871,000
Three per cents. of 1898	4,465,940	4,580,440	2,375,540	1,760,240
Two per cents. of 1900	458,676,300	460,362,100	483,182,900	491,612,700
Total	$482,198,090	$484,810,890	$494,017,790	$500,269,440

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1907, $1,873,000; 4 per cents. of 1895, $5,124,200; 3 per cents. of 1898, $1,760,000; 2 per cents. of 1930, $45,664,600; District of Columbia 3.65's, 1924, $1,180,000; Hawaiian Islands bonds, $1,193,000; Philippine loan, $5,989,000; railroad and other bonds, $1,566,500; a total of $65,395,300.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1905.	*Oct. 1, 1905.*	*Nov. 1, 1905.*	*Dec. 1, 1905.*
Gold coin and bullion	$696,404,007	$734,927,783	$753,041,518	$762,737,060
Silver dollars	487,756,494	488,791,964	486,406,554	484,902,637
Silver bullion	1,708,079	....	....	....
Subsidiary silver	9,280,167	9,706,256	8,396,273	7,609,174
United States notes	4,393,389	10,342,090	6,573,536	3,484,466
National bank notes	15,636,878	16,101,921	12,194,985	12,088,485
Total	$1,215,179,014	$1,259,870,024	$1,266,612,866	$1,270,821,822
Certificates and Treasury notes, 1890, outstanding	945,696,970	950,334,144	930,185,593	956,554,219
Net cash in Treasury	$269,482,044	$309,535,880	$306,427,273	$314,267,603

SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1905.	*Oct. 1, 1905.*	*Nov. 1, 1905.*	*Dec. 1, 1905.*
Gold coin and bullion	$1,345,952,535	$1,387,257,928	$1,404,686,516	$1,411,777,450
Silver dollars	567,795,889	568,228,865	568,228,865	568,228,865
Silver bullion	1,708,079	....	....	....
Subsidiary silver	112,171,494	115,246,222	115,554,205	116,385,553
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	464,794,156	516,352,240	524,408,249	533,329,258
Total	$2,839,103,169	$2,933,766,271	$2,959,558,851	$2,976,402,142

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 1905, by dates, and also, for comparison, the range of prices in 1904:

	Year 1904.		Highest and Lowest in 1905.		November, 1905.		
	High.	Low.	Highest.	Lowest.	High.	Low.	Closing.
Atchison, Topeka & Santa Fe.	89¼	64	93⅝—Mar. 9	77⅝—May 22	89	82	87
• preferred	104⅛	87⅝	105⅝—Sept. 1	99 —Jan. 25	104¾	102	104
Baltimore & Ohio	105¼	72⅞	117 —Aug. 14	100⅛—Jan. 25	114⅝	108¾	112⅞
Baltimore & Ohio, pref	96⅛	87⅝	100 —Aug. 10	95¾—Jan. 12	97¾	97	97⅜
Brooklyn Rapid Transit	70⅛	38	91⅛—Nov. 22	56⅞—May 23	91⅛	72⅝	87⅞
Canadian Pacific	135¾	109⅛	177⅛—Sept. 21	130¾—Jan. 25	175⅝	168¾	175
Canada Southern	72	64	74⅞—Aug. 14	67 —Nov. 13	70¾	67	69¾
Central of New Jersey	194¾	154⅛	235 —Oct. 26	190 —May 23	232	220	226⅛
Ches. & Ohio	51	28¼	60⅛—Mar. 21	45½—May 22	56	51	54
Chicago & Alton	47¼	33	44⅛—Mar. 15	31 —May 22	34	32¼	32¼
• preferred	85¼	75	83¾—Apr. 7	75 —Oct. 25	77⅛	76	76
Chicago, Great Western	26¼	12⅞	25⅛—Mar. 16	17⅛—May 22	21⅞	19⅜	20⅞
Chic., Milwaukee & St. Paul	177⅝	137⅛	187⅛—Apr. 17	168⅛—May 4	181⅛	172¾	178⅜
• preferred	185⅞	173	192½—Apr. 17	182⅛—Jan. 13	189	183	189
Chicago & Northwestern	214½	161⅛	249 —Jan. 31	190⅛—June 9	223⅛	219	219¼
• preferred	237	207	265½—Feb. 1	234 —Jan. 13	....	....	....
Chicago Terminal Transfer	16¼	5¼	20 —June 28	7¾—Jan. 5	19	15½	17⅛
• preferred	27¾	11½	42½—July 5	17⅛—Jan. 4	41½	37	40½
Clev., Cin., Chic. & St. Louis	93⅜	68⅛	111 —Mar. 21	90 —Jan. 14	100⅛	93⅛	96⅞
Col. Fuel & Iron Co	58⅜	25½	59 —Mar. 24	38 —May 22	49¾	40⅞	47
Colorado Southern	24⅜	13⅛	30⅛ -Apr. 26	22¼—Jan. 20	29	25	28⅜
• 1st preferred	63	48	64⅝—Nov. 29	52 —May 23	64⅝	61	64¼
• 2d preferred	37½	17⅞	44¾—Aug. 29	32⅛—May 23	44¾	42	44⅝
Consolidated Gas Co	220	185	214 —Mar. 13	175 —Nov. 13	185¾	175	179
Delaware & Hud. Canal Co	190½	149	240¾—Oct. 26	178½—May 22	237	220	225
Delaware, Lack. & Western	359¾	250½	498½—Oct. 16	335 —Jan. 25	489	452½	487¼
Denver & Rio Grande	35⅞	18	37½—Sept. 16	27¼—June 8	35¾	34	34¾
• preferred	89	64⅛	91 —Mar. 15	83¼—May 1	88⅜	86¾	87½
Detroit Southern tr. ctfs	14¾	1⅛	12⅝—Sept. 21	8 —June 20	11¾	11	11
• preferred tr. ctfs	33½	2¾	43 —Sept. 21	36 —Nov. 29	41	36	38
Duluth So. S. & Atl., pref	28½	9¼	46¾—Nov. 3	21 —May 22	46¾	35	39
Erie	41⅝	21½	52¾—Aug. 29	37½—May 22	50¾	46¼	48¾
• 1st pref	77	55⅝	85½—Aug. 15	74⅞—May 22	82½	79½	81
• 2d pref	58½	33	78⅜—Aug. 24	55½—Jan. 3	75½	70⅛	73¾
Evansville & Terre Haute	83	54	75 —Aug. 11	63 —July 6	....	....	....
Express Adams	250	220	250 —Feb. 7	236 —Jan. 9	250	250	250
• American	219	180	246 —Feb. 27	209½—Jan. 4	230	225	230
• United States	126	100	134 —Feb. 8	117 —Nov. 2	123	117	117
• Wells, Fargo	250	200	260 —Feb. 21	235 —Jan. 3	245	237	237
Hocking Valley	94	60	119⅛—Nov. 15	86⅝—Jan. 18	119⅛	93⅛	111
• preferred	95	77	97¼—Nov. 15	90 —Jan. 18	97¼	93	94¼
Illinois Central	159	125¾	183 —Sept. 28	152¾—Jan. 25	180	173¼	176¾
Iowa Central	33	14	32 —Feb. 3	24 —May 24	28¼	25¼	27
• preferred	59¾	32	59⅞—Oct. 21	50 —May 10	57¾	55	56
Kansas City Southern	31⅞	16⅛	34 —Feb. 14	22⅛—May 22	32	26	30
• preferred	56¾	31	70 —Feb. 14	52 —Jan. 3	64	53½	61¾
Kans. City Ft. S. & Mem. pref	83½	64⅛	87 —Oct. 21	81⅝—June 19	86¼	84¼	85½
Louisville & Nashville	148¾	101	157⅜—Sept. 23	134½—Jan. 25	154½	146¼	150¾
Manhattan consol	169⅛	139¾	175 —Feb. 9	161 —May 1	166	163	163½
Metropolitan securities	96⅛	72¼	91 —Mar. 17	68⅝—Nov. 21	79¼	68⅝	72
Metropolitan Street	130⅜	104¾	133 —Aug. 28	114 —May 11	125½	114¼	118¾
Mexican Central	23⅝	5	26 —Mar. 13	18¼—May 22	24½	22¼	23⅜
Minneapolis & St. Louis	67¾	40	84¾ Oct. 17	56½—Jan. 12	81¼	79	80¼
• preferred	96½	80	106 —Oct. 16	86 —Jan. 19	100¼	100¼	100¼
Minn., S. P. & S.S. Marie	95	55	144 —Sept. 20	89½ Jan. 11	140	136	139½
• preferred	150	116	170 —Sept. 19	148 —Jan. 13	166⅛	162¼	166
Missouri, Kan. & Tex	36⅜	14⅝	39½—Nov. 16	24 —May 22	39½	33⅝	36⅛
• preferred	65¼	32¼	73 —Aug. 25	56¼—May 23	72¼	67	68¾
Missouri Pacific	111⅛	87	110⅞—Mar. 13	94½—May 22	104⅝	96⅛	101
Natl. of Mexico, pref	45⅛	34¾	45 —Jan. 16	33⅛—May 8	37⅞	35⅛	37⅜
• 2d preferred	25⅛	15⅞	24½—Jan. 10	17¾—June 20	20¾	18¼	20½
N. Y. Cent. & Hudson River	145½	112⅞	167¾—Mar. 14	136¾—May 22	152⅞	147⅛	150
N. Y., Chicago & St. Louis	47	25	56½—Sept. 22	42 —Jan. 20	56	51¼	55½
• 2d preferred	78	60	87½—Nov. 29	74 —May 4	87½	82½	87½

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1904.		Highest and Lowest in 1905.		November, 1905.		
	High.	*Low.*	*Highest.*	*Lowest.*	*High.*	*Low.*	*Closing.*
N. Y., Ontario & Western	47⅞	19⅜	64 —Mar. 30	40⅝—Jan. 5	55¾	50⅞	53
Norfolk & Western	80¾	53½	88½—Mar. 11	76 —May 10	87	83⅞	86¾
" preferred	95	88	96 —Aug. 11	91½—Feb. 24	93	92	92½
North American Co	107	80	107 —Apr. 17	95⅝—Nov. 9	103	95⅝	100
Pacific Mail	55	24	51½—Nov. 28	33 —May 22	51½	45⅛	49¾
Pennsylvania R. R	140	111⅛	148 —Aug. 24	131½—May 22	146¾	137⅝	140
People's Gas & Coke of Chic.	112⅛	92¾	115½—Apr. 3	97¼—May 15	105⅝	100	104⅜
Pullman Palace Car Co	244	209	258 —Aug. 14	230 —May 31	252	240	250
Reading	82⅝	38¾	143¾—Nov. 8	79 —Jan. 13	143¾	128⅛	136⅛
" 1st prefered	92	76	97 —Sept. 30	90 —May 22	95¼	91¾	93
" 2d preferred	85	55¼	101 —Nov. 2	84 —Jan. 5	101	96	97⅞
Rock Island	37¾	19⅛	37⅞—Jan. 18	23⅞—Nov. 27	30¼	23⅞	24⅞
" preferred	86⅝	57¾	85 —Jan. 4	60½—Nov. 27	74	60½	63¾
St. L. & San Fran. 2d pref	72½	39¼	73½—Mar. 6	55¾—Nov. 27	66¾	55¾	56½
St. Louis & Southwestern	29	9½	27½—Jan. 20	20 —May 22	24	21	22¾
" preferred	60¾	25⅝	66⅝—Apr. 18	55 —Nov. 14	60½	55	57
Southern Pacific Co	68¾	41½	72¾—Feb. 27	57¾—May 4	70¾	66¾	68⅛
Southern Railway	37⅛	18¼	38 —Sept. 22	28 —May 22	36¾	33⅛	34⅜
" preferred	97⅛	77½	102½—Sept. 21	95 —May 1	99¾	97½	99⅛
Tennessee Coal & Iron Co	77½	31⅝	129 —Nov. 28	68 —Jan. 25	129	90¼	123
Texas & Pacific	38⅛	20	41 —Mar. 13	29¾—Apr. 29	36¼	32⅛	33⅛
Toledo, St. Louis & Western	88	21½	43¾—Apr. 6	34½—May 22	38¾	36½	36¾
" preferred	57¼	32	65 —Apr. 12	51¾—Jan. 25	58¼	56	56¾
Union Pacific	117	71	138⅝—Aug. 24	113 —Jan. 6	138⅛	127¾	136⅝
" preferred	98	86½	101⅝—Feb. 21	95½—Nov. 1	98½	95½	98
Wabash R. R	25	15	24¼—Sept. 18	17½—May 23	22⅛	20⅛	20⅞
" preferred	48⅛	32¾	48 —Feb. 23	37 —May 23	42½	38¼	41⅝
Western Union	94½	85	95½—June 18	92 —Jan. 17	93⅜	92½	92½
Wheeling & Lake Erie	22⅜	14½	19¾—Mar. 13	15 —May 1	18	16½	18
" second preferred	32	21⅛	28½—Mar. 13	20 —May 4	26¼	24	25
Wisconsin Central	25	16	33½—Aug. 21	20 —Apr. 29	30⅛	28	29
" preferred	49⅝	37	64½—Oct. 17	45 —Jan. 13	61½	58½	60
"INDUSTRIAL"							
Amalgamated Copper	82¾	43⅛	90¾—Nov. 29	70 —Jan. 25	90¾	78⅛	89⅞
American Car & Foundry	35½	14¾	43⅝—Apr. 14	31 —May 21	42⅜	37¾	40¾
" pref	94¾	67	104½—Apr. 6	91¼—Jan. 25	101	100	101
American Co. Oil Co	37⅞	24¼	38 —Apr. 3	27¾—July 19	36¾	31	34¾
American Ice	9¾	6	7¼—Feb. 1	4⅞—Apr. 29	....	....	....
American Locomotive	36⅜	16⅛	73½—Nov. 2	33 —Jan. 25	73½	64	70⅝
" preferred	105	75½	122¾—Apr. 15	103¾—Jan. 5	120¼	113¾	118
Am. Smelting & Refining Co.	82½	46	157½—Nov. 22	79¾—Jan. 9	157½	137	152
" preferred	115	88¾	136 —Nov. 21	111¼—Jan. 13	136	122⅛	131¾
Am. Steel & Foundries	15¼	8½	18⅜—Mar. 20	6⅞—July 27	13½	12	12⅝
" pref	57¼	26	67½—Apr. 4	35⅛—June 14	46¾	43½	46
American Sugar Ref. Co	153	122¼	149¾—Mar. 2	130 —May 22	144⅝	136½	142
Anaconda Copper Mining	120⅞	61	158 —Nov. 28	100½—May 22	158	115	156
Continental Tobacco Co. pref.	131	101½	133¼—Feb. 1	131 —Jan. 21	....	....	....
Corn Products	26¼	9¾	22¾—Feb. 7	8¾—June 8	15½	12¾	14⅝
" preferred	82¼	65	79 —Jan. 10	40 —Aug. 9	55	52	54¾
Distillers securities	40½	19½	48 —Nov. 29	34⅞—Jan. 25	48	43¼	47
General Electric Co	194½	151	192 —Mar. 16	169 —May 20	190¾	181½	183½
International Paper Co	25⅝	10¼	25½—Mar. 11	18⅛—June 16	24⅜	20½	23¼
" preferred	79⅞	64⅛	87⅞—Nov. 28	76 Feb. 6	87⅞	79	87⅛
National Biscuit	59½	36	66⅝—Apr. 3	52 —Aug. 16	58¼	55	57¼
National Lead Co	28¼	14⅛	74⅞—Nov. 29	24½—Jan. 5	74⅞	46¼	73⅛
Pressed Steel Car Co	44⅛	24¼	53⅝—Oct. 23	34 —May 23	53½	47¼	52¼
" preferred	92	67	101½—Oct. 25	87 —Feb. 16	101½	97	99½
Republic Iron & Steel Co	18¼	6	33⅜—Nov. 28	15 —Jan. 23	33⅜	23¼	32¼
" preferred	73½	37	104 —Nov. 28	67 —Jan. 23	104	92½	102¾
Rubber Goods Mfg. Co	29⅞	14¾	39 —Sept. 30	24¼—Mar. 7	39	37	39
" preferred	98	74¾	109½—Apr. 1	94 —Jan. 25	105	103¾	104⅞
U. S. Leather Co	20¾	6½	16 —Oct. 14	10⅞—May 23	14½	14½	14½
" preferred	106½	75⅝	119 —Nov. 22	100¾—Jan. 31	119	114	118½
U. S. Rubber Co	84½	10½	58½—Sept. 18	33¾—Jan. 3	57	47⅜	55
" preferred	100	41	118½—Apr. 7	98⅝—Jan. 6	112¼	105¼	110¾
U. S. Steel	83⅛	8⅜	39½—Oct. 23	24⅞—May 22	38½	35¼	37⅜
" pref	95⅝	51¼	105⅞—Oct. 4	90¾—May 22	105¾	100¾	104⅞

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	NOVEMBER SALES. High.	Low.	Total.
Ann Arbor 1st g 4's.............1995	7,000,000	Q J	99	Nov.28,'05	99	89½	17,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	148,155,000	A & O	102¾	Nov.29,'05	102¾	101¾	532,000
" registered..................		A & O	101½	Oct. 27,'05			
" adjustment, g. 4's.....1995	25,616,000	NOV	93½	Nov.23,'05	94¾	93½	32,000
" registered..................		NOV	95	Sept.11,'05			
" stamped...............1995	26,112,000	M & N	94	Nov.27,'05	94¾	94	74,000
" registered..................		M & N					
" fifty-yearconv. g.4's..1955	32,420,000	J & D	104¾	Nov.29,'05	105	102¾	1,134,000
" registered..................		J & D					
" serial debenture 4's—							
" series D...............1906	2,500,000	F & A	99	Aug.15,'04			
" registered..................		F & A					
" series E...............1907	2,500,000	F & A	99⅝	May 2,'05			
" registered..................		F & A					
" series F...............1908	2,500,000	F & A	99½	Nov. 3,'04			
" registered..................		F & A					
" series G...............1909	2,500,000	F & A	99⅝	June17,'05			
" registered..................		F & A					
" series H...............1910	2,500,000	F & A	99½	Jan. 10,'05			
" registered..................		F & A					
" series I...............1911	2,500,000	F & A	98½	Nov. 23,'04			
" registered..................		F & A					
" series J...............1912	2,500,000	F & A					
" registered..................		F & A					
" series K...............1913	2,500,000	F & A	97	Oct. 26,'04			
" registered..................		F & A					
" series L...............1914	2,500,000	F & A	92⅞	Nov. 10,'02			
" registered..................		F & A					
" East.Okla.div.1stg.4's.1928	6,128,000	M & S	101½	July 8,'05			
" " registered......		M & S					
" Chic. & St. L. 1st 6's...1915	1,500,000	M & S					
Atlan.Coast LineR.R.Co.1stg.4's.1952	43,141,000	M & S	102¼	Nov.27,'05	102¼	101	323,500
" registered..................		M & S	102	Nov.27,'05	102	102	4,000
Charleston & Savannah 1st g.7's.1936	1,500,000	J & J	108¾	Dec. 13,'99			
Savanh Florida & W'n 1st g.6's.1934	4,056,000	A & O	131⅞	Sept.19,'05			
" 1st g. 5's............1934	2,444,000	A & O	112⅝	Jan. 26,'04			
Alabama Midland 1st gtd g. 5's.1928	2,800,000	M & N	114⅝	Nov.14,'05	114⅝	114⅝	1,000
Brunswick & W'n 1st gtd.g.4's.1938	3,000,000	J & J	100¼	Nov. 6,'05	100¼	100¼	1,500
"L'ville & Nash. col." g. 4's....1952	35,000,000	M & N	95⅜	Nov.20,'05	95½	95⅜	8,000
" registered..................		M & N					
Sil.SpsOc.& G.RR.&ldg.gtdg.4s.1918	1,067,000	J & J	97¾	Oct. 5,'04			
Balt. & Ohio prior lien g. 3½s..1925	72,798,000	J & J	96	Nov.29,'05	96⅞	95⅝	117,000
" registered..............		J & J	96	Nov. 7,'04			
" g. 4s...................1948	70,963,000	A & O	103⅛	Nov.29,'05	103½	102	301,000
" g. 4s. registered..........		A & O	102½	Nov.28,'05	102½	102¼	37,000
Pitt Jun. & M. div. 1st g. 3½s. 1925	11,293,000	M & N	93	Oct. 3,'05			
" registered..............		QFeb					
Pitt L. E. & West Va. System							
refunding g 4s... 1941	31,347,000	M & N	98¾	Nov.28,'05	98⅞	98¼	59,000
" Southw'n div. 1st g.3½s.1925	43,590,000	J & J	92⅞	Nov.28,'05	93½	92½	144,500
" registered..................		Q J	92⅛	June23,'05			
Monongahela River 1st g. g., 5's 1919	700,000	F & A	108½	July 13,'05			
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1908	1,009,000	M & S	109	Apr. 25,'05			
Ptsbg Clev. & Toledo, 1st g.6's..1922	515,000	A & O	119½	Mar. 7,'04			
Pittsburg & Western, 1st g.4's...1917	633,000	J & J	100	June23,'05			
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,427,000	M & S	123¼	Nov.21,'05	123¼	123¼	5,000
Alleghany & Wn. 1st g. gtd 4's.1998	2,000,000	A & O					
Clearfield & Mah. 1st g. g. 5's....1943	650,000	J & J	128	June 6,'02			
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	124	Aug. 9,'05			
" cons. 1st 6's, ...1922	3,920,000	J & D	130	Nov. 3,'05	130	130	1,000
Buff. & Susq. 1st refundg g. 4's..1951	6,521,000	J & J	100	Sept.19,'05			
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.

Name.	Principal Due	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	November Sales. High.	November Sales. Low.	November Sales. Total.
Canada Southern 1st int. gtd 5's,	1908	14,000,000	J & J	103¼	Nov.29,'05	103⅜	103	59,000
• 2d mortg. 5's,	1913	6,000,000	M & S	105¾	Nov.21,'05	105¾	105¼	23,000
• registered			M & S	106	Apr. 19,'04	....	....	....
Central Branch U. Pac. 1st g. 4's.	1948	2,500,000	J & D	94	Jan. 4,'05	....	....	....
Central R'y of Georgia, 1st g. 5's.	1945	7,000,000	F & A	120	Oct. 21,'05	....	....	....
• registered $1,000 & $5,000			F & A	....		....	....	....
• con. g. 5's	1945	16,700,000	M & N	114	Nov.29,'05	114⅛	113¼	100,000
• con. g. 5's, reg. $1,000 & $5,000			M & N	107	June14,'04	....	....	....
• 1st. pref. inc. g. 5's	1945	2,577,000	OCT 1	95¼	Nov.27,'05	96¼	95¼	42,000
• • stamped		1,423,000	OCT 1	....		....	....	....
• 2d pref. inc. g. 5's	1945	3,526,000	OCT 1	82	Nov.28,'05	82⅛	80	251,000
• • stamped		3,474,000	OCT 1	82	Nov. 3,'05	82	82	7,000
• 3d pref. inc. g. 5's	1945	2,056,000	OCT 1	77¼	Nov.28,'05	77½	74¼	239,000
• • stamped		1,949,000	OCT 1	....		....	....	....
• Chat. div. pur. my. g. 4's.	1951	2,051,000	J & D	93¾	July 12,'05	....	....	....
• Macon & Nor. Div. 1st g. 5's	1946	840,000	J & J	104	Feb. 19,'04	....	....	....
• Mid. Ga. & Atl. div. g 5s.	1947	413,000	J & J	110⅝	Sept. 5,'05	....	....	....
• Mobile div. 1st g. 5's	1946	1,000,000	J & J	115½	Aug. 3,'05	....	....	....
Cent. R. & Bkg. Co. of Ga. c. g. 5's,	1987	4,880,000	M & N	108¾	Aug. 4,'05	....	....	....
Central of New Jersey, gen. g. 5's	1987	45,091,000	J & J	134	Nov.17,'05	134⅛	134	52,000
• registered			Q J	132¾	Nov.27,'05	133¼	132¾	87,000
Am. Dock & Improvm't Co. 5's,	1921	4,987,000	J & J	113¾	Nov.27,'05	113¾	113¾	1,000
Lehigh & H. R. gen. gtd g. 5's.	1920	1,062,000	J & J	....		....	....	....
Lehigh & W.-B. Coal con. 5's.	1912	2,691,000	Q M	104½	Mar.17,'05	....	....	....
• con. extended gtd. 4½'s.	1910	12,175,000	Q M	103	Nov.22,'05	103	102¼	7,000
N.Y. & Long Branch gen. g. 4's.	1941	1,500,000	M & S	....		....	....	....
Ches. & Ohio 6's, g., Series A	1908	2,000,000	A & O	104¼	Oct. 10,'05	....	....	....
• Mortgage gold 6's	1911	2,000,000	A & O	108¾	Nov.25,'05	108¾	108¾	1,000
• 1st con. g. 5's	1939	25,858,000	M & N	118½	Nov.29,'05	118⅝	118¼	154,000
• registered			M & N	116¼	May 18,'05	....	....	....
• Gen. m. g. 4½'s	1992	40,578,000	M & S	108⅛	Nov.27,'05	108⅛	107	148,000
• registered			M & S	107¾	Nov.17,'05	107¾	107¾	3,000
• Craig Val. 1st g. 5's	1940	650,000	J & J	113	Mar. 8,'05	....	....	....
• (R. & A. d.) 1st c. g. 4's,	1989	6,000,000	J & J	103½	Nov.18,'05	103½	103¼	22,000
• 2d con. g. 4's	1989	1,000,000	J & J	98	July 26,'05	....	....	....
• Warm S. Val. 1st g. 5's,	1941	400,000	M & S	118¾	Feb. 17,'05	....	....	....
Greenbrier Ry. 1st gtd. 4's	1940	2,000,000	M & N	100	Sept.23,'05	....	....	....
Chic. & Alton R. R. ref. g. 3's	1949	37,350,000	A & O	82¾	Nov.24,'05	83¼	82¼	29,000
• • registered			A & O	....		....	....	....
Chic. & Alton Ry 1st lien g. 3½'s.	1950	22,000,000	J & J	81	Nov.28,'05	81⅛	80½	129,000
• registered			J & J	80¼	Mar. 4,'05	....	....	....
Chicago, Burl. & Quincy:								
• Denver div. 4's	1922	4,583,000	F & A	101⅝	Nov.29,'05	102	101½	14,000
• Illinois div. 3½s	1949	50,835,000	J & J	96¼	Nov.27,'05	96¼	95½	13,000
• registered			J & J	96⅛	Feb. 24,'05	....	....	....
• Illinois div. 4s	1949	10,306,000	J & J	105¾	Aug. 8,'04	....	....	....
• registered		....	J & J	....		....	....	....
• (Iowa div.) sink. f'd 5's,	1919	2,388,000	A & O	110¼	Jan. 5,'05	....	....	....
• 4's	1919	7,882,000	A & O	101⅜	Nov.14,'05	101¾	101⅜	2,000
• Nebraska extensi'n 4's,	1927	25,071,000	M & N	106	Nov.27,'05	106	105¼	28,000
• registered			M & N	106¼	June16,'05	....	....	....
• Southwestern div. 4's.	1921	2,385,000	M & S	100	Apr. 10,'05	....	....	....
• 4's joint bonds	1921	215,223,000	J & J	101⅜	Nov.29,'05	102½	101	1,216,000
• • registered			Q JAN	100¼	Nov.20,'05	101	100¼	24,000
• 5's, debentures	1913	9,000,000	M & N	107½	Sept. 8,'05	....	....	....
Han. & St. Jos. con. 6's	1911	8,000,000	M & S	111¼	Nov.28,'05	111¼	111¼	5,000
Chic. & E. Ill. 1st g. 4's ref. & imp.	1955	5,000,000	J & J	....		....	....	....
• registered			J & J	....		....	....	....
Chicago & E. Ill. 1st s. f'd c'y. 6's.	1907	2,989,000	J & D	106⅛	Nov.21,'05	106⅛	106⅛	4,000
• small bonds			J & D	103½	July 8,'04	....	....	....
• 1st con. 6's, gold	1934	2,653,000	A & O	135¼	Nov.25,'05	135⅛	135¼	4,000
• gen. con. 1st 5's	1937	16,529,000	M & N	121¾	Oct. 3,'05	....	....	....
• registered			M & N	119½	Mar. 2,'05	....	....	....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	120	Nov.20,'05	120	120	1,000
Chicago, Indianapolis & Louisville.								
• refunding g. 6's	1947	4,700,000	J & J	135¾	Nov.27,'05	135¾	135½	23,000
• ref. g. 5's	1947	4,742,000	J & J	115½	Nov. 3,'05	115½	115½	1,000
Louisv. N. Alb. & Chic. 1st 6's.	1910	3,000,000	J & J	110¼	Nov.17,'05	110¼	110¼	2,000
Chicago, Milwaukee & St. Paul.								
Chic. Mil. & St. Paul term. g 5's.	1914	4,748,000	J & J	110⅛	Oct. 27,'05	....	....	....
• gen. g. 4's, series A	1989	23,676,000	J & J	111¾	Nov.29,'05	112	111¾	9,000
• registered		....	Q J	109½	June18,'04	....	....	....

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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.
" gen. g. 3½'s, series B.	1989	2,500,000	J & J	97½	Nov. 28, '05	97½	97	11,000
" registered			J & J					
" Chic. & Lake Sup. 5's,	1921	1,360,000	J & J	115¼	Oct. 24, '05			
" Chic. & M. R. div. 5's,	1926	3,083,000	J & J	118⅜	Oct. 31, '05			
" Chic. & Pac. div. 6's,	1910	3,000,000	J & J	110½	Nov. 3, '05	110½	110½	1,000
" 1st Chic. & P. W. g. 5's.	1921	25,340,000	J & J	115½	Nov. 16, '05	116½	115½	35,000
" Dakota & Gt. S. g. 5's.	1916	2,856,000	J & J	112	Mar. 7, '05			
" Far. & So. g. 6's assu.	1924	1,250,000	J & J	137½	July 18, '98			
" 1st H'st & Dk. div. 7's,	1910	5,680,000	J & J	113¾	Oct. 13, '05			
" 1st 5's	1910	990,000	J & J	106	Aug. 3, '04			
" 1st 7's, Iowa & D, ex.	1908	546,000	J & J	135	Apr. 26, '05			
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	115⅝	May 8, '05			
" Mineral Point div. 5's,	1910	2,840,000	J & J	106⅝	Apr. 3, '05			
" 1st So. Min. div. 6's.	1910	7,432,000	J & J	109½	Nov. 28, '05	110	109½	10,000
" 1st 6's, Southw'n div.,	1909	4,000,000	J & J	108½	July 11, '05			
" Wis. & Min. div. g. 5's.	1921	4,755,000	J & J	115¼	Nov. 28, '05	115¼	115¼	3,000
" Mil. & N. 1st M. L. 6's.	1910	2,155,000	J & D	110	Oct. 10, '05			
" 1st con. 6's	1913	5,092,000	J & D	116¼	Oct. 11, '05			
Chic. & Northwestern con. 7's	1915	12,832,000	Q F	127¾	Oct. 17, '05			
" extension 4's	1886-1926	18,632,000	F A 15	104¾	Nov. 22, '05	104¾	104¾	1,000
" registered			F A 15	102¾	Nov. 15, '05	102¾	102¾	6,000
" gen. g. 3½'s	1987	20,538,000	M & N	101	Oct. 25, '05			
" registered			Q F	103	Nov. 19, '98			
" sinking fund 6's	1879-1929	5,686,000	A & O	114½	Nov. 2, '05	114½	114½	1,000
" registered			A & O	117	Feb. 15, '05			
" sinking fund 5s'	1879-1929	6,769,000	A & O	111	Nov. 23, '05	111	110	8,000
" registered			A & O	108¼	Nov. 14, '05	108¼	108¼	2,000
" deben. 5's	1909	5,900,000	M & N	103⅛	Nov. 22, '05	103⅛	103	4,000
" registered			M & N	104	Mar. 3, '04			
" deben. 5's	1921	10,000,000	A & O	111¾	Oct. 31, '05			
" registered			A & O	108¾	Jan. 12, '04			
" sinking f'd deben. 5's.	1933	9,800,000	M & N	116	Nov. 3, '05	116	116	2,000
" registered			M & N	115	Nov. 24, '05	115	115	10,000
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8, '84			
Northern Illinois 1st 5's	1910	1,500,000	M & S	105½	May 23, '04			
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	105	May 29, '05			
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	110¼	Mar. 28, '05			
Mil., L. Shore & We'n 1st g. 6's.	1921	5,000,000	M & N	129¾	Oct. 31, '05			
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	118¾	Oct. 9, '05			
" Ashland div. 1st g. 6's	1925	1,000,000	M & S	142½	Feb. 10, '02			
" Michigan div. 1st g. 6's.	1924	1,281,000	J & J	131½	Jan. 5, '05			
" con. deb. 5's	1907	436,000	F & A	105½	Sept. 18, '05			
" incomes	1911	500,000	M & N	109	Sept. 9, '02			
Chic., Rock Is. & Pac. 6's coup.	1917	12,500,000	J & J	122½	Oct. 24, '05			
" registered	1917		J & J	123	May 22, '05			
" gen. g. 4's	1988	61,581,000	J & J	105⅜	Nov. 29, '05	105¾	105	127,000
" registered			J & J	104¾	Nov. 9, '03	104¾	104¾	2,000
" refunding 4s	1934	32,558,000	A & O	95⅞	Nov. 29, '05	96½	95⅝	629,000
" registered			A & O	96	Nov. 29, '05	96	96	10,000
" coll. tr. ser. 4's.								
" D	1906	1,494,000	M & N					
" E	1907	1,494,000	M & N					
" F	1908	1,494,000	M & N					
" G	1909	1,494,000	M & N					
" H	1910	1,494,000	M & N	97	July 14, '04			
" I	1911	1,494,000	M & N	97½	May 26, '05			
" J	1912	1,494,000	M & N					
" K	1913	1,494,000	M & N					
" L	1914	1,494,000	M & N	96¼	May 26, '05			
" M	1915	1,494,000	M & N	96	Nov. 11, '05	96	96	10,000
" N	1916	1,494,000	M & N	93	May 24 '04			
" O	1917	1,494,000	M & N	95	Nov. 27, '05	95	95	5,000
" P	1918	1,494,000	M & N	90	May 11, '04			
Chic. Rock Is. & Pac. R.R. 4's	2002	69,929,000	M & N	78¾	Nov. 29, '05	81	78	2,129,000
" registered			M & N	76½	Sept. 14, '04			
" coll. trust g. 5's	1913	17,331,000	M & S	90	Nov. 29, '05	92½	89⅝	582,000
Burlington, Cedar R. & N. 1st 5's,	1906	6,500,000	J & D	102½	Nov. 21, '05	102½	102⅜	3,000
" con. 1st & col. tst 5's.	1934	11,000,000	A & O	118½	Oct. 24, '05			
" registered			A & O	120½	Mar. 16, '03			
Ced. Rap Ia. Falls & Nor. 1st 5's.	1921	1,905,000	A & O	111	Nov. 20, '04	111	111	1,000
Minneap's & St. Louis 1st 7's, g.	1927	150,000	J & D	40	Aug. 21, '95			
Choc., Okla. & Glf. gen. g. 5s.	1919	5,500,000	J & J	108	Aug. 9, '05			
" con. g. 5's	1952	5,411,000	J & J	115	Apr. 20, '05			
Keokuk & Des M. 1st mor. 5's.	1923	2,750,000	A & O	107	Nov. 3, '05	107	107	500
" small bond	1923	....	A & O	102½	Apr. 26, '04			

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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.*
Chic., St.P., Minn.& Oma.con.6's.1930	14,761,000	J & D	139	Nov. 4,'05	139	138⅝	2,000
" con.6's reduced to 3½'s.1930	2,000,000	J & D	93	Dec. 19,'04	....	....	....
Chic., St. Paul & Minn. 1st 6's..1918	1,798,000	M & N	135¼	Nov. 6,'05	135¼	135¼	1,000
North Wisconsin 1st mort. 6's..1930	654,000	J & J	129¾	Mar. 3,'04	....	....	....
St. Paul & Sioux City 1st 6's....1919	6,070,000	A & O	123	Oct. 24,'05	....	....	....
Chic., Term. Trans. R. R. g. 4's..1947	15,135,000	J & J	99½	Nov.23,'05	100⅛	99½	7,000
" coupons off..................			97¾	Nov.25,'05	99	97¾	298,000
Chic. & Wn. Ind. gen'l g. 6's......1932	9,179,000	Q M	113⅞	Sept.25,'05	....	....	....
Cin., Ham. & Day 2d g. 4½'s....1937	2,000,000	J & J	113	Oct. 10,19'	....	....	....
Cin., Day. & Ir'n 1st gt. dg. 5's..1941	3,500,000	M & N	117¾	Oct. 23,'05	....	....	....
Cin. Find. & Ft. W. 1st gtd g. 4's.1923	1,150,000	M & N	....	....	....	....	....
Cin. Ind.& Wn.1st&ref.gtdg.4's.1953	4,672,000	J & J	96¾	July 13,'05	....	....	....
Clev., Cin., Chic.& St.L. gen.g. 4's..1993	20,749,000	J & D	104¼	Nov.27,'05	104¼	103½	192,000
" do Cairo div. 1st g. 4's..1939	5,000,000	J & J	102⅝	Oct. 24,'05	....	....	....
Cin., Wab. & Mich. div. 1st g. 4's.1991	4,000,000	J & J	102¼	Nov.15,'05	102¼	102¼	3,000
St. Louis div. 1st col. trust g.4's.1990	9,750,000	M & N	101¼	Nov.29,'05	102	101¼	39,000
" registered.................			100	Oct. 3,'04	....	....	....
Sp'gfield & Col. div. 1st g. 4's...1940	1,035,000	M & S	99¾	Feb. 8,'05	....	....	....
White W. Val. div. 1st g. 4's....1940	650,000	J & J	94½	Aug.31,'03	....	....	....
Cin., Ind., St. L. & Chic. 1st g.4's.1936	7,599,000	Q F	101⅝	Nov.29,'05	101⅝	101⅝	1,000
" registered.................			101⅛	Nov.15,'05	101⅛	101⅛	6,000
" con. 6's.................1920	668,000	M & N	105	Jan. 22,'04	....	....	....
Cin., S'dusky & Clev.con.1st g.5's 1928	2,571,000	J & J	115¼	Nov. 2,'05	115¼	115¼	2,000
Clev., C., C. & Ind. con. 7's......1914	8,991,000	J & D	123¼	Oct. 10,'05	...	....	....
" sink. fund 7's.........1914		J & D	119⅝	Nov. 19,'89	....	....	....
" gen. consol 6's.........1934	3,205,000	J & J	135	Oct. 14,'05	....	....	....
" registered................		J & J	....	....	....	....	....
Ind. Bloom. & West. 1st pfd 4's.1940	981,500	A & O	104½	Nov.19,'01	....	....	....
Ohio, Ind. & W., 1st pfd. 5's....1938	500,000	Q J	....	....	....	....	....
Peoria & Eastern 1st con. 4's...1940	8,108,000	A & O	100	Nov. 6,'05	100	100	1,000
" income 4's.............1990	4,000,000	A	75½	Nov.27,'05	75½	73	172,000
Clev., Lorain & Wheel'g con.1st 5's 1933	5,000,000	A & O	115⅝	Nov. 9,'04	115⅝	115⅝	8,000
Clev., & Mahoning Val. gold 5's..1938	2,936,000	J & J	116½	Jan. 23,'05	....	....	....
" registered.................		Q J	....	....	....	....	....
Col. Midld Ry. 1st g. 4's..........1947	8,946,000	J & J	75½	Nov.29,'05	75⅞	73½	430,000
Colorado & Southern 1st g. 4's...1929	19,103,000	F & A	94¼	Nov.29,'05	94½	93⅞	187,000
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	106⅞	Nov. 24,'05	106⅞	106⅞	9,000
Morris & Essex 1st m 7's........1914	5,000,000	M & N	123¼	Nov.28,'05	123¼	123¼	1,000
" 1st c. gtd 7's..........1915	11,677,000	J & D	130½	Nov.24,'05	130½	130½	5,000
" registered..............		J & D	127	June23,'05	....	....	....
" 1st refund.gtd.g.3½'s.2000	7,000,000	J & D	....	....	....	....	....
N. Y., Lack. & West'n. 1st 6's...1921	12,000,000	J & J	128⅝	Nov.20,'05	129	128⅝	9,000
" const. 5's..............1923	5,000,000	F & A	113¼	Nov. 8,'05	113¼	113¼	2,000
" terml. imp. 4's.........1923	5,000,000	M & N	105	Oct. 23,'05	....	....	....
Syracuse, Bing. & N. Y. 1st 7's..1906	1,966,000	A & O	108½	Sept. 6,'05	....	....	....
Warren Rd. 1st rfdg.gtd g.3½'s.2000	905,000	F & A	102	Feb. 2,'03	....	....	....
Delaware & Hudson Canal.							
" 1st Penn. Div. c. 7's...1917	5,000,000	M & S	134	May 2,'04	....	....	....
" reg.....................1917		M & S	149	Aug. 5,'01	....	....	....
Albany & Susq. 1st c. g. 7's.....1906	3,000,000	A & O	101¼	Oct. 2,'05	....	....	....
" 6's.....................1906	7,000,000	A & O	101¼	Nov. 3,'05	101¼	101¼	1,000
Rens. & Saratoga 1st 7's.......1921	2,000,000	M & N	142½	Mar. 10,'05	....	....	....
Denver & Rio G. 1st con. g. 4's...1936	33,450,000	J & J	101½	Nov.29,'05	102	101¼	73,500
" con. g. 4½'s............1936	6,382,000	J & J	106¾	Sept. 2,'05	....	....	....
" impt. m. g. 5's.........1928	8,318,500	J & D	110	Sept.29,'05	...	....	....
Rio Grande Western 1st g. 4's..1939	15,200,000	J & J	98½	Nov.28,'05	100	98½	47,000
" mge.&col.tr.g.4's ser.A.1949	13,336,000	A & O	90¾	Nov.25,'05	91	90	8,000
Utah Central 1st gtd. g. 4's...1917	550,000	A & O	97	Jan. 3,'02	....	....	....
Des Moines Union Ry 1st g. 5's..1917	628,000	M & N	110	Sept.30,'04	....	....	....
Detroit & Mack. 1st lien g. 4s......1995	900,000	J & D	101	Sept.22,'05	....	....	....
" g. 4s.....................1995	1,250,000	J & D	96¾	Nov.29,'05	96¾	96¾	1,000
Detroit Southern 1st g. 4's.......1951	3,866,000	J & D	81¾	Mar. 1,'05	....	....	....
" Ohio South. div.1st g.4's.1941	4,281,000	M & S	93¼	Nov. 2,'05	93¼	93¼	8,000
Duluth & Iron Range 1st 5's......1937	6,732,000	A & O	114½	Nov.27,'05	114½	114½	2,000
" registered..................		A & O	101½	July 23,'89	....	....	....
" 2d l m 6s.................1916	2,000,000	J & J	....	....	....	....	....
Duluth So. Shore & At. gold 5's..1937	3,816,000	J & J	114½	Nov.21,'05	114½	114½	4,000
Duluth Short Line 1st gtd. 5's....1916	500,000	M & S	....	....	....	....	....
Elgin Joliet & Eastern 1st g 5's..1941	8,500,000	M & N	118½	Nov.29,'05	118½	118½	3,000

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Erie 1st ext. g. 4's	1947	2,482,000	M & N	108¾	July 14,'05	....	....	....
" 2d extended g. 5's	1919	2,149,000	M & S	113¾	July 11,'04	....	....	....
" 3d extended g. 4½'s	1923	4,617,000	M & S	109	Oct. 4,'05	....	....	....
" 4th extended g. 5's	1920	2,926,000	A & O	113¼	Oct. 4,'05	....	....	....
" 5th extended g. 4's	1928	709,500	J & D	103	Feb. 17,'05	....	....	....
" 1st cons gold 7's	1920	16,890,000	M & S	133	Nov.27,'05	133	133	4,000
" 1st cons. fund g. 7's	1920	3,699,500	M & S	130	Aug. 7,'03	....	....	....
Erie R.R. 1st con.g-4s prior bds.	1996	35,000,000	J&J	102	Nov.29,'05	102½	101½	119,000
" registered			J&J	101½	Oct. 5,'05	....	....	....
" 1st con. gen. lien g. 4s.	1996	35,885,000	J&J	93½	Nov.29,'05	94	93	153,000
" registered			J&J	88	Nov.15,'04	....	....	....
" Penn. col. trust g. 4's.	1951	33,000,000	F & A	95⅛	Nov.27,'05	96⅛	95½	124,000
" 50 yrs. con. g. 4's ser A.	1953	10,000,000	A & O	107⅝	Nov 29,'05	109¾	106	2,235,000
Buffalo, N. Y. & Erie 1st 7's	1916	2,380,000	J & D	127	Nov.28,'05	127	127	1,000
Buffalo & Southwestern g. 6's	1908	1,500,000	J&J	110	Mar. 3,'05	....	....	....
" small			J&J	....		....	....	....
Chicago & Erie 1st gold 5's	1982	12,000,000	M & N	122¾	Nov.24,'05	123	122¾	20,000
Jefferson R. R. 1st gtd g. 5's	1909	2,800,000	A & O	104¼	Sept.21,'05	....	....	....
Long Dock consol. g. 6's	1935	7,500,000	A & O	134½	June12,'05	....	....	....
N. Y. L. E. & W. Coal & R. R. Co. 1st gtd. currency 6's	1922	1,100,000	M&N	118	July25,'04	....	....	....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's	1913	3,396,000	J&J	115½	Oct. 28,'05	....	....	....
N. Y. & Greenw'd Lake gt g 5's	1946	1,452,000	M&N	121½	Oct. 17,'05	....	....	....
" small				117	July 20,'05	....	....	....
Midland R. of N. J. 1st g. 6's	1910	3,500,000	A & O	107⅞	Oct. 26,'05	....	....	....
N.Y., Sus.&W. 1st refdg. g. 5's	1937	3,745,000	J & J	116¾	Nov.20,'05	116¾	116¾	2,000
" 2d g. 4½'s	1937	447,000	F & A	101⅛	Sept.13,'05	....	....	....
" gen. g. 5's	1940	2,546,000	F & A	107½	S pt.29,'05	....	....	....
" term. 1st g. 5's	1943	2,000,000	M & N	119⅛	Nov.14,'05	119⅛	119⅛	3,000
" registered......$5,000 each			M & N	....		....	....	....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	109⅞	Jan. 5,'05	....	....	....
Evans. & Ind'p. 1st con. g g 6's	1926	1,591,000	J & J	114	Apr. 19,'05	....	....	....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	123	Oct. 20,'05	....	....	....
" 1st General g 5's	1942	2,672,000	A & O	112	Nov.24,'05	112	110¾	7,000
" Mount Vernon 1st 6's	1923	375,000	A & O	114	Apr. 19,'05	....	....	....
" Sul. Co. Bch. 1st g 5's	1930	450,000	A & O	104	Oct. 31,'04	....	....	....
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	......	114⅞	Nov.29,'05	114⅞	113	166,000
Ft. Worth & Rio Grande 1st g 5's.	1928	2,863,000	J & J	90	Nov.15,'05	90	90	6,000
Galveston H. & H. of 1882 1st 5s	1913	2,000,000	A & O	102½	May 19,'05	....	....	....
Gulf & Ship Isl. 1st refg. & ter. 5's	1952	4,937,000	J & J	103	Nov.29,'05	103	101½	3,000
" registered			J & J	....		....	....	....
Hock. Val. Ry. 1st con. g. 4½'s	1999	13,139,000	J & J	111	Nov.18,'05	111¾	111	4,000
" registered			J & J	105½	July 14,'04	....	....	....
Col. Hock's Val. 1st ext. g. 4's.	1848	1,401,000	A & O	100½	July 13,'05	....	....	....
Colu.&Tol.RR.Co. 1st m. ex. 4's	1955	2,479,000	......	103⅛	Nov.14,'05	103⅛	103⅛	1,000
Illinois Central, 1st g. 4's	1951	1,500,000	J&J	110¼	Nov.23,'05	110¼	110¼	1,000
" registered			J&J	113⅛	Mar. 12,19'	....	....	....
" 1st gold 3½'s	1951	2,499,000	J&J	102¾	Oct. 16,'05	....	....	....
" registered			J&J	94	Mar. 28,'03	....	....	....
" extend 1st g 3½'s	1951	3,000,000	A & O	102⅛	Nov. 2,'05	102⅛	102⅛	3,000
" registered			A & O	....		....	....	....
" 1st g 3s sterl. £500,000	1951	2,500,000	M & S	70	Oct. 17,'04	....	....	....
" registered			M & S	....		....	....	....
" total outstg....$13,950,000						....	....	....
" collat. trust gold 4's	1952	15,000,000	A & O	105¾	Nov.13,'05	105¾	105¾	1,000
" regist'd			A & O	102	Oct. 4,'03	....	....	....
" col.t.g.4s L.N.O.&Tex.	1953	24,679,000	M & N	105⅛	Nov.27,'05	105⅛	104½	62,000
" registered			M & N	106½	July 11,'05	....	....	....
" Cairo Bridge g 4's	1950	3,000,000	J & D	106½	Mar. 7,'03	....	....	....
" registered			J & D	123	May 24,'99	....	....	....
" Litchfield div. 1st g. 3s.	1951	3,148,000	J & J	....		....	....	....
" Louisville div. g. 3½'s.	1953	14,320,000	J & J	95	Oct. 25,'05	....	....	....
" registered			J & J	88½	Dec. 8,'99	....	....	....
" Middle div. reg. 5's	1921	600,000	F & A	95	Dec. 21,'99	....	....	....
" Omaha div. 1st g. 3's	1951	5,000,000	F & A	81	Oct. 6,'05	....	....	....
" St. Louis div. g. 3's	1951	4,939,000	J & J	85	Sept. 11,'05	....	....	....
" registered			J & J	101¼	Jan. 31,'19	....	....	....
" g. 3½'s	1951	6,321,000	J & J	96	Mar. 15,'05	....	....	....
" registered			J & J	101⅛	Sept. 10,'95	....	....	....
" Sp'gfield div 1st g 3½'s.	1951	2,000,000	J & J	100	Nov. 7,19'	....	....	....
" registered			J & J	124	Dec. 11,'99	....	....	....
" West'n Line 1st g. 4's,	1951	5,425,000	F & A	109⅛	May 26,'05	....	....	....
" registered			F & A	101½	Jan.31,'91	....	....	....
Belleville & Carodt 1st 6's	1923	470,000	J & D	122	July 7,'04	....	....	....
Carbond'e & Shawt'n 1st g. 4's,	1932	241,000	M & S	105	Jan. 22,19'	....	....	....
Chic., St. L. & N. O. gold 5's	1951	16,555,000	J D 15	125	Nov.13,'05	125	124⅝	6,000

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• gold 5's, registered		16,555,000	J D 15	119¾	Mar. 12,'04	....	....	....
• g. 3½'s	1951	1,352,000	J D 15	93⅝	May 31,'04	....	....	....
• registered			J D 15	106¼	Aug.17,'99	....	....	....
• Memph. div. 1st g. 4's	1951	8,500,000	J & D	110½	Jan. 4,'05	....	....	....
• registered			J & D	121	Feb. 24,'99	....	....	....
St. Louis South. 1st gtd. g. 4's	1931	538,000	M & S	101½	Mar. 16,'05	....	....	....
Ind., Dec. & West. 1st g. 5's	1935	1,824,000	J & J	110½	Nov.24,'05	110½	110⅛	51,000
• 1st gtd. g. 5's	1935	933,000	J & J	107½	Dec. 18,'01	....	....	....
Indiana, Illinois & Iowa 1st g. 4's	1950	4,850,000	J & J	100½	Oct. 20,'05	....	....	....
Internat. & Gt. N'n 1st. 6's, gold	1919	11,291,000	M & N	118	Nov.29,'05	119½	118	36,000
• 2d g. 5's	1909	10,391,000	M & S	101½	Nov.21,'05	101½	101½	6,000
• 3d g. 4's	1921	2,960,500	M & S	81½	Nov.28,'05	81½	81½	10,000
Iowa Central 1st gold 5's	1938	7,650,000	J & D	117	Nov.29,'05	117	117	4,000
• refunding g. 4's	1951	2,000,000	M & S	87	Aug.31,'05	....	....	....
Kansas City Southern 1st g. 3's	1950	30,000,000	A & O	72½	Nov.29,'05	73½	72⅛	266,000
• registered			A & O	63¼	Oct. 16,19'	....	....	....
Lake Erie & Western 1st g. 5's	1937	7,250,000	J & J	120	Nov.29,'05	120	120	1,000
• 2d mtge. g. 5's	1941	3,625,000	J & J	115¼	Nov.23,'05	115¼	115¼	1,000
Northern Ohio 1st gtd g 5's	1945	2,500,000	A & O	117	Nov. 2,'05	117	117	3,000
Lehigh Val. N. Y. 1st m. g. 4½'s	1940	15,000,000	J&J	111½	Nov.29,'05	112	111½	8,000
• registered		....	J&J	112⅛	Nov. 6,'05	112⅛	112⅛	1,000
Lehigh Val. (Penn.) g. c. g. 4's	2003	20,100,000	M & N	101⅞	Oct. 18,'05	....	....	....
• registered			M & N	....	....	....	....	....
Lehigh Val. Ter. R. 1st gtd g. 5's	1941	10,000,000	A & O	118½	Oct. 7,'05	....	....	....
• registered			A & O	109½	Oct. 18,'99	....	....	....
Lehigh V. Coal Co. 1st gtd g. 5's	1933	10,114,000	J & J	115	June 9,'05	....	....	....
• registered	1933		J & J	....	....	....	....	....
Lehigh & N. Y., 1st gtd g. 4's	1945	2,000,000	M&S	98¾	Nov. 2,'05	98¾	98¾	3,000
• registered			M&S	....	....	....	....	....
Elm., Cort. & N. 1st g. 1st pfd 6's	1914	750,000	A & O	106½	Nov. 3,'04	....	....	....
• • g. gtd 5's	1914	1,250,000	A & O	100⅝	June16,'04	....	....	....
Long Island 1st cons. 5's	1931	3,610,000	Q J	116	Aug.23,'05	....	....	....
• 1st con. g. 4's	1931	1,121,000	Q J	116¼	June 8,'04	....	....	....
Long Island gen. m. 4's	1938	3,000,000	J & D	102½	Nov 24,'05	102½	102⅛	1,000
• Ferry 1st g. 4½'s	1922	1,494,000	M & S	102	Nov.27,'05	102	102	2,000
• g. 4's	1932	325,000	J & D	99¼	Oct. 28,'04	....	....	....
• unified g. 4's	1949	6,860,000	M & S	100¾	Nov.20,'05	100¾	100¾	1,000
• deb. g. 5's	1934	1,135,000	J & D	110	June22,'04	....	....	....
• gtd. refunding g. 4's	1949	17,891,000	M & S	101½	Nov.23,'05	102	101½	12,000
• • registered			M & S	....	....	....	....	....
Brooklyn & Montauk 1st 6's	1911	250,000	M & S	....	....	....	....	....
• 1st 5's	1911	750,000	M & S	105¼	Mar. 3,'03	....	....	....
N. Y. B'kln & M. B. 1st c. g. 5's	1935	1,601,000	A & O	112	Mar.10,'02	....	....	....
N. Y. & Rock'y Beach 1st g. 5's	1927	883,000	M & S	111½	May 26,'05	....	....	....
Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,425,000	QJAN	112½	July 7,'05	....	....	....
Louisiana & Arkan. Ry. 1st g. 5's	1927	2,724,000	M & S	104½	Oct. 23,'05	....	....	....
Louis. & Nash. gen. g. 6's	1930	7,875,000	J & D	122½	Nov.16,'05	122¼	122	46,000
• gold 5's	1937	1,764,000	M & N	118⅝	Nov.10,'05	118⅝	118⅝	8,000
• Unified gold 4's	1940	34,562,000	J & J	106	Nov.28,'05	106	104⅝	269,000
• registered	1940		J & J	101⅞	June18,'94	....	....	....
• collateral trust g. 5's	1931	5,129,000	M & N	113	Nov.10,'05	113	113	1,000
• 5-20 yr. col. tr. deed g. 4's	1923	23,000,000	A A O	98¾	Nov.29,'05	99	98	126,000
• E., Hend. & N. 1st 6's	1919	1,675,000	J & D	114¼	June 6,'05	....	....	....
• L. Cin. & Lex. g. 4½'s	1931	3,258,000	M & N	109	Mar. 6,'05	....	....	....
• N. O. & Mobile 1st g. 6's	1930	5,000,000	J & J	131¾	Nov.16,'05	131¾	131⅝	2,000
• 2d g. 6's	1930	1,000,000	J & J	128	Aug.25,'05	....	....	....
• Pensacola div. g. 6's	1920	405,000	M & S	114	Apr. 26,'02	....	....	....
• St. Louis div. 1st g. 6's	1921	3,500,000	M & S	121½	May 2,'05	....	....	....
• 2d g. 3's	1980	3,000,000	M & S	74⅝	Oct. 4,'05	....	....	....
• At. Kx. & N. R. 1st g. 5's	1946	1,000,000	J & D	114⅛	Sept. 6,'05	....	....	....
• H. B'ge 1st sk'fd. g 6's	1931	1,414,000	M & S	....	....	....	....	....
• Ken. Cent. g. 4's	1987	6,742,000	J & J	101½	Oct. 28,'05	....	....	....
• L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	108	Sept. 7,'05	....	....	....
• South. Mon. joint 4's	1952	11,827,000	J & J	98	Nov.29,'05	98¼	98	35,000
• registered			Q Jan	95	Feb. 6,'05	....	....	....
• N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	115½	Sept.13,'05	....	....	....
• Pen. & At. 1st g. g. 6's	1921	2,331,000	F & A	114½	Nov.27,'05	115	114½	8,000
• S. & N. A. con. gtd. g. 5's	1936	3,673,000	F & A	116½	Jan. 18,'05	....	....	....
• sinking fund g. 6s	1910	1,942,000	A & O	110	Mar.23,'02	....	....	....
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	98¾	Nov. 2,'04	98¾	98¾	2,000
Manhattan Railway Con. 4's	1990	28,065,000	A & O	104	Nov.24,'05	104	103¼	78,000
• registered			A & O	104	Apr. 5,'05	....	....	....
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	106⅞	Nov.28,'05	106⅞	106¾	33,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	....	....	....	....	....
Mexican Central, con. mtge. 4's	1911	65,690,000	J & J	81	Nov.29,'05	81¾	79½	122,000
• 1st con. inc. 3's	1939	20,511,000	JULY	24½	Nov.29,'05	26	23½	458,000

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" 2d 3's	1939	11,724,000	JULY	18¾	Nov.29,'05	20¼	17¼	718,000
" equip. & collat. g. 5's	1917	550,000	A & O			....	....	....
" 2d series g. 5's	1919	615,000	A & O			....	....	....
" col.trust g.4½'s1st se of	1907	10,000,000	F & A	97½	Nov.29,'05	98	96⅝	46,000
Mexican Internat'l 1st con g. 4's	1977	3,362,000	M & S	90⅝	July29,'01	....	....	....
" stamped gtd		3,631,000	......			....	....	....
Mexican Northern 1st g. 6's	1910	963,000	J & D			....	....	....
" registered			J & D	105	May 2,19'	....	....	....
Midland Term'l Ry. 1st g.s.f.5's	1925	472,000	J & D			....	....	....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	137	June29,'05	....	....	....
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	111⅛	Oct. 26,'05	....	....	....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	120¼	Apr. 19,'05	....	....	....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	113¼	Mar. 10,'05	....	....	....
" 1st con. g. 5's	1934	5,000,000	M & N	114¾	Nov.27,'05	114¾	113¾	6,000
" 1st & refunding g. 4's	1949	9,350,000	M & S	97	Nov.21,'05	97	96¾	7,000
DesMoines&Ft.Dge1stgtd g.4's	1935	3,072,000	J & J	97¼	Aug.10,'05	....	....	....
Minn., S. P. & S. S. M., 1st c. g. 4's	1938	32,055,000	J & J	102¼	Nov.24,'05	102¼	102¼	16,000
" stamped pay. of int. gtd.						....	....	....
Minn., S. S. M. & Atlan. 1st g. 4's	1926	8,209,000	J & J	103	Nov.11,'01	....	....	....
" stamped pay. of int. gtd.				89⅜	June18,'91	....	....	....
Missouri, K. & T. 1st mtge g. 4's	1990	40,000,000	J & D	102⅞	Nov.29,'05	103⅛	101½	98,000
" 2d mtge. g. 4's	1990	20,000,000	F & A	89½	Nov.28,'05	90	88¼	294,000
" 1st ext gold 5's	1944	3,254,000	M & N	106¼	Nov.25,'05	106⅝	105½	68,000
St. Louis div. 1st refundg 4s	2001	1,915,000	A & O	92½	Nov. 6,'05	92½	92½	10,000
Dallas & Waco 1st gtd. g. 5's	1940	1,340,000	M & N	107	Nov.21,'05	107	107	3,000
Kan. City & Pac. 1st g. 4s	1990	2,500,000	F & A	97	Nov.24,'05	97	96¼	6,000
Mo., Kan. & East. 1st gtd. g. 5s	1942	4,000,000	A & O	115	Nov.25,'05	115	114¼	88,000
Mo.,Kan.& Ok. 40 yr. 1st gtd.5s	1942	5,468,000	M & N	109	Nov.28,'05	109¼	107	67,000
Mo.,K.& Tex.of Tex.1stgtd.g.5s	1942	4,505,000	M & S	109	Nov.24,'05	109	108⅜	48,000
Sher., Shreve.& So. 1st gtd.g.5s	1943	1,689,000	J & D	106⅜	July 28,'05	....	....	....
Tex. & Ok. 40 yr. 1st gtd. g. 5s	1943	2,347,000	M & S	108	Nov.23,'05	108	108	11,000
Missouri, Pacific 1st con. g. 6's	1920	14,904,000	M & N	122	Nov.29,'05	122⅝	122	29,000
" 3d mortgage 7's	1906	3,828,000	M & N	102⅝	Nov.29,'05	102⅝	102¼	24,000
" trusts gold 5's stamp'd	1917	14,376,000	M & S	105⅝	Nov.29,'05	105⅞	105½	46,000
" registered			M & S			....	....	....
" 1st collateral gold 5's	1920	9,636,000	F & A	107½	Nov.29,'05	108	107½	34,000
" registered			F & A			....	....	....
" forty yrs. 4's g. loan	1945	25,000,000	......	93½	Nov.28,'05	94	93½	32,000
Cent. Branch Ry. 1st gtg. g. 4's	1919	3,459,000	F & A	97⅞	Nov. 2,'05	97⅞	97⅞	3,000
Leroy & Caney Val. A. L. 1st 5's	1926	520,000	J & J	110	Mar. 13,'05	....	....	....
Pacific R. of Mo. 1st m. ex. 4's	1938	7,000,000	M & S	103¾	Nov.25,'05	103¾	103¾	2,000
" 2d extended g. 5's	1938	2,573,000	F & A	119½	Nov.23,'05	119½	119½	5,000
St. L. & I. g. con. R.R.&l.gr. 5's	1931	36,709,000	A & O	116¼	Nov.29,'05	116¼	116	65,000
" stamped gtd gold 5's	1931	6,833,000	A & O	116	Nov. 6,'05	116	116	11,000
" unify'g & rfd'g g. 4's	1929	30,347,000	J & J	94½	Nov.28,'05	95	94	122,000
" registered			J & J	87¼	Apr. 23,'04	....	....	....
" Riv&Gulf divs 1stg 4s	1933	21,177,000	M & N	95⅛	Nov.25,'05	95¼	94¾	44,000
Verdigris V'y Ind. & W. 1st 5's	1926	750,000	M & S			....	....	....
Mob. & Birm., prior lien, g. 5's	1945	374,000	J & J	111½	Mar. 8,04'	....	....	....
" small		226,000	J & J	90	Feb. 4,'03	....	....	....
" mtg. g. 4's	1945	700,000	J & J	96	Oct. 9,'05	....	....	....
" small		500,000	......	94	Aug. 6,'04	....	....	....
Mob. Jackson&Kan.City 1stg.5's	1946	1,882,000	J & D	97	Nov.27,'05	98	97	8,000
Mobile & Ohio new mort. g. 6's	1927	7,000,000	J & J	129	Nov.28,'05	129	129	5,000
" 1st extension 6's	1927	974,000	J & D	126	June19,'05	....	....	....
" gen. g. 4's	1938	9,472,000	Q J	99	Sept.22,'05	....	....	....
" Montg'rydiv.1st g.5's	1947	4,000,000	F & A	115¾	Nov. 1,'05	115¾	115¾	3,000
St. Louis & Cairo gtd g. 4's	1931	4,000,000	M & S	101	Nov. 9,'04	....	....	....
" collateral g. 4's	1930	2,494,000	Q F	92¼	Oct. 18,'05	....	....	....
Nashville, Chat. & St. L. 1st 7's	1913	6,300,000	J & J	121⅝	Nov.28,'05	121⅞	121½	40,000
" 1st cons. g. 5's	1928	7,566,000	A & O	114	Nov.23,'05	114	114	3,000
" 1st g.6's Jasper Branch	1923	371,000	J & J	124	Oct. 12,'05	....	....	....
" 1st 6's McM. M.W. & Al.	1917	750,000	J & J	117¼	Mar. 6,'05	....	....	....
" 1st 6's T. & Pb.	1917	300,000	J & J	113	July 6,'99	....	....	....
Nat.R.R.of Mex.priorlieng.4½'s	1926	20,000,000	J & J	106	Oct. 20,'05	....	....	....
" 1st con. g. 4's	1951	22,000,000	A & O	85	Nov.25,'05	85	84	47,000
N. O. & N. East. prior lien g. 6's	1915	1,320,000	A & O	108½	Aug.13,'94	....	....	....
N.Y. Cent. & Hud. R. g. mtg. 3½s	1997	84,846,000	J & J	99¾	Nov.29,'05	100	99	182,000
" " registered			J & J	99½	Nov.24,'05	99¼	98¾	18,000
" deb. g 4s	1934	30,000,000	M & N	100½	Nov.29,'05	100⅝	100'	261,000
" " registered			M & N	102	July 8,'05	....	....	....
Lake Shore col. g. 3½s	1998	90,578,000	F & A	91	Nov.28,'05	92½	90⅞	218,000
" registered			F & A	90	Nov.28,'05	91	90	75,000
Michigan Central col. g. 3½s	1998	19,836,000	F & A	90½	Nov.17,'05	90¾	90½	27,000
" registered			F & A	90	Nov.13,'05	90	90	1,000
Beech Creek 1st. gtd. 4's	1936	5,000,000	J & J	106⅝	Sept.29,'05	....	....	....
" registered			J & J	102	Mar. 31,'03	....	....	....

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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.*
• 2d gtd. g. 5's	1936	500,000	J & J			....	....	....
• registered		....	J & J			....	....	....
• ext. 1st. gtd. g. 3½'s	1951	3,500,000	A & O			....	....	....
• registered			A & O			....	....	....
Carthage&Adiron. 1stgtd g. 4's	1981	1,100,000	J & D			....	....	....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd.g. 4's ser. A.	1940	716,000	J & J	87⅛	June23,'04	....	....	....
• small bonds series B		33,000	J & J			....	....	....
Gouv. & Oswega. 1st gtd g. 5's	1942	300,000	J & D			....	....	....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	105	Nov.20,'05	105	105	5,000
N. Jersey Junc. R. R. g. 1st 4's	1986	1,650,000	F & A	105	Oct. 10,'02	....	....	....
• reg. certificates			F & A			....	....	....
N.Y.&Putnam1stcon.gtdg.4's	1993	4,000,000	A & O	106	Sept. 8,'05	....	....	....
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O			....	....	....
West Shore 1st guaranteed 4's	2361	50,000,000	J & J	109	Nov.28,'05	109¼	108⅞	63,000
• registered			J & J	108¼	Nov.29,'05	108⅞	107¾	82,000
Lake Shore g 3½s	1997	50,000,000		102¼	Nov.29,'05	102⅞	102¼	27,000
• registered			J & D	99½	June 2,'05	....	....	....
• deb. g. 4's	1928	50,000,000	M & S	100⅝	Nov.29,'05	101	100½	285,000
Detroit, Mon. & Toledo 1st 7's	1906	924,000	F & A	102	May 22,'05	....	....	....
Kal., A. & G. R. 1st gtd c. 5's	1938	840,000	J & J			....	....	....
Mahoning Coal R. R. 1st 5's	1934	1,500,000	J & J	123½	Sept.27,'05	....	....	....
Pitt McK'port & Y. 1st gtd 6's	1932	2,250,000	J & J	139	Jan. 21,'03	....	....	....
• 2d gtd 6's	1934	900,000	J & J			....	....	....
McKspt & Bell. V. 1st g. 6's	1918	600,000	J & J			....	....	....
Michigan Cent. 6's	1909	1,500,000	M & S	109⅝	Apr. 19,'04	....	....	....
• 5's	1931	3,576,000	M & S	122	Nov.29,'05	122	122	1,000
• 5's reg	1931		Q M	119	June 6,'05	....	....	....
• 4's	1940	2,600,000	J & J	106	July 1,'05	....	....	....
• 4's reg			J & J	106½	Nov.26,19'	....	....	....
• g. 3½'s sec. by 1st mge. on J. L. & S		1,900,000	M & S			....	....	....
• 1st g. 3½'s	1952	13,000,000	M & N	100	Oct. 9,'05	....	....	....
Battle C. Sturgis 1st g. g. 3's	1989	476,000	J & D			....	....	....
N. Y. & Harlem 1st mort. 7's c	1900	12,000,000	M & N	105½	Mar. 2,'05	....	....	....
• 7's registered	1900		M & N	102¾	Apr. 6,19'	....	....	....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119½	Mar. 31,'05	....	....	....
R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	116⅛	Nov.11,'05	116⅛	116⅛	2,000
coup. g. bond currency			A & O			....	....	....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	113¾	Jan. 25,'02	....	....	....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N			....	....	....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	107½	Feb. 4,'05	....	....	....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	104¼	Nov.27,'05	104¾	104¼	31,000
• registered			A & O	103	Oct. 6,'05	....	....	....
N. Y., N. Haven & Hartford.								
Housatonic R. con. g. 5's	1937	2,838,000	M & N	131¾	Apr. 29,'03	....	....	....
New Haven and Derby con. 5's	1918	575 000	M & N	115½	Oct. 15,'94	....	....	....
N.Y., Ont.&W'n. ref'ding1stg. 4's	1992	20,000,000	M & S	103⅞	Nov.28,'05	104¼	103½	36,000
• registered.......$5,000 only.		....	M & S	105⅝	Oct. 11,'05	....	....	....
Norfolk & Southern 1st g. 5's	1941	1,500,000	M & N	112	Aug.26,'05	....	....	....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	133½	Jan. 23,'05	....	....	....
• imp'ment and ext. 6's	1934	5,000,000	F & A	132½	May 16,'05	....	....	....
• New River 1st 6's	1932	2,000,000	A & O	129¾	Nov.27,'05	129¾	129¾	1,000
Norfolk & West. Ry. 1st con. g. 4s	1996	40,400,500	A & O	101⅞	Nov.29,'05	102	101½	146,000
• registered			A & O	99¾	June18,'03	....	....	....
• small bonds			A & O			....	....	....
• div. 1st lien & gen g. 4s	1944	8,000,000	J & J	99⅜	Nov.27,'05	100¼	99¼	84,000
• • registered			J & J			....	....	....
• Pocahon C.&C.Co. jt. 4's	1941	20,000,000	J & D	97	Nov.27,'05	97	96½	91,000
• C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	109½	Feb. 20,'05	....	....	....
• Sci'o Val & N.E. 1st g. 4's	1989	5,000,000	J & N	100	Nov.24,'05	101¼	100	21,000
N. P. Ry prior ln ry.&ld. gt. g. 4's	1997	101,392,500	Q J	104½	Nov.29,'05	104⅝	103¾	543,000
• registered			Q J	104¼	Nov.10,'05	104¼	104¼	80,000
• gen. lien g. 3's	2047	56,000,000	Q F	77¼	Nov.29,'05	77⅜	76¼	160,000
• registered			Q F	76	July 11,'05	....	....	....
St. Paul & Duluth div. g. 4's	1996	7,897,000	J & D	101	Oct. 25,'05	....	....	....
• registered			J & D			....	....	....
St. Paul & N. Pacific gen g. 6's	1923	7,985,000	F & A	125	Oct. 11,'05	....	....	....
• registered certificates			Q F	132	July 28,'98	....	....	....
St. Paul & Duluth 1st 5's	1931	1,000,000	F & A	112¼	July 21,'03	....	....	....
• 2d 5's	1917	2,000,000	A & O	109	June27,'05	....	....	....
• 1st con. g. 4's	1968	1,000,000	J & D	100½	Nov.13,'05	100½	100½	1,000
Washington Cen. Ry 1st g. 4's	1948	1,536,000	Q M C H	92½	Apr. 14,'05	....	....	....
Nor. Pacific Term. Co. 1st g. 6's	1933	3,559,000	J & J	114½	Aug. 9,'05	....	....	....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	118	Nov. 8,'05	118	118	1,000
• gen. mortg. g 6's	1937	2,428,000	A & O	112½	Nov.29,'05	112½	112½	30,000
Ozark&Cher.Cent.Ry.1st gtd g 5s	1913	2,880,000	A & O	100	Oct. 16,'05	....	....	....
Pacific Coast Co. 1st g. 5's	1946	5,000,000	J & D	114¾	Nov.20,'05	116	114¾	12,000

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Panama 1st sink fund g. 4½'s	1917	2,879,000	A & O	104¼	Nov. 28,'05	104¼	104	11,000
• s. f. subsidy g 6's	1910	533,000	M & N	102	Apr. 14,'02			
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	108¾	Nov. 27,'05	109¼	108½	41,000
• reg	1921		J & J	106	Aug. 23,'05			
• gtd. 3½ col. tr. reg. cts.	1937	4,815,000	M & S	93⅝	Nov. 4,'04	93⅝	93⅝	2,000
• gtd. 3½ col. tr. cts. ser B	1941	9,581,000	F & A	93½	Aug. 26,'05			
• Trust Co. ctfs. g. 3½'s.	1916	14,664,000	M & N	98⅝	Nov. 15,'05	98½	98	58,000
• gtd. g. 3½'s tr. cts. s. C.	1942	4,948,000	J & D					
• gtd. g. 3½'s tr. cts. s. D.	1944	10,000,000	J & D					
Chic., St. Louis & P. 1st c. 5's	1932	1,506,000	A & O	118¾	Oct. 23,'05			
• registered			A & O	110	May 3,'92			
Cin., Leb. & N. 1st con. gtd. g. 4's.	1942	900,000	J & J					
Clev. & P. gen. gtd. g. 4½'s Ser. A.	1942	3,000,000	J & J	108¼	Aug. 21,'03			
• Series B	1942	1,561,000	A & O					
• • int. reduc. 3½ p.c.		439,000						
• Series C 3½s	1948	3,000,000	M & N					
• Series D 3½s	1950	1,990,000	F & A	96	Jan. 8,'04			
E. & Pitts. gen. gtd. g. 3½s Ser. B.	1940	2,240,000	J & J	102	Nov. 7,19'			
• • C.	1940	2,218,000	J & J	98¾	Apr. 4,'04			
Newp. & Cin. Bge Co. gtd g. 4's.	1945	1,400,000	J & J					
Pitts., C. C. & St. L. con. g 4½'s..								
• Series A	1940	10,000,000	A & O	112½	Nov. 22,'05	112½	112½	7,000
• Series B gtd	1942	8,786,000	A & O	112¾	Nov. 27,'05	113¼	111¾	7,000
• Series C gtd	1942	1,379,000	M & N	112½	June 12,'05			
• Series D gtd. 4's	1945	4,983,000	M & N	103	June 14,'05			
• Series E gtd. g. 3½s	1949	9,851,000	F & A	93⅞	Nov 21,'05	93⅞	93¾	5,000
• Series F c. gtd. g. 4's	1953	9,000,000	J & D					
Pitts., Ft. Wayne & C. 1st 7's	1912	2,219,000	J & J	127⅝	Oct. 21,'02			
• 2d 7's	1912	1,918,000	J & J	121	Mar. 4,'03			
• 3d 7's	1912	2,000,000	A & O	119	Apr. 11,'04			
Tol Walhonding Vy. & O. 1st gtd. bds		1,500,000	J & J					
4½'s series A	1931							
• 4½'s series B	1933	378,000	J & J					
• 4's series C	1942	1,453,000	M & S					
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	M & N	107	Nov. 28,'05	107	106½	12,000
con. gold 5 per cent	1919	4,998,000	M & S	111½	Sept. 21,'04			
• registered			Q M					
con. gold 4 per cent	1943	2,769,000	M & N	106	Aug. 28,'03			
• ten year conv. 3½'s	1912	20,480,000	M & N	102¾	Nov. 29,'05	103⅞	101½	677,000
Allegh. Valley gen. gtd. g. 4's.	1942	5,389,000	M & S	104¼	Oct. 26,'05			
Belvedere Del. con. gtd. 3½'s.	1943	1,000,000	J & J					
Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	110	Jan. 19,'05			
Del. R. RR. & Bge Co 1st gtd g. 4's,	1936	1,300,000	F & A					
G. R. & Ind. Ex. 1st gtd. g 4½'s	1941	4,455,000	J & J	110⅝	Nov. 16,'05	110⅝	110⅝	4 000
Phila. Balto. & Wash. 1st g. 4's.	1943	10,570,000	M & N	108⅛	Nov. 21,'05	108⅛	108⅛	3,000
• registered			M & N					
Pitts. Va. & Charl. Ry 1st gtd g. 4's.	1943	6,000,000	M & N					
Sunbury & Lewistown 1st g. 4's.	1936	500,000	J & J					
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	110½	Sept. 28,04'			
Penn. R. R. 10-year conv. g. 3½'s.	1915	100,000,000	J & D	100⅝	Nov. 29,'05	100¾	99⅝	320,000
• registered			J & D					
Peoria & Pekin Union 1st 6's	1921	1,495,000	Q F	123½	Jan. 18,'05			
• 2d m 4½'s	1921	1,499,000	M & N	103½	Sept. 1,'05			
Pere Marquette.								
Chic. & West Mich. Ry. 5's	1921	5,753,000	J & D	109	Apr. 28,'02			
Flint & Pere Marquette g. 6's	1920	3,999,000	A & O	121½	Oct. 16,'05			
• 1st con. gold 5's	1939	2,850,000	M & N	114	Nov. 13,'05	114½	112⅛	5,000
• Port Huron d 1st g 5's.	1939	3,325,000	A & O	114	June 15,'05			
Sag'w Tusc. & Hur. 1st gtd. g. 4's.	1931	1,000,000	F & A					
Pine Creek Railway 6's	1932	3,500,000	J & D	137	Nov. 17,'93			
Pittsburg, Junction 1st 6's	1922	478,000	J & J	120	Oct. 11,'01			
Pittsburg & L. E. 2d g. 5's ser. A.	1928	2,000,000	A & O	112½	Dec. 13,'93			
Pitts., Shena'go & L. E. 1st g. 5's,	1940	3,000,000	A & O	118¼	Nov. 25,'05	118¼	118¼	15,000
• 1st cons. 5's	1943	408,000	J & J	87¾	Jan. 12,19'			
Pittsburg, Y & Ash. 1st cons. 5's,	1927	1,562,000	M & N	116	May 24,'05			
Reading Co. gen. g. 4's	1997	66,232,000	J & J	102¾	Nov. 29,'05	103	102½	580,000
• registered.			J & J	102½	Nov. 28,'05	102½	101¾	21,000
• Jersey Cent. col. g. 4's	1957	23,000,000		100	Nov. 28,'05	100	99¼	167,000
• • registered								
Atlantic City 1st con. gtd. g. 4's.	1951	1,063,000	M & N					
Philadelphia & Reading con. 6's.	1911	7,304,000	J & D	113¼	Feb. 25,'05			
• registered		663,000	J & D					
• 7's	1911	7,310,000	J & D	119¼	Apr. 2,'04			
• • registered		3,339,000	J & D	118	Jan. 7,'05			
Rio Grande Junc'n 1st gtd. g. 5's,	1939	2,000,000	J & D	109	Mar. 11,'05			
Rio Grande Southern 1st g. 4's.	1940	2,283,000	J & J	78	Nov. 8,'05	78	78	5,000
• guaranteed		2,277,000		89	Jan. 4,'05			

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Rutland RR 1st con. g. 4½ s ...	1941	2,440,000	J & J	106⅛	Oct. 24,'05	....	....	....
Ogdnsb.&L.Ch'n.Ry.1st gtd g4s	1948	4,400,000	J & J	99	June23,'05	....	....	....
Rutland Canadian 1st gtd.g.4's.	1949	1,350,000	J & J	101¼	Nov.18,'01	....	....	....
St. Jo. & Gr. Isl. 1st g. 2.342	1947	3,500,000	J & J	95	Nov.28,'05	95	95	3,000
St. L. & Adirondack Ry. 1st g.5's.	1996	800,000	J & J	....		....	....	....
" 2d g. 6's...............	1996	400,000	A & O	....		....	....	....
St. Louis & San F. 2d 6's, Class B,	1906	998,000	M & N	101⅛	Nov.21,'05	101⅝	101	44,000
" 2d g. 6's, Class C	1906	829,000	M & N	104½	Feb 21,'05	....	....	....
" gen. g. 6's............	1931	3,681,000	J & J	132	Nov.28,'05	132	132	2,000
" gen. g. 5's	1931	5,803,000	J & J	114⅛	Oct. 30,'05	....	....	....
St. L & San F. R. R. con. g. 4's.	1906	1,558,000	J & D	98½	Sept.26,'05	....	....	....
" S. W. div. g. 5's........	1947	829,000	A & O	102¼	Aug. 7,'05	....	....	....
" refunding g. 4's.......	1951	60,104,000	J & J	88⅞	Nov.29,'05	89⅝	88	304,000
" " registered...			J & J	....		....	....	....
" 5 year 4½'s gold notes.	1908	5,728,000	J & D	97	Nov.10,'05	97	97	1,000
Kan. Cy Ft.S.&Mem RR con g6's	1928	13,736,000	M & N	125	Aug.31,'05	....	....	....
Kan.Cy Ft.S &M Ry ref g gtd g4s.	1936	17,810,000	A & O	87	Nov.29,'05	88	86½	143,000
" registered........			A & O	78⅛	Jan. 14,'04	....	....	....
Kan.Cy&M.R.&B.Co.1st gtd g5s.	1929	3,000,000	A & O	....		....	....	....
St. Louis S. W. 1st g. 4's Bd. ctfs.,	1989	20,000,000	M & N	97⅝	Nov.29,'05	97⅞	97	144,000
" 2d g. 4's inc. Bd. ctfs....	1989	3,272,500	J & J	86⅛	Nov.29,'05	86½	86	16,000
" con. g. 4's.	1932	16,678,000	J & D	83	Nov.29,'05	83¾	81	288,000
Gray's Point, Term. 1st gtd. g.5's.	1947	339,000	J & D	....		....	....	....
St. Paul, Minn. & Manito'a 2d 6's..	1909	6,790,000	A & O	108	Nov. 9,'05	108	108	3,000
" 1st con. 6's............	1933	13,344,000	J & J	139¾	Nov. 6,'05	139¾	139¾	1,000
" 1st con. 6's, registered....			J & J	140	May 14,'02	....	....	....
" 1st c. 6's, red'd to g.4½'s...		19,322,000	J & J	113⅝	Nov.15,'05	113¾	113⅝	10,000
" 1st cons. 6's register'd....			J & J	115¼	Apr.15,'01	....	....	....
" Dakota ext'n g. 6's...	1910	5,073,000	M & N	112	Oct. 13,'05	....	....	....
" Mont. ext'n 1st g. 4's..	1937	10,185,000	J & D	104½	Nov.16,'05	105¼	104½	15,000
" registered................			J & D	103⅛	Sept.19,'05	....	....	....
" Pac. Ext. sterl. gtd. 4s..	1940	£4,000,000	J & J	....		....	....	....
$5=£1.								
Eastern R'y Minn, 1st d. 1st g.5's..	1908	4,700,000	A & O	102⅜	Oct. 12,'05	....	....	....
" registered................			A & O	....		....	....	....
" Minn. N. div. 1st g.4's..	1940	5,000,000	A & O	....		....	....	....
" registered................			A & O	....		....	....	....
Minneapolis Union 1st g. 6's....	1922	2,150,000	J & J	124	May 4,'05	....	....	....
Montana Cent. 1st 6's int. gtd..	1937	6,000,000	J & J	136⅛	Sept.11,'05	....	....	....
" 1st 6's, registered........			J & J	134¾	Dec. 20,'04	....	....	....
" 1st g. g. 5's...........	1937	4,000,000	J & J	120	Oct. 5,'05	....	....	....
" registered................			J & J	....		....	....	....
Willmar & Sioux Falls 1st g. 5's,	1938	3,625,000	J & D	121⅛	Oct. 3,'05	....	....	....
" registered................			J & D	....		....	....	....
Salt Lake City 1st g. s. f. 6's......	1913	297,000	J & J	....		....	....	....
San Fe Pres.& Phoe.Ry.1st g.5's.	1942	4,940,000	M & S	110	Jan. 7,'04	....	....	....
San Fran. & N. Pac. 1st s. f. g. 5's.	1919	3,872,000	J & J	110	Oct. 4,'05	....	....	....
Seaboard Air Line Ry g. 4's......	1950							
" registered................		12,775,000	A & O	89⅛	Nov.29,'05	90	89⅛	124,000
" col. trust refdg g. 5's..	1911		A & O	....		....	....	....
Carolina Central 1st con. g. 4's.	1949	10,000,000	M & N	102⅛	Nov.27,'05	102¾	102¼	23,000
Fla Cent & Peninsular 1st g.5's.	1918	2,847,000	J & J	98⅛	Nov. 8,'05	98⅛	98½	1,000
" 1st land grant ext g.5's.	1930	3,000,000	J & J	109	Feb. 2,'05	....	....	....
" cons. g. 5's.	1943	410,000	J & J	....		....	....	....
Georgia & Alabama 1st con.5's.	1945	4,370,000	J & J	109⅛	Mar. 3,'05	....	....	....
Ga. Car. & Nthern 1st gtd g. 5's.	1929	2,922,000	J & J	112⅛	Oct. 25,'05	....	....	....
Seaboard & Roanoke 1st 5's....	1926	5,360,000	J & J	110	Jan. 16,'05	....	....	....
Sodus Bay & Sout'n 1st 5's, gold.	1924	2,500,000	J & J	....		....	....	....
Southern Pacific Co.		500,000	J & J	102	Jan. 20,'03	....	....	....
" g. 4's Central Pac. coll..	1949	28,818,500	J & D	95⅞	Nov.28,'05	96	95⅛	180,500
" " registered......			J & D	94	May 4,'05	....	....	....
Austin & Northw'n 1st g. 5's...	1941	1,920,000	J & J	111	Aug 30,'05	....	....	....
Cent. Pac. 1st refud. gtd.g.4's..	1949	79,292,000	F & A	101⅝	Nov.29,'05	101⅞	100¾	281,000
" registered......			F & A	98	Apr. 7,'05	....	....	....
" mtge. gtd. g. 3½'s...	1929	17,493,000	J & D	89⅛	Nov.27,'05	89½	89	23,500
" " registered			J & D	....		....	....	....
" through S L 1st gtd g.4's.	1954	8,300,000	A & O	101⅛	Sept.30,'05	....	....	....
" registered..			A & O	....		....	....	....
Gal. Harrisb'gh & S.A. 1st g 6's..	1910	4,756,000	F & A	108⅛	Mar. 1,'05	....	....	....
" Mex. & P. div 1st g 5's.	1931	13,418,000	M & N	111	Nov.15,'05	111	111	6,000
Gila Val.G.& N'n 1st gtd g 5's.	1924	1,514,000	M & N	107⅛	June 3,'05	....	....	....
Houst. E. & W. Tex. 1st g. 5's..	1933	501,000	M & N	105¼	Jan. 27,'05	....	....	....
" 1st gtd. g. 5's.........	1933	2,199,000	M & N	107¼	Feb. 20,'05	....	....	....
Houst. & T.C. 1st g 5's int. gtd..	1937	4,592,000	J & J	113	Nov.22,'05	113	112	2,000
" con. g 6's int. gtd......	1912	2,290,000	A & O	111⅛	Nov.24,'05	111⅛	110⅛	2,000
" gen. g 4's int. gtd......	1921	4,275,000	A & O	99¼	Nov.23,'05	99⅜	98½	8,000
" W&Nwn.div.1st.g.6's.	1930	1,105,000	M & N	127⅛	Feb. 27,'02	....	....	....

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Louisiana Western 1st 6's	1921	2,240,000	J & J	....	....	....	....	....
Morgan's La & Tex. 1st g 6's	1920	1,494,000	J & J	122	Dec. 6,'04	....	....	....
" 1st 7's	1918	5,000,000	A & O	129½	Nov. 5,'04	....	....	....
N. Y. Tex. & Mex. gtd. 1st g 4's	1912	1,465,000	A & O	....	....	....	....	....
Nth'n Ry of Cal. 1st gtd. g. 6's	1907	3,964,000	J & J	106	Sept.14,'04	....	....	....
" gtd. g. 5's		4,751,000	A & O	113	Jan. 4,'01	....	....	....
Oreg. & Cal. 1st gtd. g 5's	1927	18,235,000	J & J	103⅝	Oct. 13,'05	....	....	....
San Ant.&Aran Pass 1st gtd g 4's	1943	17,544,000	J & J	89⅞	Nov.28,'05	90¼	89½	241,000
South'n Pac. of Ariz. 1st 6's	1909	6,000,000	J & J	107⅝	Oct. 31,'05	....	....	....
" " "	1910	4,000,000	J & J	109⅜	Jan. 6,'05	....	....	....
" of Cal. 1st g 6's C. & D.	1906	12,693,500	A & O	104½	Dec. 22,'04	....	....	....
" " " E. & F.	1902		A & O	112⅛	Oct. 24,'05	....	....	....
" " "	1912		A & O	116	June29,'04	....	....	....
" 1st con. gtd. g 5's	1937	6,809,000	M & N	119	Feb. 2,'04	....	....	....
" stamped	1905–1937	21,470,000	......	108⅜	July 11,'05	....	....	....
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	....
" of N. Mex. c. 1st 6's	1911	4,180,000	J & J	109½	Feb. 23,'05	....	....	....
Tex.&N.O.Sabine div. 1st g 6's	1912	2,575,000	M & S	110½	Nov.29,'05	110½	110½	10,000
" con. g 5's	1943	1,620,000	J & J	111	Aug. 4,'05	....	....	....
Southern Railway 1st con. g 5's	1994	42,211,000	J & J	120⅛	Nov.29,'05	121	119⅞	180,000
" registered			J & J	110	Feb. 29,'04	....	....	....
Mob. & Ohio collat. trust g. 4's	1938	8,069,000	M & S	98	Nov.21,'05	98⅛	97¾	5,000
" registered			M & S	....	....	....	....	....
" Memph.div.1st g.4-4½-5's	1996	5,183,000	J & J	118	Aug.19,'05	....	....	....
" registered			J & J	....	....	....	....	....
" St. Louis div. 1st g, 4's	1951	11,750,000	J & J	100½	Nov.29,'05	100½	100½	31,000
" " registered			J & J	....	....	....	....	....
Alabama Central, 1st 6's	1918	1,000,000	J & J	118	June20,'05	....	....	....
Atlantic & Danville 1st g. 4's	1948	3,925,000	J & J	98½	Mar. 8,'05	....	....	....
" 2d mtg	1948	775,000	J & J	90½	Dec. 6,'04	....	....	....
Atlantic & Yadkin, 1st gtd g 4s	1949	1,500,000	A & O	....	....	....	....	....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	116½	May 8,'05	....	....	....
East Tenn., Va. & Ga. div. g. 5's	1930	3,106,000	J & J	115½	Aug.21,'05	....	....	....
" con. 1st g 5's	1956	12,770,000	M & N	118½	Nov.23,'05	118⅝	118½	12,000
" reorg. lien g 4's	1938	4,500,000	M & S	115	Nov. 3,'05	115	115	1,000
" registered			M & S	....	....	....	....	....
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	124¾	Nov. 1,'05	124¾	124¾	2,000
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	126¾	June 6,'05	....	....	....
Rich. & Danville, con. g 6's	1915	5,597,000	J & J	114¼	Nov.23,'05	114¼	114¼	9,000
" deb. 5's stamped	1927	3,368,000	A & O	114	Sept.28,'05	....	....	....
Rich. & Mecklenburg 1st g. 4's	1948	315,000	M & N	98	Feb. 18,'05	....	....	....
South Caro'a & Ga. 1st g. 5's	1919	5,250,000	M & S	108½	Nov.10,'05	108½	108½	23,000
Vir. Midland serial ser. A 6's	1906	600,000	M & S	103	Mar. 29,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. B 6's	1911	1,900,000	M & S	112½	Jan. 6,'03	....	....	....
" small			M & S	....	....	....	....	....
" ser. C 6's	1916	1,100,000	M & S	123	Feb. 8,'02	....	....	....
" small			M & S	....	....	....	....	....
" ser. D 4-5's	1921	950,000	M & S	110	Dec. 22,'04	....	....	....
" small			M & S	....	....	....	....	....
" ser. E 5's	1926	1,775,000	M & S	114⅛	July 27,'05	....	....	....
" small			M & S	....	....	....	....	....
" ser. F 5's	1931	1,310,000	M & S	115⅜	Nov. 2,'05	115⅜	115⅜	10,000
Virginia Midland gen. 5's	1936	2,392,000	M & N	114¾	Nov.13,'05	114¾	111¾	10,000
" gen. 5's. gtd. stamped	1926	2,466,000	M & N	114½	June20,'05	....	....	....
W. O. & W. 1st cy. gtd. 4's	1924	1,025,000	F & A	97¾	May 15,'05	....	....	....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	115½	Nov.15,'05	115½	115⅛	17,000
Spokane Falls & North. 1st g. 6's	1939	2,812,000	J & J	117	July 25,19'	....	....	....
Staten Isl. Ry. N.Y. 1st gtd. g. 4½'s	1943	500,000	J & D	100	Nov.22,'04	....	....	....
Ter. R. R. Assn. St. Louis 1 g 4½'s	1939	7,000,000	A & O	111⅛	Apr.20,'05	....	....	....
" 1st con. g. 5's	1894–1944	5,000,000	F & A	122	Nov.27,'05	122¼	122	9,000
" gn. refdg. sg. fd. g. 4's.	1953	18,000,000	J & J	100¾	Nov. 8,'05	100¾	100¾	1,000
" " " registered.			J & J	....	....	....	....	....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	112½	July 29,'04	....	....	....
Tex. & Pacific, 1st gold 5's	2000	25,000,000	J & D	125	Nov.25,'05	125⅝	124¾	94,000
" 2d gold income, 5's	2000	963,000	MAR.	100	Nov.24,'05	100	100	10,000
" La. Div. B.L. 1st g. 5's	1931	4,241,000	J & J	106½	Aug. 4,'05	....	....	....
Weatherford Mine Wells & Nwn. Ry. 1st gtd. 5's	1930	500,000	F & A	106½	Nov. 7,'04	....	....	....
Toledo & Ohio Cent. 1st g 5's	1935	3,000,000	J & J	116¼	Nov.29,'05	116¼	116¼	1,000
" 1st M. g 5's West. div.	1935	2,500,000	A & O	115	Oct. 28,'04	....	....	....
" gen. g. 5's	1935	2,000,000	J & D	109¾	Sept.11,'05	....	....	....
" Kanaw & M. 1st g. g. 4's	1990	2,469,000	A & O	98¼	Nov.23,'05	98½	98	17,000
Toledo, Peoria & W. 1st g 4's	1917	4,800,000	J & D	92	Nov.27,'05	92	92	1,000
Tol., St.L.&Wn. prior lien g 3½'s	1925	9,000,000	J & J	91¾	Nov.28,'05	91¾	91½	13,000
" registered			J & J	....	....	....	....	....

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• fifty years g. 4's	1925	6,500,000	A & O	83⅞	Nov.29,'05	84⅛	83⅛	89,000
• registered			A & O	....		....	....	....
Toronto, Hamilton & Buff 1st g 4s.	1946	3,280,000	J & D	99⅛	Nov. 8,'05	99⅛	99⅛	1,000
Ulster & Delaware 1st c. g 5's	1928	2,000,000	J & D	112¾	Nov. 2,'05	112¾	112¾	1,000
• 1st ref. g. 4's	1952	700,000	A & O	96⅛	Sept.13,'05	....	....	....
Union Pacific R. R. & ld gt g 4s	1947	100,000,000	J & J	105⅞	Nov.29,'05	105⅞	104⅞	278,000
• registered			J & J	105	Nov.28,'05	105	104½	60,000
• 1st lien con. g. 4's	1911	19,621,000	M & N	136¼	Nov.29,'05	137½	129	851,000
• registered			M & N	137¾	Apr. 15,'05	....	....	....
Oreg. R. R. & Nav. Co. con. g 4's.	1946	21,482,000	J & D	102¾	Nov.29,'05	103¼	102¾	182,000
Oreg. Short Line Ry. 1st g. 6's.	1922	14,931,000	F & A	125⅝	Nov.22,'05	126	125¼	16,000
• 1st con. g. 5's.	1946	12,328,000	J & J	119⅝	Nov.22,'05	119⅝	119⅜	22,000
• gtd. refunding g. 4's	1929	45,000,000	J & D	97⅝	Nov.29,'05	97⅝	96⅝	644,000
• • registered			J & D	....		....	....	....
Utah & Northern 1st 7's	1908	4,993,000	J & J	112	Dec. 30,'03	....	....	....
• g. 5's	1926	1,812,000	J & J	114½	Apr. 19,'02	....	....	....
Vandalia R. R. con. g. 4's	1955	7,000,000	F & A	103¾	Aug. 9,'05	....	....	....
• registered			F & A	....		....	....	....
Vera Cruz & Pac. tr. gtd. g. 4½'s.	1934	2,500,000	J & J	101⅜	Nov.29,'05	101⅜	101⅜	7,000
• 1st mtg. gtd. bonds of 1934, scaled int. to 191 Speyer & Co's coupns		4,500,000	J & J	....		....	....	....
Virginia & S'western 1st gtd. 5's.	2003	2,000,000	J & J	112	Nov.13,'05	112	112	9,000
Wabash R.R. Co., 1st gold 5's	1939	33,011,000	M & N	116¼	Nov.29,'05	116⅛	115	48,000
• 2d mortgage gold 5's	1939	14,000,000	F & A	107	Nov.29,'05	108¼	106¾	92,000
• deben. mtg series A	1939	3,500,000	J & J	91	Sept.16,'05	....	....	....
• series B	1939	26,500,000	J & J	76¾	Nov.29,'05	77⅛	72⅛	3,024,000
• first lien eqpt. fd. g. 5's.	1921	2,600,000	M & S	103	Aug. 7,'05	....	....	....
• 1st lien 50 yr. g. term 4's.	1954	2,508,000	J & J	92	Apr. 17,'05	....	....	....
• 1st g. 5's Det. & Chi. ex	1940	3,349,000	J & J	110¾	Oct. 19,'05	....	....	....
• Des Moines div. 1st g. 4s.	1939	1,600,000	J & J	97	Nov.16,'04	....	....	....
• Omaha div. 1st g. 3½s	1941	3,173,000	A & O	88	Apr. 6,'05	....	....	....
• Tol. & Chic. div. 1st g. 4's.	1941	3,000,000	M & S	97	May 27,'05	....	....	....
St. L., K. C. & N. St. Chas. B. 1st 6's	1908	463,000	A & O	109½	Mar. 13,'03	....	....	....
Wabash Pitts Terml Ry 1st g. 4's.	1954	27,000,000	J & D	90	Nov.28,'05	90	88	66,000
• 2d g. 4's	1954	20,000,000	J & D	35	Nov.29,'05	35⅞	34⅛	589,000
Western Maryland 1st 4's	1952	33,194,000	A & O	87	Nov.29,'05	88	87	155,000
West. M'land. g. lien & con. g. 4's	1952	10,000,000	A & O	68⅛	Nov.29,'05	68⅞	68⅛	35,000
Western N.Y. & Penn. 1st g. 5's	1937	9,990,000	J & J	118⅝	Nov. 9,'05	118⅝	118⅝	5,000
• gen g. 3-4's	1943	9,789,000	A & O	96¼	Nov.22,'05	96¼	96¼	1,000
• inc. 5's	1943	10,000,000	Nov.	40	Mar. 21,'01	....	....	....
West Va. Cent'l & Pitts. 1st g. 6's.	1911	3,250,000	J & J	110	Aug. 3,'05	....	....	....
Wheeling & Lake Erie 1st g. 5's.	1926	2,000,000	A & O	116½	Sept.22,'05	....	....	....
• Wheeling div. 1st g. 5's.	1928	894,000	J & J	114½	May 27,'05	....	....	....
• exten. and imp. g. 5's	1930	343,000	F & A	114	June 23,'05	....	....	....
• 20 year eqptmt s.f. g. 5's.	1922	2,152,000	J & J	102⅝	Nov.28,'05	102⅝	102⅝	13,000
Wheel. & L. E. RR. 1st con. g. 4's	1949	11,618,000	M & S	91¾	Nov.29,'05	91¾	90½	10,000
Wisconsin Cen. R'y 1st gen. g. 4s.	1949	23,743,000	J & J	95¼	Nov.29,'05	96½	95	140,000
Mil. & L. Winnebago 1st 6's	1912	1,430,000	J & J	....		....	....	....
STREET RAILWAY BONDS.								
Brooklyn Rapid Transit g. 5's	1945	6,625,000	A & O	110½	Nov.20,'05	110½	109	46,000
• 1st ref. conv. g. 4's	2002	17,000,000	J & J	99¾	Nov.29,'05	102½	92⅞	7,183,000
• • registered			J & J	....		....	....	....
• City R. R. 1st c. 5's 1916.	1941	4,373,000	J & J	107	Nov.20,'05	107½	107	8,500
• Qu. Co. & S. c. gd. g. 5's.	1941	2,255,000	M & N	106	Feb. 9,'05	....	....	....
• Union Elev. 1st. g. 4-5s.	1950	16,000,000	F & A	111	Nov.29,'05	111	108	217,000
• stamped guaranteed			......	109	Nov.11,'05	109	100	2,000
Kings Co. Elev. R. R. 1st g. 4's.	1949	7,000,000	F & A	88	Oct. 6,'05	....	....	....
• stamped guaranteed			......	95⅞	Nov.29,'05	97	94⅝	243,000
Nassau Electric R. R. gtd. g. 4's.	1951	10,474,000	J & J	89½	Nov.28,'05	90	88½	267,000
City & Sub. R'y, Balt. 1st g. 5's	1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	....
Conn. Ry. & Lightg 1st & rfg. g4½'s.	1951	10,913,000	J & J	103¼	Sept. 7,'05	....	....	....
• stamped guaranteed			......	102¾	Nov.25,'05	102¾	102¾	1,000
Denver Con. T'way Co. 1st g. 5's.	1933	730,000	A & O	97½	June 13,19'	....	....	....
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	....		....	....	....
Detroit United Ry 1st c. g. 4½'s	1932	10,842,000	J & J	96¼	Nov.29,'05	96¼	95½	20,000
Grand Rapids Ry 1st g. 5's	1916	2,750,000	J & D	....		....	....	....
Havana Elec. Ry. con. g. 5s	1952	6,957,000	F & A	95¾	Nov.28,'05	95¾	94½	27,000
Louisville Railw'y Co. 1st c. g. 5's,	1930	4,600,000	J & J	109	Mar. 19,'03	....	....	....
Market St. Cable Railway 1st 6's,	1913	3,000,000	J & J	....		....	....	....
Metro. St. Ry N.Y. g. col. tr. g. 5's.	1997	12,500,000	F & A	114	Nov.21,'05	114⅞	114	22,000
• refunding 4's	2002	16,418,000	A & O	89½	Nov.28,'05	89⅞	89	57,000
B'way & 7th ave. 1st con. g. 5's,	1943	7,660,000	J & D	118¼	Nov. 8,'05	118¼	118¼	2,000
• registered			J & D	119½	Dec. 3,19'	....	....	....

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Columb.& 9th ave.1st gtd g 5's,	1993	3,000,000	M & S	119	Oct. 17,'05	....	....	....
• registered			M & S			....	....	....
Lex ave & Pav Fer 1st gtd g 5's,	1993	5,000,000	M & S	118	Nov. 5,'05	118	118	1,000
• registered			M & S			....	....	....
Third Ave. R.R. 1st c.gtd.g.4's..	2000	36,943,000	J & J	94¾	Nov.23,'05	95⅛	94¼	110,000
• registered			J & J			....	....	....
Third Ave. R'y N.Y. 1st g 5's...	1937	5,000,000	J & J	119	Nov. 5,'05	119	119	7,000
Met. West Side Elev.Chic. 1st g.4's.	1938	9,808,000	F & A	94	Oct. 23,'05	....	....	....
• registered			F & A			..	....	....
Mil.Elec.R.&Light con.30yr.g.5's.	1926	6,500,000	F & A	106	Oct. 27,'99	....	....	....
Minn. St. R'y (M. L. & M.) 1st con. g. 5's	1919	4,050,000	J & J	106	Nov. 22,'01	....	....	....
St.Jos.Ry.Lig't,Heat&P.1stg.5's.	1937	3,763,000	M & N			....	....	....
St. Paul City Ry. Cable con.g.5's.	1937	2,480,000	J&J15	114⅛	Nov.18,'05	114⅛	114⅛	5,000
• gtd. gold 5's	1937	1,138,000	J & J	112	Nov.28,'99	....	....	....
Undergr'd Elec.Rys.of London Ltd. 5% profit sharing notes 1908 series A		16,550,000	J & D	99¼	Nov.29,'05	99¼	98⅝	297,500
			J & D			....	....	....
• series B			J & D			....	....	....
• series C			J & D			....	....	....
• series D			J & D			....	....	....
Union Elevated (Chic.) 1st g.5's.	1945	4,387,000	A & O	106¼	July 13,'05	....	....	....
United Railways of St.L.1st g.4's.	1934	28,292,000	J & J	87⅞	Nov.29,'05	87⅞	87⅝	7,000
United R. R. of San Fr. s. fd. 4's...	1927	20,000,000	A & O	88¼	Nov.29,'05	89	87⅝	72,000
West Chic. St. 40 yr. 1st cur. 5's.	1928	3,969,000	M & N	87	Sept. 9,'05	....	....	....
• 40 years con. g. 5's	1936	6,031,000	M & N	99	Dec. 28,'97	..	....	....

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	104	Nov.25,'05	104¼	102¾	19,500
Am.Steamship Co.of W.Va.g.5's	1920	5,062,000	M & N	100¾	June 4,'02	....	....	....
Bklyn.FerryCo.ofN.Y.1stc.g.5's.	1948	6,500,000	F & A	50	Oct. 17,'05	....	....	....
Chic. Junc. & St'k Y'ds col. g. 5's.	1915	10,000,000	J & J	108	July 3,'05	....	....	....
Der. Mac.&Ma.ld.gt.3½'s sem.an.	1911	1,432,000	A & O	77	Oct. 12,'05	....	....	....
Hackensack Water Co. 1st 4's	1952	3,000,000	J & J			....	....	....
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	....
Madison Sq. Garden 1st g.5's	1916	1,250,000	M & N	102	July 8,'97	....	....	....
Manh. Bch H. & L. lim.gen. g. 4's.	1940	1,300,000	M & N	50	Feb. 21,'02	....	....	....
Newport News Shipbuilding & Dry Dock 5's	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	....
N. Y. Dock Co. 50 yrs. 1st g. 4's...	1951	11,580,000	F & A	97	Nov.27,'05	98	96⅛	11,500
• registered			F & A			....	....	....
Provident L. Soc. of N.Y. g. 4's.	1921	2,000,000	M & S	99	Sept.28,'05	....	....	....
St.Joseph Stock Yards 1st g. 4½'s	1930	1,250,000	J & J	100½	Sept.15,'05	....	....	....
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	112	July 27,'04	....	....	....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	113½	Dec. 18,19'	....	.. ..	....
U. S. Mortgage and Trust Co. Real Estate 1st g col tr. bonds.								
Series E 4's	1907-1917	1,000,000	J & D			....	....	....
• F 4's	1908-1918	1,000,000	M & S	100	Mar. 15,19'	....	....	....
• G 4's	1903-1918	1,000,000	F & A			....	....	....
• H 4's	1903-1918	1,000,000	M & N			....	....	....
• I 4's	1904 1919	1,000,000	F & A			....	....	....
• J 4's	1904-1919	1,000,000	M & N			....	....	....
• K 4's	1905-1920	1,000,000	J & J			....	....	....
Small bonds		....	......			....	....	....

INDUSTRIAL AND MFG. BONDS.

Name.	Principal Due.	Amount.	Int'st Paid.	Last Sale. Price.	Last Sale. Date.	November Sales. High.	November Sales. Low.	November Sales. Total.
Am. Cotton Oil deb. ext. 4½'s	1915	5,000,000	......	96¼	Nov.20,'05	97	96¼	9,000
Am. Hide & Lea. Co. 1st s. f. 6's	1919	7,863,000	M & S	95⅞	Nov.29,'05	96	94¼	233,000
Am. Ice Securities Co. deb. g 6's.	1925	2,655,000	A & O	82½	Nov.29,'05	82⅛	81	67,500
• small bonds			A & O			....	....	....
Am. Spirit Mfg. Co. 1st g. 6's	1915	1,750,000	M & S	102	Nov.29,'05	102½	101½	20,000
Am.Thread Co., 1st coll.trust 4's.	1919	6,000,000	J & J	90¾	Nov.20,'05	91½	89¾	4,000
Am. Tobacco Co. 40 yrs g, 6's	1944	50,769,750	A & O	115¾	Nov.29,'05	116¾	113⅞	2,148,000
• registered			A & O	115½	Nov.24,'05	115½	115½	500
• g. 4's	1951	72,757,000	F & A	80¼	Nov.29,'05	81	78½	2,799,000
• • registered			F & A	79⅝	Nov.27,'05	81	79¾	91,000
Barney & Smith Car Co. 1st g.6's.	1942	1,000,000	J & J	105	Jan. 10,'04	....	....	....
Central Leather Co. 20 yr. g. 5's.	1925	28,080,000	A & O	100⅜	Nov.29,'05	100¼	99¼	856,000
Consol. Tobacco Co. 50 year g. 4's.	1951	5,735,900	F & A	80½	Nov.28,'05	82	80	222,000
• registered			F & A	85¼	Dec. 3,'04	....	....	....
Dis. Secur. Cor. con. 1st g. 5's	1927	13,609,000	A & O	81¾	Nov.29,'05	81⅞	79¼	780,000
Ill.Steel Co.deb.5's st pd.non-con..	1910	2,922,000	J & J	99	Jan. 17,'99	....	....	....
• non. conv. deb. 5's	1910	7,000,000	A & O	92	Feb. 23,'04	....	....	....

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.*
Internat'l PaperCo. 1st con.g 6's.	1918	9,724,000	F & A	109	Nov.25,'05	109½	108⅛	29,000
" con.conv.sinkgfundg5s	1935	5,000,000	J & J	98½	Nov.29,'05	98½	94⅛	166,000
Int. Steam Pump 10 year deb. 6's.	1913	3,500,000	J & J	104	Nov.13,'05	104	103½	11,000
Knick'r'ker IceCo.(Chic)1st g 5's.	1925	1,937,000	A & O	97½	Oct. 20,'05	....	....	....
Lack. Steel Co., 1st con. g. 5's....	1923	15,000,000	A & O	105	Nov.29,'05	105	104½	188,000
Nat. Starch Mfg. Co., 1st g 6's...	1920	2,846,000	J & J	85	Nov.17,'05	85	85	6,000
Nat. Starch. Co's fd. deb. g. 5's..	1925	4,137,000	J & J	75	Oct. 31,'05	....	....	....
Standard Rope &Twine 1st g. 6's.	1946	2,740,000	F & A	50	Nov.29,'05	51¾	50	23,000
Standard Rope&Twine inc.g.5s..	1946	6,806,000	......	3¼	Nov.28,'05	3¾	3	327,000
United Fruit Co., con. 5's........	1911	2,219,000	M & S	....	....	....	....	....
U. S. Env. Co. 1st sk. fd. g. 6's...	1918	1,624,000	J & J	....	....	....	....	....
U. S. Leather Co. 6% g s. fd deb..	1915	5,280,000	M & N	108¼	Nov.17,'05	108⅜	108¼	17,000
U. S. Reduction & Refin. Co. 6's..	1931	....	......	101¾	Nov.29,'05	102	99	261,000
U.S. Realty & Imp.con.deb.g.5's.	1924	13,284,000	......	98½	Nov.20,'05	99⅞	98	167,000
U.S.SteelCorp.10-60yr.g.sk.fd5's	1963	....	M & N	97	Nov.29,'05	97⅜	94⅝	5,491,000
" " " reg.	1963	170,000,000	M & N	96¾	Nov.28,'05	97⅜	94½	45,000
Va.Carol Chem. col.tr.s.fd.g.5's..	1912	6,500,000	A & O	100½	Oct. 25,'05	....	....	....
BONDS OF COAL AND IRON COS.								
Col. Fuel & Iron Co. g.s.fd.g 5's..	1943	5,255,000	F & A	103	Nov. 4,'05	103	103	4,000
" conv. deb. g. 5's	1911	1,710,000	F & A	90	July 10,'05	....	....	....
" " registered...........			F & A	....	....	....	....	....
Col. C'l & I'n Dev.Co. gtd g.5's..	1909	700,000	J & J	55	Nov. 2,'19	....	....	....
" Coupons off.................		....	......	....	....	....	...	....
Colo. Fuel Co. gen. g. 6's.......	1919	600,000	M & N	107½	Oct. 7,'04	....	....	....
Grand Riv. C'l & C'ke 1st g. 6's.	1919	949,000	A & O	102½	July 26,'02	....	....	....
Col.Inds.1st cv g&col tr gt5s ser A	1934	12,878,000	F & A	73⅞	Nov.29,'05	75	72½	738,000
" registered.................		....	F & A	....	....	....	..	....
" 1st g & col tr gt 5s ser B.	1934	12,537,000	F & A	72¾	Nov.29,'05	73⅝	71½	1,184,000
" " registered.............		....	F & A	....	....	....	...	....
Continental Coal 1st s. f. gtd. 5's..	1952	2,750,000	F & A	107⅝	Dec. 12,'04	....	....	....
Jeff. & Clearf. Coal & Ir. 1st g. 5's	1926	1,588,000	J & D	105½	Oct. 10,'98	....	....	....
" 2d g. 5's.................	1926	1,000,000	J & D	102½	Oct. 27,'03	....	....	....
Kan. & Hoc. Coal&Coke 1st g.5's	1951	3,000,000	J & J	105½	Oct. 7,'05	....	....	....
Pleasant Valley Coal 1st g. s.f.5s.	1928	1,131,000	J A J	106¼	Feb. 27,'02	....	....	....
Roch &Pitts.Cl&Ir.Co.pur my5's.	1946	1,064,000	M & N	....	....	....	....	....
Sun. Creek Coal 1st sk. fund 6's..	1912	835,000	J & D	105	Aug.10,'05	....	....	....
Tenn. Coal, Iron & R.R. gen. 5's..	1951	3,824,000	J & J	100⅜	Nov.28,'05	100½	100	41,000
" Tenn. div. 1st g. 6's......	1917	1,160,000	A & O	110	Nov.28,'05	110	110	1,000
" Birmingh. div. 1stcon.6's	1917	3,603,000	J & J	112	Nov.28,'05	112	111⅞	40,000
Cahaba Coal M. Co., 1stgtd.g.6's	1922	854,000	J & D	102	Dec. 28,'03	....	....	....
De Bardeleben C&ICo.gtd.g.6's	1910	2,716,500	F & A	104¼	Nov.10,'05	104¼	104¼	500
Utah Fuel Co. 1st s. f. g. 5's......	1931	839,000	M & S	....	....	....	....	....
Va. Iron, Coal & Coke, 1st g. 5's...	1949	6,157,000	M & S	91	Nov.29,'05	92	90	161,000
GAS & ELECTRIC LIGHT CO. BONDS.								
Atlanta Gas Light Co. 1st g. 5's..	1947	1,150,000	J & D	....	....	....	....	....
B'klyn Union GasCo. 1stcong. 5's.	1945	14,493,000	M & N	113⅛	Nov.29,'05	113⅛	112⅞	7,000
Buffalo Gas Co. 1st g. 5's.........	1947	5,900,000	A & O	82½	Nov.28,'05	83½	80⅛	68,000
Columbus Gas Co., 1st g. 5's......	1932	1,215,000	J & J	104½	Jan. 28,'98	....	....	....
ConsolidatedGasCo.,con.deb.6's..	1909	19,857,500	J & J	168¼	Nov.29,'05	170¼	166½	207,500
Detroit City Gas Co. g. 5's.......	1923	5,603,000	J & J	104	Nov.27,'05	104	103	24,000
Detroit Gas Co. 1st con.g.5's.....	1918	381,000	F & A	105	Sept.28,'05	....	....	....
Eq. G. L. Co.of N.Y. 1st con.g.5's.	1932	3,500,000	M & S	102½	Nov. 5,'04	....	....	....
Gas. & Elec.of Bergen Co. c.g.5s.	1949	1,146,000	J & D	67	Oct. 2,'01	....	....	....
Gen. Elec. Co. del. g. 3½'s	1942	2,049,400	F & A	91½	Oct. 31,'05	....	....	....
Grand Rapids G. L. Co. 1stg.5's.	1915	1,225,000	F & A	107¾	Dec. 17,'04	....	....	....
Hudson Co. Gas Co. 1st g. 5's....	1949	10,290,000	M & N	109½	Feb. 10,'05	....	....	....
Kansas City Mo. Gas Co. 1st g 5's.	1922	3,750,000	A & O	100	May 5,'05	....	....	....
Kings Co. Elec. L.&Power g. 5's..	1937	2,500,000	A & O	....	....	....	....	....
" purchase money 6's....	1997	5,010,000	J & J	122⅞	Nov. 9,'05	122⅞	122⅞	1,000
Edison El Ill.Bkln 1st con.g.4's.	1939	4,275,000	J & J	96	Nov.23,'05	96¼	96	6,000
Lac. Gas L't Co. of St. L. 1st g. 5's.	1919	10,000,000	Q F	107	Nov.23,'05	107	106⅞	23,000
" small bonds.................								
" refdg. & exten 1st g.5s.	1934	5,000,000	A & O	105½	May 20,'05	....	....	....
Milwaukee Gas Light Co. 1st 4's..	1927	7,000,000	M & N	92½	Nov. 6,'05	92½	92⅛	2,000
Newark Cons. Gas, con. g. 5's....	1948	5,274,000	J & D	90¼	July 30,'04	....	....	....
N.Y.GasEL.H&PCo 1st col tr g 5's.	1948	15,000,000	J & D	110	Nov.27,'05	110½	110	46,000
" registered..................			J & D	110¼	Dec. 30,'04	....	....	....
" purchase mny col tr g 4's.	1949	20,927,000	F & A	91	Nov.29,'05	92	91	103,000
Edison El. Illu. 1st conv. g. 5's.	1910	4,312,000	M & S	103½	Oct. 19,'05	....	....	....
" 1st con. g. 5's............	1995	2,156,000	J & J	121⅛	Nov.27,'05	121⅛	119¼	16,000
N.Y.&Qus.Elec.Lg.&P.1st.c.g.5's	1930	2,272,000	F & A	102½	Oct. 17,'05	....	....	....
N.Y.& RichmondGasCo.1stg. 5's.	1921	1,150,000	M & N	103	Nov. 3,'05	103	103	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.

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.*
Paterson&Pas. G.&E. con.g.5's..1949	3,317,000	M & S	104¾	Nov.13,'05	104¾	104¾	10,000
Peo. Gas & C. C. 1st con. g 6's...1943	4,900,000	A & O	123	Nov.28,'05	123	123	5,000
" refunding g. 5's........1947	2,500,000	M & S	106¼	Oct. 19,'05	....	....	....
" refuding registered....		M & S	....	....	....	....	....
Chic.Gas Lt&Coke 1st gtd g.5's.1937	10,000,000	J & J	110	Nov.16,'05	110	110	2,000
Con. Gas Co.Chic. 1st gtd.g.5's.1936	4,346,000	J & D	108½	Oct. 12,'05	....	....	....
MutualFuelGasCo.1stgtd.g.5's.1947	5,000,000	M & N	103½	Nov. 5,'05	103½	103½	1,000
" registered..	....	......	...	....	....	....	....
Syracuse Lighting Co. 1st g. 5's..1951	2,000,000	J & D	....	....	....	....	....
Trenton Gas & Electric 1st g. 5's.1949	1,500,000	M & S	110	May 13,'05	....	....	....
Utica Elec. L. & P. 1st s. f'd g.5's.1950	1,000,000	J & J	....	....	...	....	....
Westchester Lighting Co. g. 5's.1950	5,916,000	J & D	113	Jan. 31,'05	....	....	....
TELEGRAPH AND TELEPHONE CO. BONDS.							
Am.Teleph.&Teleg.coll.trust.4's.1929	48,000,000	J & J	95	Nov.13,'05	95	95	1,000
Commercial Cable Co. 1st g. 4's.2397.	9,893,200	Q & J	96½	Oct. 25,'05	....	....	....
" registered....................		Q & J	100½	Oct. 3,19'	....	....	....
Total amount of lien, $20,000,000.							
Metrop. Tel & Tel. 1st s'k f'd g. 5's.1918	1,823,000	M & N	109½	May 18,'05	....	....	....
" registered..................		M & N					
N. Y. & N. J. Tel. gen. g 5's.......1920	1,261,000	M & N	105¾	July 2,'03	....	....	....
Western Union col. tr. cur. 5's...1938	8,504,000	J & J	110⅝	Nov.28,'05	111⅛	110⅝	24,000
" fundg & real estate g.4½'s.1950	20,000,000	M & N	104¾	Nov.28,'05	104⅞	104¼	58,000
Mutual Union Tel. s. fd. 6's....1911	1,957,000	M & N	105	Nov. 6,'04	105	105	2,000
Northern Tel. Co. gtd fd.4½'s..1934	1,500,000	J & J	103	July 26,'04	....	....	....

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES.

NAME *Principal Due.*	*Amount.*	*Int'st Paid.*	YEAR 1905. *High.*	YEAR 1905. *Low.*	NOVEMBER SALES. *High.*	NOVEMBER SALES. *Low.*	NOVEMBER SALES. *Total.*
United States con. 2's registered...1930	542,909,950	Q J	104⅞	103½	....	....	......
" con. 2's coupon...........1930		Q J	105⅝	103¾	103¾	103¾	500
" con. 2's reg. small bonds..1930		Q J	104⅝	104⅝	....	....	......
" con. 2's coupon small bds.1930		Q J	....	....	....	....	......
" 3's registered..........1908-18	77,135,300	Q F	104¾	103	103⅞	103½	3,000
" 3's coupon.............1908-18		Q F	106	103¾	103⅞	103⅞	1,000
" 3's small bonds reg.....1908-18		Q F	....	....	....	....	......
" 3's small bonds coupon.1908-18		Q F	104½	103⅞	....	....	......
" 4's registered..............1907	156,591,500	J A J&O	106	104	105⅝	104¾	19,000
" 4's coupon.................1907		J A J&O	105⅞	104	105⅞	105¼	8,000
" 4's registered..............1925	118,489,900	Q F	133⅝	132½	133⅝	132⅝	20,000
" 4's coupon..............1925		Q F	134½	132¼	133⅝	132¾	23,000
District of Columbia 3-65's...........1924	14,224,100	F & A	....	....	....	....	......
" small bonds..................		F & A	....	....	....	....	......
" registered....................		F & A	....	....	....	....	......
Philippine Islands land pur. 4's...1914-34	7,000,000	Q F	110	108½	....	....	......
" public works & imp. reg.4's.1935	2,500,000	Q MCH.	....	....	....	....	......
STATE SECURITIES.							
Alabama Class A 4 and 5..............1906	6,859,000	J & J	101½	101½	....	....	......
" " small...........	....	....	....	....	....	....	......
" Class B 5's...................1906	575,000	J & J	....	....	....	....	......
" Class C 4's...................1906	962,000	J & J	....	....	....	....	......
" currency funding 4's.......1920	954,000	J & J	....	....	....	....	......
District of Columbia. See U. S. Gov.							
Louisiana new con. 4's...............1914	10,752,800	J & J	....	....	....	....	......
" " small bonds..........							
North Carolina con. 4's...............1910	3,397,350	J & J	102¾	102¾	....	....	......
" small.......................		J & J	....	....	....	....	......
" 6's........................1919	2,720,000	A & O	....	....	....	....	......
N. Carolina fundg. act bds......1866 1900	556,500	J & J	....	....	....	....	......
" " 1868-1898		A & O	....	....	....	....	......
" new bonds.............1892-1898	624,000	J & J	....	....	....	....	......
" "		A & O	....	....	....	....	......
" Chatham R. R..................	1,200,000	A & O	....	....	....	....	......
" special tax Class 1..............	....	A & O	....	....	....	....	......
" " Class 2..............	....	A & O	....	....	....	....	......

UNITED STATES, STATE AND FOREIGN GOVERNMENT SECURITIES—*Continued.*

Name.	*Principal Due.*	*Amount.*	*Int'st paid.*	Year 1905. *High.*	Year 1905. *Low.*	November Sales. *High.*	November Sales. *Low.*	November Sales. *Total.*
" " to Western N. C. R....		....	A & O	....	....	....	....	......
" " Western R. R..........		....	A & O	....	....	....	....	......
" " Wil. C. & Ru. R........		....	A & O	....	....	....	....	......
" " Western & Tar. R......		....	A & O	....	....	....	....	......
South Carolina 4½'s 20-40.............	1933	4,392,500	J & J	....	....	....	....	......
So. Carl. 6's act. Mch. 23, 1869, non-fde.	1888	5,965,000	....	....	...	....	....	......
Tennessee new settlement 3's........	1913	6,681,000	J & J	97	95	....	....	......
" registered......................		6,079,000	J & J	....	....	....	....	......
" small bond......................		362,200	J & J	95	95	....	....	......
" redemption 4's...........	1907	469,000	A & O	....	....	....	....	......
" 4½s........................	1913	1,000,000	A & O	....	....	....	....	......
" penitentiary 4½'s.........	1912	600,000	A & O	....	....	....	....	......
Virginia fund debt 2-3's of...........	1991	17,087,000	J & J	97½	96¾	....	....	......
" registered......................			J & J	....	....	....	....	......
" 6's deferred cts. Issue of 1871		2,274,966	....	....	....	....	....	......
" " Brown Bros. & Co. ctfs. of deposit. Issue of 1871.....		10,416,565	....	19⅞	10	24½	16½	356,000
Foreign Government Securities.								
Frankfort-on-the-Main, Germany, bond loan 3½'s series 1......	1901	14,060,000 (Marks.)	M & S	....	....	....	....	......
Four marks are equal to one dollar.								
Imperial Japanese Gov. 6% ster loan.	1911	£10,000,000	A & O	103½	94½	99½	98	1,438,000
" " second series.....	....	£12,000,000	A & O	101¾	97¼	99⅛	97¼	1,745,000
Imperial Russian Gov. State 4% Rente....		2,310,000,000 (Rubles.)	Q M	....	....	....	....	......
Two rubles are equal to one dollar.								
Quebec 5's............................	1908	3,000,000	M & N	...	....	....	....	......
Republic of Cuba g. 5's extern debt.	1904	35,000,000	M & S	108¼	103¼	105⅝	104	141,000
" registered......................			M & S	...	....	....	....	......
U. S. of Mexico External Gold Loan of 1899 sinking fund 5's..................		....	Q J	....	....	....	....	......
Regular delivery in denominations of £100 and £200......................		£21,897,960	......	101⅛	99½	100½	100	33,000
Small bonds denominations of £20......		....	......	....	....	....	....	......
Large bonds den'tions of £500 and £1,000.		....	......	....	....	...	....	......
U. S. of Mex. 4'5 gold debt 1904 ser. A..	1954	39,737,500	J & D	95	92	95	93⅞	216,500
" " " ser. B..	1954		J & D	....	....	....	....	......

Hill Predicts Ruin in Rate Legislation.—President J. J. Hill of the Great Northern Railway, was the principal speaker at a banquet tendered by the Lewis and Clark Exposition officials to Hill and President Elliott of the Northern Pacific Railroad. President Hill said:

"Notwithstanding the average rate paid by the people of the United States is only about forty per cent. of that of Russia, we have a great many people who are preaching a new doctrine, and that is the regulation of railway rates by Federal authority. It has been announced in an official manner that there has been no reduction of rates in the United States for twenty-five years: that tariffs have been reduced at times, but that whenever a tariff was reduced, the classification was given another turn of the wheel and advanced to at least offset the reduction in the tariff.

The man who made that statement did not tell the truth. The reduction in the average rate per ton per mile in twenty-five years on the Great Northern Railway aggregates $667,000,000. That has been the reduction that the people have gotten on one railroad.

I am not afraid that any Federal regulations will ever get down deep enough to touch us where we live, because long before they do, the country will be strewn with railroad corpses. They would bankrupt two-thirds of the mileage in the United States."—San Francisco Call.

Yokohama Specie Bank.—At the half-yearly ordinary general meeting of the shareholders of this bank, held at the head office in Yokohama, September 9, the directors stated that the gross profits for the past half-year, including yen 529,922.388 brought forward from last account, amounted to yen 8,340,-221.409, of which yen 6,230,500.701 were deducted for current expenses, interest, etc., leaving a balance of yen 2,109,720.708. The directors proposed that yen 220,000 be added to the reserve fund, raising it to yen 9,940,000, and that yen 200,000 be placed to the silver funds. From the balance the directors recommended a dividend at the rate of twelve per cent. per annum, absorbing yen 720,000 on old shares and yen 360,000 on new shares. The balance, yen 609,-720,708, was carried forward to the credit of next account.

BANKERS' OBITUARY RECORD.

Brackin.—Henry R. Brackin, Cashier of the Farmers' Deposit Bank, Montpelier, Ind., died November 3.

Bristol.—Hon. Isaac B. Bristol, President of the First National Bank, New Wilford, Ct., died November 2, in his eighty-fourth year. He had been a stockholder of the bank since its organization in 1852, a director since 1876, and in April, 1901, he was elected President. He had served several terms as a member of the Connecticut Legislature; first in the House and later in the Senate.

Dawkins.—Sir Clinton Edward Dawkins, a partner in the banking house of J. S. Morgan & Co., London, died December 2, aged forty-six years.

Ketcham.—Richard P. Ketcham, Cashier of the Dover Plains (N. Y.) National Bank, died November 11. He was born at Poughkeepsie, N. Y., in 1848, and was formerly a bookkeeper in the Importers and Traders' National Bank, New York.

Margorum.—Theodore F. Margorum, President of the Farmers' National Bank, Sussex, N. J., died November 18, in his sixty-sixth year.

McCormick.—W. M. McCormick for twelve years Cashier of the Citizens' Savings Bank, Letts, Iowa, died October 29.

Montgomery.—Moses Montgomery, Assistant Cashier of the First National Bank, Bellefonte, Pa., died October 25. He entered the bank as a clerk forty-three years ago.

Rickly.—Samuel S. Rickly, President of the Capital City Bank, Columbus, Ohio, died November 22. He was born in Switzerland, eighty-seven years ago, and came to America in 1834. With the exception of a brief interval, he had resided at Columbus since 1840. He became interested in banking there in 1857, and in 1875 organized the Capital City Bank.

Rodes.—Capt. Boyle O. Rodes, President of the Boyle National Bank, Danville, Ky., died November 15. He served in the Federal Army through the Civil War as a captain in the Fourth Kentucky Volunteer Infantry.

Stoddart.—Thomas A. Stoddart, Manager of the St. Louis Clearing-House Association, died November 5, aged seventy-six years.

Sweetser.—George Sweetser, Vice-President of the Marion (Ind.) State Bank, died November 21, aged sixty-two years.

Taylor.—Geo. P. Taylor, one of the best-known business men of Eastern Kentucky, and President of the Burnside (Ky.) Banking Co., died October 30.

Thomas.—J. Preston Thomas, President of the National Bank of Chester County, Westchester, Pa., died November 20.

West.—Nathan B. West, President of the First National Bank, Allegan, Mich., died November 4, aged eighty-nine years.

Westbrook.—John Westbrook, President of the Richmond County Savings Bank, West New Brighton, N. Y., and a director of the Port Richmond National Bank, died November 15, aged seventy-four years.

Yancy.—John H. Yancy, President of the Kentucky and Indiana Bank, West Point, Ky., died November 5.

PROMINENT BANKS AND OTHER FINANCIAL INSTITUTIONS.

HON. ROBERT B. ARMSTRONG, PRESIDENT OF THE CASUALTY COMPANY OF AMERICA, NEW YORK.

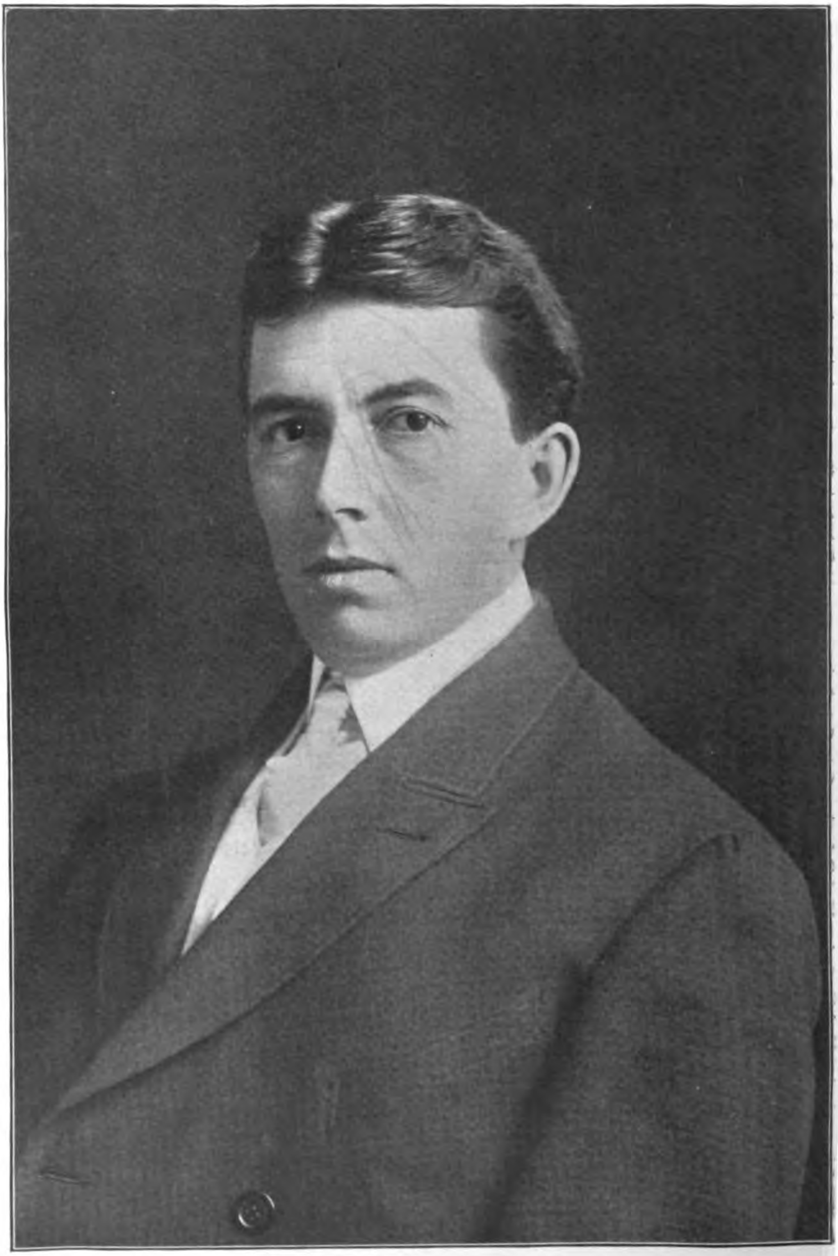
There are few better illustrations of the business possibilities open to energetic young men than is afforded by the experience of Hon. Robert B. Armstrong, former Assistant Secretary of the Treasury, and now President of the Casualty Company of America, New York City. He is not yet thirty-two years old, and already has a record of achievement which would be highly creditable to any man. Mr. Armstrong has had no fictitious aids to success, having advanced solely as a result of meritorious work. His rapid progress from a workman in the office of a country newspaper to an important executive position in the Treasury Department and later to the management of a large financial corporation in New York shows the inherent power that lies in energy and ability, properly applied.

Like many other American boys who have demonstrated their title to the qualities that command success, Mr. Armstrong was compelled to do whatever work he could find while at college to help meet the expenses of his education, and when an accident befell him that put him far behind his class, his situation was rendered sc difficult that he was forced to give up his college career and seek employment. This he found in an Iowa newspaper office, the compensation being "board and room." He made progress, soon getting better pay, and later working his way up to a connection with newspapers at Des Moines, which gave him a better opportunity of displaying his real capacity. He soon rose to a higher position in newspaper work at Chicago, and afterwards in New York, returning again to Chicago as correspondent of the "New York Herald." It was while thus employed that he was selected by Secretary Shaw as his private secretary, and he did his work so well that when, in 1903, the post of Assistant Secretary of the Treasury became vacant, Secretary Shaw selected him for that position, to which he was appointed by President Roosevelt in March, 1903.

He was only twenty-eight at the time, and was the youngest man who had ever occupied this office. His services in the Department were characterized by remarkable energy, and the administrative details coming under his direction were greatly improved. His work included a general oversight of the customs service—one of the most important with which the Government has to deal.

About the time the last Presidential term closed, Mr. Armstrong was invited by the Casualty Company of America, of New York City, to become its President, an offer which he accepted. Since his election as President the Company has shown a marked gain both in the character and amount of its business, an increase of fully thirty per cent. having been made in the past year. This has been accomplished by gradually withdrawing from the field likely to prove unprofitable and vigorously pushing the Company's interests elsewhere—a policy fully sustained by results. The Company was organized September 28, 1903, and its net premiums in the first fifteen months amounted to $1,088,579.45. Its annual statement on December 31 last was as follows:

Assets.	Market Value.
United States bonds	$ 52,375.00
State and city bonds	416,562.50
Railroad bonds and stocks	365,775.00
Cash in office, bank and trust companies	136,773.98
Premiums in course of collection	347,154.39
Interest accrued	5,187.50
Total	$1,323,828.37



HON. ROBERT B. ARMSTRONG,
Former Assistant Secretary of the Treasury; President Casualty Company of America,
New York.

LIABILITIES.

Reserve for reinsurance, as required by New York Insurance Department	$410,896.40
Reserve for claims, taxes, commissions and all other charges	249,073.13
Capital and surplus	663,858.84
Total	$1,323,828.37

The lines of business undertaken by the Company include: Manufacturers' and contractors' liability, landlords' and general liability, marine employers' and public liability, theatre liability, elevator liability, teams' liability, owners' contingent liability, steam boiler, workmen's wages, personal accident and health, disability and plate glass insurance.

Associated with Mr. Armstrong in the management of the Casualty Company of America are some of the best-known bankers and capitalists of the country, as may be seen from the list of officers and directors:

Officers: President, Robert B. Armstrong; Vice-Presidents, Geo. R. Read and Edwin E. DeLeon; Secretary-Treasurer, Chauncey S. S. Miller. Executive Committee: Andrew Freedman, Chairman of board of directors; Marshall S. Driggs, President Williamsburg Fire Ins. Co., New York; Robert H. McCurdy, The Mutual Life Ins. Co., New York; Wm. H. McIntyre, director Lawyers Title Insurance Company; Jordan J. Rollins, Rollins & Rollins, attorneys-at-law; Valentine P. Snyder, President National Bank of Commerce in New York; George W. Young, G. W. Young & Co., bankers, New York; President and Vice-Presidents.

Other members of the board of directors besides the members of the executive committee named above, are: Cornelius C. Cuyler, of Cuyler, Morgan & Co., bankers, New York; Richard Croker, Jr., Secretary and Treasurer Roebling Construction Co., New York; Maxwell Evarts, director Cromwell Steamship Co., New York; Benj. J. Greenhut, treasurer and director Siegel-Cooper Co., New York; Ernest Hall, ex-Justice Supreme Court, New York; Charles A. Moore, sole member Manning, Maxwell & Moore, New York; John F. O'Rourke, President O'Rourke Engineering Construction Co., New York; Francis Peabody, Jr., of Peabody & Arnold, counsellors-at-law, Boston; Morton F. Plant, trustee American Surety Co., New York; Wm. B. Rankine, Niagara Falls, N. Y.; director Bell Telephone Co., Buffalo; Jacob Ruppert, Jr., president and director Astoria Silk Works, New York; Philip L. Saltonstall, of Tucker, Anthony & Co., bankers, Boston; Alfred Skitt, vice-president and director Manhattan Railway Co., New York; E. F. Swinney, President First National Bank, Kansas City, Mo.

It will be seen that the company's management is one that assures a high standard both of capacity and strength.

THE BATTERY PARK NATIONAL BANK OF NEW YORK.

The Bank of the Shipping and Export District.

This institution commenced business November 21, 1904. It occupies a position peculiar to itself—in the center of the shipping and export business, directly opposite the new Custom House.

From the start the management has been guided by the soundest principles of commercial banking. Its deposits have grown steadily, although there has been no striving for mere *bigness*, more attention having been given to the *character* of the business than the *quantity*.

E. A. de Lima, Persident of The Battery Park National Bank, was chosen by those identified with its organization from its inception, as a man possessing those qualifications fitting him for a position of prominence among men of finance. Mr. de Lima is the senior partner of the old-established and prosperous firm of D. A. de Lima & Co., having a large clientele in South American countries. Mr. de Lima's business experience particularly fitting him for the class of business of this institution, catering to the interests identified with the neighborhood in which the bank is so well situated.

Edwin B. Day, Cashier, commenced his banking career with the National Bank of Commerce in New York, being identified with that institution for over twenty-five years, holding positions of trust and responsibility—occupying the position of manager of the loan department, when severing his connection with the National Bank of Commerce in New York after its consolidation with the Western National Bank, of New York.

Mr. Day is a brother of Chas. J. Day, Vice-President of the Oriental Bank, of New York, and Alfred W. Day, Assistant Cashier of the Mercantile National Bank, of New York.

Geo. S. Talbot, Assistant Cashier, was also for a long period connected with the National Bank of Commerce in New York, having gained valuable ex-

BATTERY PARK NATIONAL BANK, NEW YORK.

perience in his service as assistant paying teller, and other positions of importance and responsibility.

The conservative character of the management is further attested by the following strong board of directors:

Howard T. Alexander, H. T. Alexander & Co.; Nicholas W. Anthony, President North American Coal Co.; William D. Baldwin, President Otis Elevator Co.; Charles T. Barney, President Knickerbocker Trust Co.; Harry S. Black, President U. S. Realty & Construction Co.; Harold G. Cortis, Wheeler, Cortis & Haight; Robert A. Chesebrough, President Chesebrough Mfg. Co.; William H. Chesebrough, President Century Realty Co.; George S. Hart, George S. Hart & Co.; Elias A. de Lima, President; John N. Robins, President Erie Basin Dry Docks; Carman R. Runyon, President Communipaw Coal Co.; Henry F. Shoemaker, Capitalist; Oakleigh Thorne, President Trust Company of America; Calvin Tomkins, Manufacturer, and William G. Willcox, Albert Willcox & Co., Insurance.

The Battery Park National Bank commences its second year under most favorable auspices; with the new Custom House approaching completion, and the rapid development of the section of the city in which it is located, its success is already assured.

WEST END TRUST COMPANY, PHILADELPHIA, PA.

This company was chartered February 24, 1891, as the West End Trust and Safe Deposit Company, the title being shortened on November 20, 1901, to the West End Trust Company. Having purchased from the Girard Trust Company the property at 2020 Chestnut street, the West End Trust Company opened for business March 16, starting with a capitalization of $300,000,

HORACE A. DOAN,
President West End Trust Co.

which was increased to $500,000 on March 21, 1898, and to its present amount, $1,000,000 fully paid, on December 11, 1901.

The company was established on a solid basis and a sound policy has characterized the management from the first. Beginning with the year ending October 31, 1892, the annual reports showed a substantial item in the undivided profits accounts, but it was not until 1895 that the payment of dividends was begun, the annual rate being five per cent. In the same year a surplus fund of $75,000 was created, and this has grown steadily until it now amounts to $1,000,000. The dividend rate has also advanced to eight per cent. Deposits have grown steadily until they now foot up $5,000,000.

On August 14, 1899, the West End Trust Company moved to the southwest corner of Broad street and South Penn square, into a fourteen-story building, erected by the company, and especially adapted to its growing business. On March 1, 1903, work was commenced on an addition to the building, which was occupied the following November.

The progress above recounted has been due to the fact that the company possesses facilities required by the business public, and has made those facilities known; and, furthermore, it has safely and profitably invested its capital and deposited funds.

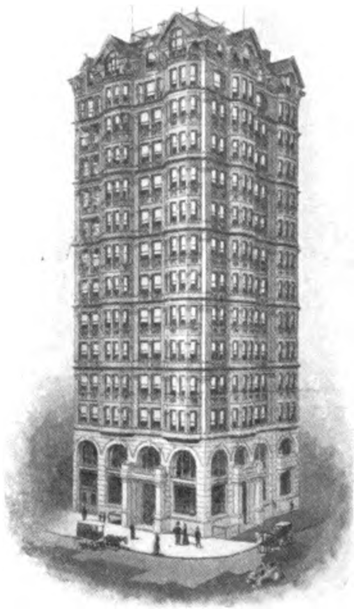
In addition to exercising the customary functions of a trust company, such as acting as administrator, executor, guardian, etc., the company insures titles to real estate and manages estates.

Letters of credit and travellers' checks are issued, available in all parts of the world. A safe-deposit department also constitutes an important part of the company's equipment.

All trust funds are kept separate from the company's assets and all investments for trust estates are made by the finance committee of the board.

Frequent reports are made to the Superintendent of Banking, and examinations are made both by the Banking Department and by an auditing committee appointed by the board of directors.

Horace A. Doan, President of the West End Trust Company, has held that office since November 12, 1894, having formerly been Vice-President. He



WEST END TRUST CO. BUILDING, PHILADELPHIA.

was one of the incorporators of the company. His capacity for financial management is well illustrated by the company's growth.

The other officers are: Vice-President, Joseph T. Richards; Second Vice-President, Treasurer and Secretary, Charles E. Wolbert; Trust officer and Real Estate officer, John M. Strong; Assistant Secretary and Assistant Treasurer. Robert L. Morgan; Solicitor, John Hampton Barnes.

NATIONAL BANK OF THE REPUBLIC, CHICAGO.

During a period in which the tendency toward consolidation has been general, the National Bank of the Republic, of Chicago, has preserved the integrity of its individuality intact. Organized, developed and conducted on the principle of conservative banking along progressive lines, year by year there has been some gain in strength, in scope and in the confidence of the public. Continuing to be governed by the principles upon which its past and present prosperity have been built, and entertaining a reciprocal confidence in a public which recognizes the right relationship between service and recompense, the National Bank of the Republic expects to continue to

THE NATIONAL BANK OF THE REPUBLIC, CORNER LA SALLE AND MONROE STREETS.

Financial Center of Chicago.

grow both in its capacity and its opportunity to serve, and to that end invites the patronage to which it believes it has proved itself entitled.

As the success of a bank is governed chiefly by its care in making loans, the National Bank of the Republic has taken especial care to surround its lending operations with every reasonable safeguard—thus insuring not only safety but the highest degree of service to the local business community and to its numerous banking correspondents. Loans are made in moderate amounts, and are not allowed to remain too long outstanding. This bank was among the first to establish a thoroughly-equipped credit information department, and the knowledge thereby afforded has been of great advantage in enabling the bank to grant applications for loans in all cases where warranted by the circumstances, as well as to deny advances of an undesirable character.

The National Bank of the Republic takes a just pride in the fact that it strictly conforms both to the letter and the spirit of the National Banking Act. The executive officers are admirers of Hon. Hugh McCulloch, the first Comptroller of the Currency and twice Secretary of the Treasury, and one

Deposits of the National Banks in Chicago. Comparison Showing Increase from December 17, 1896, to August 29, 1905, of $206,520,325.

NAME OF BANK AND DATE ORGANIZED.	DEPOSITS. Dec. 17, 1896.	DEPOSITS. Aug. 25, 1905.	*Increase.*	*Per cent. increase.*
1892—Bankers National Bank	$3,773,079			
Including Lincoln National Bank	618,050	$15,362,989	$10,971,860	249.8
Total consolidated banks	$4,391,129			
1884—Calumet National Bank	$309,245	752,570	443,325	143.3
1882—Chicago National Bank	7,834,402			
Including Home National Bank	1,241,997			
Total consolidated banks	$9,076,399	20,165,902	11,089,502	122.1
1864 Commercial National Bank	$7,317,656	36,212,200	28,894,543	394.8
1883—Continental National Bank	9,601,121			
Including Globe National Bank	3,263,842			
" International Bank*	993,090			
Total consolidated banks	$13,858,053	55,062,105	41,204,052	297.3
1870—Corn Exchange National Bank†	$6,344,825			
Including Amer. Exchange Nat. Bank	3,367,665			
" Merchants' National Bank	8,605,594			
" National Bank of America	2,877,148			
" Northwestern Nat. Bank	5,364,541			
Total consolidated banks	$26,559,776	50,354,661	23,794,885	89.0
1883—Drovers' Deposit National Bank	$1,877,292	5,110,873	3,233,581	172.2
1903—Hamilton National Bank	....	3,285,040	3,285,040	......
1863—First National Bank	26,581,929			
Including Hide & Leather Nat. Bank	1,440,321			
" Metropolitan Nat. Bank	9,700,704			
" Union National Bank	4,643,127			
" Bank of Commerce*	793,187			
Total consolidated banks	$43,159,269	96,181,931	53,022,661	122.0
1889—First National Bank of Englewood	$318,130	1,568,395	1,250,265	386.7
1887—Fort Dearborn National Bank	2,235,759	9,871,215	7,635,455	341.5
1891—NATIONAL BANK OF THE REPUBLIC	3,092,671	18,123,417	15,030,745	486.0
1888—National Live Stock Bank	3,147,922	8,710,866	5,562,944	176.7
1888—Oakland National Bank	409,451	849,784	440,333	107.5
1904—Prairie National Bank	....	661,134	661,134	......
Total	$115,752,752	$322,273,082	$206,520,325	178.4

* State bank; figures from statement November 28, 1896.
† Was a State bank; figures from November 28, 1896.

Considering totals of banks absorbed as part of institutions with which they were consolidated, "the Republic" leads in percentage of gain, having increased 486 per cent. against an average increase of 178.4 per cent.

of the ablest and soundest bankers this country has produced. They believe that banks in great reserve centres like Chicago should follow the suggestions made by this able financier in his open letters and instructions to the banks at the time he was Comptroller.

How well the principles and policy of the National Bank of the Republic of Chicago have succeeded may be gained from the preceding table showing the increase in deposits of the National banks of Chicago between the two dates—December 17, 1896, and August 25, 1905.

The officers of The National Bank of the Republic are: President, John A. Lynch; Vice-President, W. T. Fenton; Cashier, R. M. McKinney; Assistant Cashiers, R. L. Crampton, O. H. Swan and Thos. Jansen. Both Mr. Lynch and Mr. Fenton are widely-known among the bankers of the United States. Their ability and fidelity need no commendation beyond that written so clearly in the history of the bank they have so long served. The other officers are likewise faithful and efficient.

On August 29, 1905, the official statement of the condition of the bank was:

Resources.	
Loans	$13,313,786.24
U. S. bonds	207,000.00
Real estate	37,787.28
Cash and exchange	7,686,443.48
Total	$21,245,017.00
Liabilities.	
Capital stock	$2,000,000.00
Surplus and profits	971,602.24
Circulation	99,975.50
U. S. bond account	50,000.00
Due depositors	18,123,417.26
Total	$21,245,017.00

COMMERCIAL NATIONAL BANK CHICAGO.

As its name implies, this is a commercial bank purely; and within this field it has acquired a reputation for sound judgment combined with a high degree of efficiency in the extension of credit facilities to those engaged in the production and marketing of the great staple commodities. In order that its work in this direction may rest upon a sure foundation, the Commercial National Bank regularly makes a complete investigation, through its numerous correspondents, of the crop and general business conditions of its tributary territory—the great Middle West, Northwest and Southwest. These reports are so carefully compiled as to be of recognized usefulness not only to the bank, but to the general business community. This bank has reduced the handling of commercial paper very nearly to an exact science, and has practically eliminated the risk of loss. At the same time the operations of the bank have been widely extended and its business enormously increased.

The Commercial National Bank is almost as old as the National Banking system of which it is a part, having been established in 1864. Its capital is $2,000,000, surplus $1,000,000, and undivided profits $803,230. The surplus was actually earned, and of course the same can be said of the undivided profits. This is an important distinction at a time when there is a growing practice to report as surplus a part of the amount paid in, either at organization or later.

James H. Eckels, President of the Commercial National Bank, was Comptroller of the Currency in the second Administration of President Cleveland, continuing also through a part of President McKinley's term. The high executive capacity displayed in the discharge of his duties in that position has marked his career in banking, on which he entered soon after resigning as

Comptroller. He is a frequent speaker at conventions of bankers, and his views on currency and banking matters are widely received as authoritative.

The other officers of the banks are: Vice-President, Joseph T. Talbert; Second Vice-President, Ralph Van Vechten; Third Vice-President, David Vernon; Cashier, Nathaniel R. Losch; Assistant Cashiers, Geo. R. Smith, Harvey C. Vernon, and Wm. T. Bruckner; Assistant Cashier and Auditor, H. Erskine Smith; Assistant Manager Foreign Department, L. Schuetz.

Directors: Franklin MacVeagh, of Franklin MacVeagh & Co.; William J. Chalmers, Treasurer the Allis-Chalmers Company; Robert T. Lincoln President the Pullman Company; E. H. Gary, Chairman United States Steel Corporation; Paul Morton, President Equitable Life Assurance Society;

COMMERCIAL NATIONAL BANK BUILDING, CHICAGO.

Darius Miller, First Vice-President Chicago, Burlington & Quincy R. R. Co.; Charles F. Spalding, President Spalding Lumber Co.; Joseph T. Talbert, Vice-President; James H. Eckels, President.

Statement of the condition of the Commercial National Bank, of Chicago at the close of business, August 25, 1905:

Resources—	
Loans and discounts	$24,771,721.84
Overdrafts	137.56
Real estate	58,717.35
U. S. bonds at par	700,000.00
Other bonds and stocks	2,629,020.85
Due from U. S. Treasurer	117,500.00
Cash and due from other banks	12,438,333.18
Total	$40,715,430.78
Liabilities—	
Capital stock paid in	$2,000,000.00
Surplus fund	1,000,000.00
Undivided profits	803,230.57
National bank notes outstanding	700,000.00
Deposits	36,212,200.21
Total	$40,715,430.78

AMERICAN GUARANTY COMPANY, OF CHICAGO.

In this day of large financial transactions, the guaranty of a responsible company is becoming indispensable to the carrying out of many business enterprises. The American Guaranty Company, whose general offices are at 171 La Salle street, Chicago, was established in 1892. It has $500,000 capital, $500,000 surplus and $76,332 undivided profits.

The company assumes four classes of corporate obligations; viz., the payment of principal on bonds, the payment of interest on bonds, the redemption of corporate stock, and the payment of dividends on redeemable and preferred stock.

It also performs the following services for its clients, assuming the expense thereof: First, secures the services of a reputable trust company to act as trustee for the bondholders and to certify to the genuineness of the bonds; second, prepares the necessary deed of trust in conformity with the requirements of the trustee; third, has the bonds and coupons engraved or lithographed, laying same before the officers of the corporation, ready for execution; fourth, attends to all the details of an issue of bonds, relieving the officers of the issuing company of the annoyance incidental thereto; fifth, furnishes engraved or lithographed certificates of stock bearing proper endorsement of guaranty and ready for issuance; sixth, prepares and submits the form of necessary motions and resolutions to be passed by the stockholders and directors, and otherwise supervises all work in any manner affecting the legality of the issuance of securities.

The officers of the American Guaranty Company are: President, Frederick M. Steele; Vice-President, Charles L. Furey; Secretary, Lewis W. Pitcher; Treasurer, James L. Bigelow. Directors: Frederick M. Steele, President Standard Forgings Co.; W. F. Barnes, President Manufacturers' National Bank, Rockford, Ill., and President W. F. & Jno. Barnes Mfg. Co.; Charles L. Furey, Vice-President; Frank M. Heggie, Lepman & Heggie, Chicago; James L. Bigelow, Treasurer; Duncan A. Holaday, J. I. Brown & Co., Denver, Colo.; Lewis W. Pitcher, Secretary; B. M. Fellows, Treasurer U. S. Realty & Improvement Co., Treasurer Geo. A. Fuller Co., New York; William George, President Old Second National Bank, Aurora, Ill., President Bankers' Association of the State of Illinois.

GERMANIA NATIONAL BANK, MILWAUKEE, WIS.

Favored by a good local situation—or, in other words, starting a bank where a bank was needed—and managed by men who understand from experience how a bank should be conducted, and strong in the public confidence, the Germania National Bank, of Milwaukee, has demonstrated its right to be counted among the safely progressive banks of the country. It was established on July 1, 1903, and has $300,000 capital, $40,000 surplus and (Aug. 25, 1905) $18,731 undivided profits.

The bank was organized by a number of Milwaukee's well-known and successful business men, who were convinced that the locality selected for the bank's home was in need of additional banking facilities.

George Brumder, owner of The Germania and a business man whose stability is thoroughly recognized, was made President, and George P. Mayer, secretary and treasurer of the F. Mayer Boot and Shoe Co., was elected Vice-President of the bank. Alfred G. Schultz, who had been connected with Milwaukee banks nearly all his life, was selected as Cashier. Mr. Schultz started his banking experience in the employ of the old Merchants' Exchange Bank, where he served for ten years. When the Merchants' Exchange Bank was absorbed by the First National, he was manager of the West side branch, and was one of the organizers of the West Side Bank, which grew out of the branch of the Merchants' Exchange. M. A. Graettinger, whose banking experience dated from 1886, was made Assistant Cashier. He started work as a messenger for the Commercial Bank and at the time of its liquidation in 1895, had advanced to the position of paying teller. Before the Germania National Bank was founded he was Cashier for the J. G. Flint Co.

In addition to being Assistant Cashier, Mr. Graettinger has charge of the bank's promotion department. E. A. Reddeman is also an Assistant Cashier.

When the Germania National bank opened in 1903 it closed its first day's business with deposits aggregating $135,591.76. The first call for a statement after its organization was on Sept. 9, 1903, when it was shown that the deposits amounted to $527,553.07. The statement one year following, in September, 1904, showed over double the amount of deposits, the amount being $1,098,604.72. Since the latter date the deposits have kept on growing, being $1,597,077.01 on March 14, 1905, and $1,911,990.45 on August 25, 1905.

GERMANIA NATIONAL BANK, MILWAUKEE, WIS.

With ample capital, directors of large resources and a thorough knowledge of business, and with experienced officers, who are courteous and diligent in their dealings, the Germania National Bank is sure to maintain the stong hold it has already gained in the estimation of the public, and to acquire a still greater share of the prosperity that is a certain consequence of the best service.

NATIONAL LOAN AND EXCHANGE BANK, COLUMBIA, S. C.

The most substantial index of the growth of the South is to be found in the development of her banking institutions. It has not been many years ago that the South was struggling to get on its feet, and whatever money was available went into the upbuilding of the country and the development of its industries. This industrial development has been intense for the past decade, and with it there has been a healthy growth of the banking institutions. Ten years ago there were 102 banks in South Carolina with total deposits of $14,059,000; whereas, in July last, or in ten years' time, the deposits have grown to $38,164,000 and the number of banks have multiplied to 199.

In Columbia, which is the capital of the State, in 1895 the bank deposits aggregated $1,366,000; in 1900 they had climbed to $2,670,000; whereas, to July of this year the aggregate deposits of Columbia are over $4,000,000.

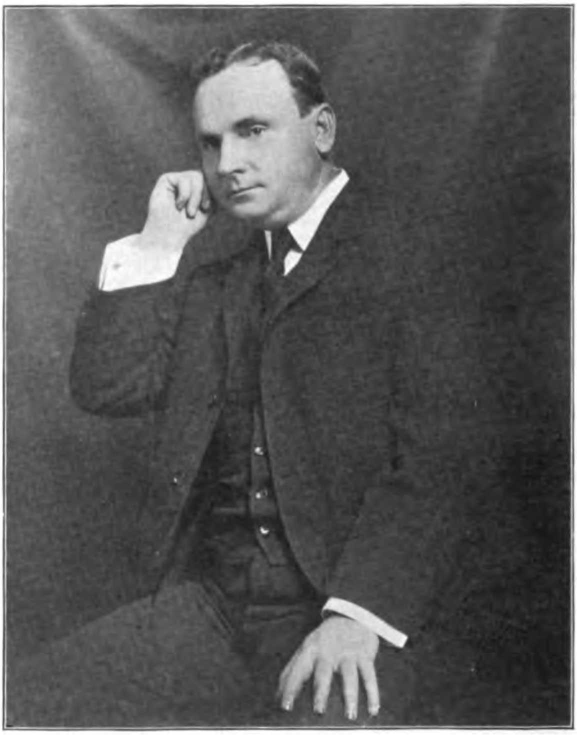
For a bank in South Carolina to go over the million-dollar mark is surprising, and for it to go over the two-million dollar mark is regarded as

NATIONAL LOAN AND EXCHANGE BANK, COLUMBIA, S. C.

a financial phenomenon. Such is the record of The National Loan and Exchange Bank, of Columbia. Ten years ago it would have been thought quite out of the question for a bank in Columbia to have shown over two million dollars of deposits and more than three million dollars of business, but by the persistent and consistent application to legitimate bank business, The National Loan and Exchange Bank, of Columbia, has reached this mark.

To-day there is no bank in South Carolina that has a higher reputation for orthodox business methods or for conservatism than The National Loan and Exchange Bank of Columbia. Its success has been due very largely to what some folks are inclined to regard as undue conservatism and careful attention to detail. These principles, strictly enforced, have given The National Loan and Exchange Bank the reputation of being "the strongest bank in South Carolina."

The financial blood of three separate and distinct banks course through the veins of the present National Loan and Exchange Bank. In 1886 Col. Alexander C. Haskell, a gallant Confederate Soldier, organized the Loan and Exchange Bank of South Carolina as one of the pioneer State banks. It began business with a paid-up capital stock of $50,000, which in due time was increased to $128,000. This bank continued to prosper and in due time its deposits ran up to the half million dollar mark. In May, 1892, Edwin W. Robertson and Gilbert M. Berry organized the Canal Dime Savings Bank with a capital stock of $30,000. Two years later this was increased to $50,000. In 1897, Mr. Robertson having paved the way for expansion and the opportunity being ripe, merged the Loan and Exchange Bank with the

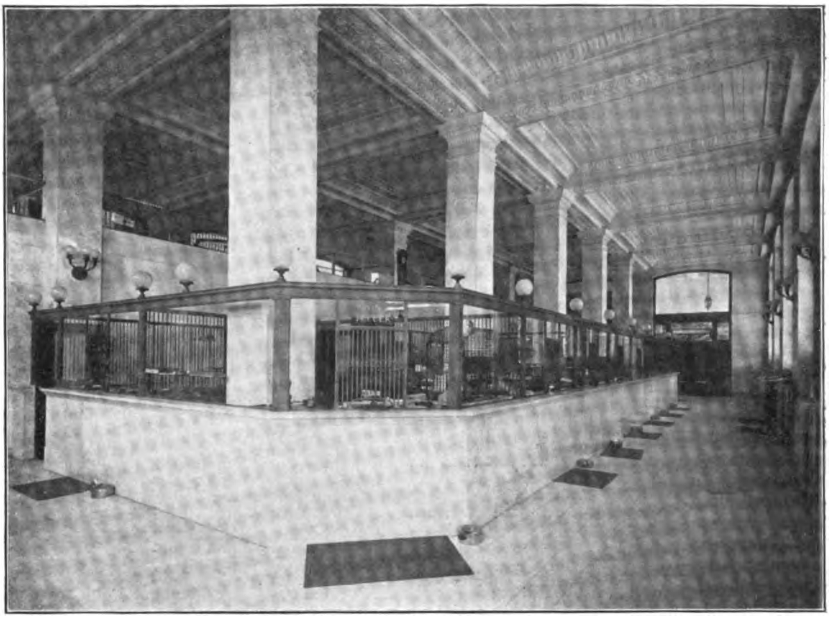


EDWIN W. ROBERTSON,

President National Loan and Exchange Bank, Columbia, S. C.

Canal Bank, and at that time the deposits showed an aggregate of $644,-381.29. Edwin W. Robertson became President, Judge A. C. Haskell, Vice-President, and Gilbert M. Berry, Cashier of the consolidated banks under the title of the Loan and Exchange Bank. It has been largely due to the splendid ability and energy of these three executive officers in particular that the bank of to-day has its present high position.

Year by year the Loan and Exchange Bank prospered, and in February, 1902, the Central National Bank, one of the oldest of the National banks in this country was acquired, and that bank was liquidated, practically all of the accounts going to the Loan and Exchange Bank. The deposits at that time aggregated $1,099,831.15. This represented the merger of the three banks. In June, 1903, it was decided to increase the capitalization to $500,-000 and to change the State bank into a National bank, giving the depositors and customers all of the additional protection that follows a National



NATIONAL LOAN AND EXCHANGE BANK, COLUMBIA, S. C.—BANKING ROOM.

bank. The conversion into a National bank and the increase of the capital stock to one-half million dollars,—which is the largest of any bank in South Carolina, was contemporaneous with the bank's moving into its new home, a magnificently constructed twelve-story building. The entire ground floor of this twelve-story structure is occupied as the banking rooms of The National Loan and Exchange Bank, and it is conceded to be as handsome a banking house as any in the South, and for that matter, in the entire country. The entire interior is finished in rubio Vermont marble and steel, with exquisitely designed panels.

There have been some who have naturally wondered at the remarkable development of The National Loan and Exchange Bank, and particularly that the volume of business should have grown until it is now larger than that of any other bank in the State; or, at least, that it is running neck and neck with the largest.

The National Loan and Exchange Bank is not a local bank. It is used to a large extent by the State generally, and the purpose of Mr. Robertson for some time has been to make it a clearing-house for the State of South Carolina, and in this work he has met with decided success.

The executive officers of the bank are:

Edwin W. Robertson, President.

Judge Alexander C. Haskell, First Vice-President.

Edward Ehrlich, Second Vice-President.

T. B. Stackhouse, Third Vice-President.

Gilbert M. Berry, Cashier.

E. C. Cathcart, Assistant Cashier.

Although Mr. Robertson is in his early forties, he has by his accomplishments taken first rank among the successful financiers of the country. He is an indefatigable worker, careful, conservative, and ambitious to keep the bank, of which he is the head, in the very front rank. Some time ago when there was a decimation of some of the directors of the Equitable Life Assurance Society, the stockholders of South Carolina unanimously requested the trustees of the Equitable Life Assurance Society to appoint Mr. Robertson as one of the directors of the Equitable. The appointment was made by Messrs. Grover Cleveland, Westinghouse, and O'Brien, and was a recognition of the standing of Mr. Robertson. He is also the President of the Columbia Electric Street Railway Light and Power Co., and a number of other Columbia and State enterprises, and has served as the President of the State Bankers' Association, which organization he did much to rejuvenate.

A great deal might be written of the conspicuous part that this bank has taken in the development of Columbia and how its conservative and careful methods have made the institution prosper, but the following condensed statement of a bank in a city the size of Columbia (40,000), (half of whom are not of a saving race,) is the epitome of the National Loan and Exchange Bank's marked success:

Statement of the condition of The National Loan & Exchange Bank of Columbia, Columbia, S. C., at the close of business October 11, 1905:

Assets—	
Loans and discounts	$1,490,807.32
U. S. bonds to secure circulation	265,000.00
U. S. bonds to secure U. S. deposits	15,000.00
Premium on U. S. bonds	8,971.88
South Carolina 4½ per cent. bonds	184,500.00
Other bonds, etc	253,759.00
Banking house, furniture and fixtures	190,179.59
Redemption fund with U. S. Treasurer, five per cent.	13,250.00
Cash on hand and due from banks	731,902.36
Total	$3,153,370.15

Liabilities—		
Capital stock		$500,000.00
Surplus and undivided profits		88,171.78
Circulation		265,000.00
Reserve fund		25,000.00
Deposits:		
Individual	$1,764,874.73	
U. S.	15,000.00	
Banks	395,323.64	
		2,175,198.37
Bills payable		100,000.00
Total		$3,153,370.15

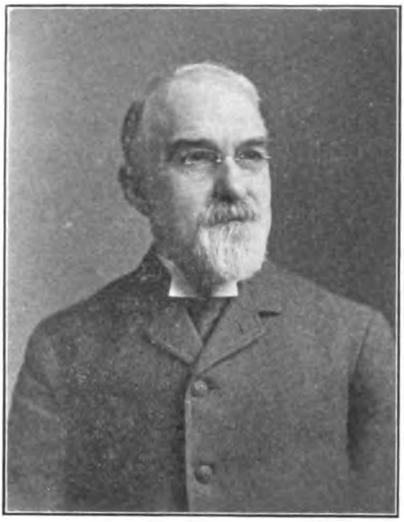
WYOMING NATIONAL BANK, WILKES-BARRE, PA.

The Wyoming Bank was chartered by the State of Pennsylvania in 1829, and in 1865 became a National bank. Its capital stock is $150,000 and the surplus over $500,000, the stock of a par value of $50 being difficult to buy, the last sale—at public auction—being at $301 a share. In proportion of surplus to capital this bank stands thirty-fifth among the National banks of the United States, twelfth in the State of Pennsylvania, and first in its own city.

The exceptionally strong position the bank has attained is the best possible proof of its efficient service to the business community and of the strong and able character of the management. A better idea of the bank's steady growth may be had from the following comparative figures:

	Investments.	Capital and Surplus.	Deposits.
January 1, 1895	$785,631.00	$422,120.00	$869,615.00
" 1896	799,193.00	448,446.00	746,821.00
" 1897	865,284.00	465,806.00	807,047.00
" 1898	895,910.00	482,658.00	935,544.00
" 1899	1,007,609.00	514,860.00	1,056,720.00
" 1900	1,221,254.00	535,903.00	1,219,576.00
" 1901	1,347,249.00	567,195.00	1,173,377.00
" 1902	1,394,652.00	593,489.00	1,227,027.00
" 1903	1,527,320.00	614,560.00	1,645,680.00
" 1904	1,768,312.00	639,603.00	1,747,890.00
" 1905	2,030,732.00	677,166.00	2,025,998.00
October 9, 1905	2,213,178.00	706,300.00	2,424,733.00

WYOMING NATIONAL BANK, WILKES-BARRE, PA.



GEO. S. BENNETT,
President Wyoming National Bank, Wilkes-Barre, Pa.

GEO. H. FLANAGAN
Cashier Wyoming National Bank, Wilkes-Barre, Pa.

Geo. S. Bennett, President of the Wyoming National Bank, comes from one of the families of the first settlers of the Wyoming Valley. He was born at Wilkes-Barre and has always resided there. He enjoys the unquestioned respect of all. Mr. Bennett is connected with nearly all of the industries and manufactories, and some of the educational institutions of the Valley.

Geo H. Flanagan, the Cashier, began the banking business in Wilkes-Barre in 1871. He was employed by the Wyoming National Bank in 1883, and was elected Cashier in 1886, which position he has held continuously up to the present time.

PLAINFIELD TRUST COMPANY, PLAINFIELD, N. J.

Measured by its substantial growth—which is the one sure test in judging financial institutions—the Plainfield Trust Company, of Plainfield, N. J., is entitled to rank among the highly successful trust companies of the country. It began business about three years ago, and has $100,000 capital, with surplus and profits of more than twice that sum, while the deposits have steadily increased until they now amount to over $1,600,000.

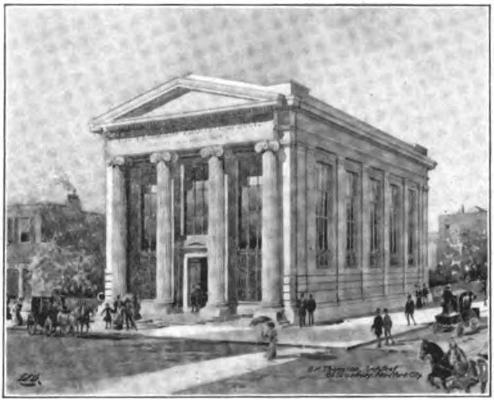
The company's prosperity may be attributed to its good location, an exceptionally strong board of directors, and an official staff who have been quick to realize the opportunities presented and to take advantage of them. The numerous facilities for transactions of a financial character possessed by a modern trust company have been intelligently, persistently and courteously brought to the attention of the public, and with the most gratifying results. Of course the undoubted strength of the management has greatly aided in the company's progress.

So rapidly has the business grown that the company has found it necessary to erect a new building—an illustration of which is presented herewith. The new structure is located at the corner of Park avenue and Second street.

The building will be constructed of Indiana limestone, and will be equipped with steel vaults of the most approved type. The banking room fixtures will be of marble and copper, and the furnishings of mahogany. When completed the city of Plainfield may boast one of the finest bank buildings in the State of New Jersey.

The officers of the Plainfield Trust Company are: O. T. Waring, President; A. V. Heely and Henry A. McGee, Vice-Presidents; J. Herbert Case, Secretary, and Edward F. Feickert, Assistant Secretary.

The directors are: Ernest R. Ackerman, president Lawrence Cement Company, New York; J. Herbert Case, Secretary and Treasurer, Plainfield, N. J.; Frederick Geller, attorney and counsellor-at-law, New York; Augustus



NEW BUILDIMG OF THE PLAINFIELD TRUST CO., PLAINFIELD, N. J.

V. Heely, the Farmers' Loan & Trust Company, New York; Francis deL. Hyde, president Union County Investment Company, Plainfield, N. J.; James W. Jackson, executor Jesse Hoyt estate, New York; Edward H. Ladd, Jr., Ladd & Wood, bankers, New York; Charles W. McCutchen, Holt & Co., commission merchants, New York; Henry A. McGee, Standard Oil Company, New York; Walter M. McGee, Standard Oil Company, New York; Geo. P. Mellick, Ladenburg, Thalmann & Co., bankers, New York; Isaac W. Rushmore, dairy products, New York; Samuel Townsend, formerly Townsend & Yale, New York; Lewis E. Waring, Harvey Fisk & Sons, bankers, New York, and Orville T. Waring, Standard Oil Company, New York.