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THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

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Let Us Preserve the Independence of the United States

WHATEVER else may be said of the proposed League of Nations, this much is clear, namely, that it limits the independence of its constituent members.

By its terms the United States engages to protect the territorial integrity and the political independence of the member nations from outside aggression.

We thus bind ourselves to keep the world in a sort of territorial and political straitjacket, on the apparent assumption that the territorial boundaries and political affiliations of the respective nations of the world are exactly right as they exist at present and that we must fight to keep any other nation from changing them by force. It may develop in the course of a few years that some of the territorial boundaries and political affiliations which the Peace Conference itself has set up are unjust and ought to be changed by force if there is no other way. Besides, who can doubt that the boundaries and political affiliations of nations will continue to be changed by force in the future as they have been in the past—as they were changed when the Colonies revolted against England or when all South and Central America cast off the Spanish yoke?

Are we going to war to keep India a part of the British Empire, or forever to chain Shantung to Japan?

These are only some of the chimerical and dishonorable enterprises to which we may possibly be committing ourselves if the United States Senate ratifies the League of Nations covenant.

But in addition we are liable to have wished upon us in the form of a mandatory from the League a command to restore peace and orderly government in some remote corner of the world with which we have no concern whatever. The petty disputes and squabbles of many of the small nations of the earth are things with which we have no call to meddle, and if we permit ourselves to be drawn into these innumerable and interminable controversies our strength—all of which is needed for greater enterprises that really affect our wel-

fare and perhaps our existence—will be dissipated and frittered away.

As we engage to do these vain things we likewise bind ourselves in honor to be subject to the same conditions. We are thus no longer free. Our independence, won by Washington, is lost. We have disobeyed his solemn warning. We have quit our own to stand on foreign ground.

The war in which we have just engaged was of purely European origin. We entered it solely to protect the lives and property of our own people. It has turned out a costly affair. But where the sovereign rights of this country were concerned, we did not count the cost. Nevertheless, a debt of some \$25,000,000,000 is no light affair. As Pyrrhus said, a few more such victories and we are undone. Now we are asked to enter upon the quixotic undertaking of preserving the territorial and political affiliations of all the members of this proposed League of Nations from outside aggression. We are no longer to use our money, and what is of far greater value—the lives of our young men—in defense of the United States, but in defense of the world—even in defense of tyranny and injustice. That is to fritter away our strength, and to destroy our independence. Foreign nations are given the right, virtually, to impose taxes upon us and to take the lives of our people in upholding territorial boundaries and political affiliations which may be impracticable, unjust and tyrannical. Shall we submit to that? Is it American? Is it right?

America stands for world peace. This is why we should oppose the League of Nations, which is destined to involve us in wars over matters with which we have nothing to do. Let us work for arbitration, for a definition of international law and a decision to enforce it. Above all, let us preserve that individual and national strength which will enable us to defend our rights against outside aggression. This for us is the surest guaranty of peace.

When the American Colonies broke loose from European connection, they freed themselves from the disputes and jealousies of a thousand years. Shall we now voluntarily resume the yoke we then cast off? Shall we enmesh ourselves once more inextricably in those entanglements from which the sword of Washington freed us?



Eventful Times

IT was the unshakable opinion of the Rev. John Jasper that "The sun do move." The same observation might aptly be applied to the world of to-day. For things are moving along at a rate calculated to make some of us dizzy. No wonder that Mr. Van-

derlip resigns the presidency of a great bank in order to have time to think.

Within the space of a month we have witnessed the signing of the peace treaty, the taking effect of nation-wide prohibition, the adoption by Congress of the woman suffrage amendment to the Constitution, and the crossing of the Atlantic Ocean in an aeroplane in less than seventeen hours.

"Iago" expressed the view that "Pleasure and action make the hours seem short." Surely, in these days there is action enough to prevent time weighing heavily upon the hands of anyone.

The tendency of these sudden and radical changes is to sweep us all away from the ancient moorings and to cause us to look upon even more revolutionary upheavals with tolerance if not outright approval. Dreamers see at once the realization of the prophetic new heaven and a new earth.

And yet it is suspected that all ancient good will not immediately become uncouth. In the crucible of centuries the goodness of some things has been proven, and to these mankind should hold fast.

Prohibition and woman suffrage came after long years of persistent agitation, although some people who either have short memories or are deficient in observation affect to believe that prohibition was adopted almost surreptitiously. If they had studied the map showing the wet and dry territory in the United States, they would have seen that the dry area has been steadily advancing for the last ten or twenty years. More important than all, they would have learned that the opposition to liquor no longer rested so much upon sentimental or even moral considerations, but that it had taken a practical and economic turn which was sure ultimately to lead to its downfall.

Great reforms are not infrequently followed by reactions, and this may happen in regard to nation-wide prohibition. But it is inconceivable that the saloon and liquor traffic as organized institutions will ever be restored, once they are destroyed.

It would require a greater degree of temerity than this MAGAZINE possesses to attempt to forecast the changes in society which may follow the ratification by the states of the woman's suffrage amendment to the Constitution of the United States. What the ladies will do, or attempt to do, in making the world over is a secret at present locked in those recesses of the feminine mind which any mere man would be rash to attempt to penetrate. The greatest benefit of the granting of suffrage to women will doubtless be found in their comforting belief that it affords them a remedy for real or imagined inequalities which may be redressed by means of the ballot, and will enable them to aid in that general uplift of society which may be effected through that instrumentality. Should the women of the United States be disappointed with this newly-acquired

weapon of reform, they will only be experiencing the same disillusionment which came to the male voters of the country long ago. But to the extent that the ballot can be used as a lever for human advancement, the coöperation of the women of the United States will be helpful and effective.

The world has now, for the time at least, closed the gates of the Temple of Janus. Those who are most hopeful of the coming of a better day believe that they are to remain forever shut. If history affords no solid ground for this belief, still we may all hope for it as an ideal to be cherished if never attained.

With the crossing of the ocean in the space of less than twenty-four hours an accomplished fact, the world is certainly drawing closer together in a physical sense at least, and this may be the precursor of closer spiritual relations.



Removal of the Gold Embargo

LAST month the embargo against gold shipments was removed, and this action of the Government was followed by a considerable outflow of the metal, especially to South American points. It is not thought, however, that the exports will reach a very large figure.

The export of gold will tend, indirectly at least, to reduce the existing basis of currency and credit in the United States and thus help to bring about a much-desired deflation. As gold goes out, the ability of the Federal Reserve Banks to grant credits and to issue notes will grow somewhat less.

That redundancy of currency and credit should primarily depend for correction upon gold exports seems an inversion of sound principles. If we had a really flexible bank-note system, the volume of notes would be first curtailed because the notes could no longer be kept in circulation; then, should the reduction of the currency not be sufficient, gold would be exported. At present, we seem to reverse this process, relying upon gold exportation in the first instance as a means of remedying a redundancy of currency and credit.

The fact is that the country does not yet possess a bank-note system where the true principle of commercial redemption of the notes is applicable. Since the national banks are not required to keep any legal reserves except in the form of credits with the Federal Reserve Banks, and can not issue their own credit notes, no motives exist for forcing the redemption of the Federal Reserve notes.

The action of the Government in removing the embargo against

the exportation of gold was doubtless wise under the circumstances, for it will tend to restore the value of the dollar in those countries where our currency had depreciated. This depreciation was proving an obstacle to our trade with those countries.



Proposal to Restrict American Banks Operating in British Territory

BANKERS who have studied the trend of international banking operations and who are readers of THE BANKERS MAGAZINE will recall how persistently the editor of this publication has sought to have the American laws relating to foreign banks liberalized. This position was due to the belief that if we did not allow foreign banks greater latitude in their operations in this country, foreign nations were bound in time to throw restrictions around American banks establishing branches abroad. It was furthermore held that by liberalizing our policy toward foreign banks our own local institutions would not lose business but would gain through the tendency toward a general addition to business which a liberal policy in this respect would create.

That the first consideration expressed above was not theoretical appears from agitation in several foreign countries where our banks are establishing branches to restrict their operations in the same way as branches of foreign banks are restricted in this country. A proposal to this effect, in the following terms, was made by Charles Frederick Wood, chairman of the Colonial Bank, at the recent general meeting of shareholders in London:

“It may be well to note that British merchants and British banks in the West Indies are faced with an increasingly active competition by American interests. In consequence of the demand in the United States for West Indian produce, notably bananas, the Americans have long had substantial trade interests there, but it is now quite evident that they are doing their utmost in various ways to capture as large a proportion as possible of the general trade, and we have reason to think that at least one New York bank is contemplating establishing itself in different parts of the West Indies. So long as American or other competition is conducted on terms of equality there is no complaint to be made.

“If we cannot hold our trade under these conditions we deserve to lose it, but we trust that if New York banks open branches or agencies within the British Empire they will be subjected to conditions similar to those under which agencies of British banks have to

work in the State of New York. I have reason to believe that this question is receiving the serious consideration of our Government.”

Mr. Wood's position is thoroughly logical and sound, because his protest is made on the ground that branches of British banks in this country only enjoy very limited privileges.

At the request of a member of the New York Legislature, a bill was prepared by the editor of **THE BANKERS MAGAZINE**, whose object was to remove the disabilities to which foreign branch banks are subject in New York. The bill failed of passage, doubtless because the New York city bankers took the short-sighted view that they would lose business if the foreign banks were permitted to do a general deposit and discount business.

The matter is one of far more than local importance. If our banks are to function with complete success in foreign lands, they should be allowed the same freedom of operations which the native banks generally enjoy; and, on the other hand, it is vital to the growing importance of New York as an international financial centre that foreign banks should be made welcome here.

This matter has been repeatedly brought to the attention of the Secretary of the Treasury, the Comptroller of the Currency and the Federal Reserve Board, but none of these officials show the slightest comprehension of its importance.

Possibly, when a few foreign countries put up the bars against American branch banks, our bankers, legislators and financial authorities may realize that there is such a thing as reciprocity of interest in banking.



Bettering the Situation of Labor

SHORT-CUTS to wisdom and wealth have ever been the dream of those who would be wise without study or rich without labor and thrift. Just now some of these short-cuts are being alluringly dangled before the eyes of that part of the community somewhat vaguely referred to as "labor." An example of this tendency appears in the following, taken from the message which President Wilson cabled from Paris to the extraordinary session of the Sixty-sixth Congress:

“The question which stands at the front of all others in every country amidst the present great awakening is the question of labor; and perhaps I can speak of it with as great advantage while engrossed in the consideration of interests which affect all countries alike as I could at home and amidst the interests which naturally most affect my thought, because they are the interests of our own people.

"By the questions of labor I do not mean the question of efficient industrial production, the question of how labor is to be obtained and made effective in the great process of sustaining populations and winning success amidst commercial and industrial rivalries. I mean that much greater and more vital question, how are the men and women who do the daily labor of the world to obtain progressive improvement in the conditions of their labor, to be made happier, and to be served better by the communities and the industries which their labor sustains and advances? How are they to be given their right advantage as citizens and human beings?

"We cannot go any further in our present direction. We have already gone too far. We cannot live our right life as a nation or achieve our proper success as an industrial community if capital and labor are to continue to be antagonistic instead of being partners; if they are to continue to distrust one another and contrive how they can get the better of one another, or what perhaps amounts to the same thing, calculate by what form and degree of coercion they can manage to extort on the one hand work enough to make enterprise profitable, on the other justice and fair treatment enough to make life tolerable. That bad road has turned out a blind alley. It is no thoroughfare to real prosperity. We must find another, leading in another direction and to a very different destination. It must lead not merely to accommodation but also to a genuine coöperation and the partnership based upon a real community of interest and participation in control."

Now, of course, every sane and right-thinking man wants to see the highest possible degree of coöperation between "capital" and "labor" and will cordially support every practicable means for bringing this about. But when all this is done, what surer means is there for bettering the condition of labor than by raising the standard of efficiency in industrial production? And yet President Wilson waives this aside as too trivial for his consideration.

Is it to be wondered at, then, that "labor" is beginning to believe that by some magical process—which the President neglects to specify—the condition of the workingman is to be transformed into one of comparative ease?

President Wilson makes this statement: "We can not go any further in our present direction. We have already gone too far. * * * That bad road has turned out a blind alley. It is no thoroughfare to real prosperity."

The omission indicated by the asterisks may be supplied by referring to the more extended quotation of the President's views given above.

Let us hope for the removal of whatever of real antagonism may exist between capital and labor, for extortion on either side is not the proper policy. But does not the President magnify the

real antagonism, and does he not fail to note the large degree to which labor and capital are already coöperating? Nor, surely, can he be unaware of the great prosperity of labor itself even under the conditions which he describes in rather exaggerated language.

The employer and the community undoubtedly can help in bettering the condition of labor, but chiefly labor will better itself by greater efficiency in production and the cultivation of the plain virtue of thrift. This is all very old-fashioned, no doubt. But any proposal for improving the situation of those who toil without first recognizing these indispensable conditions, and which even loftily discards them, is to be regarded with suspicion even though made by the President of the United States.



Brewing and Liquor Activities

SOME people still fail to understand why the American voters have decided to make an end to the liquor traffic in this country.

They may get enlightenment from the following summary of a report of a sub-committee of the Judiciary Committee of the United States Senate acting under a resolution directing the Committee on Judiciary to call for certain evidence and documents relating to charges made against the United States Brewers Association and allied interests. Here is the official summary as printed in the "Congressional Record":

"With regard to the conduct and activities of the brewing and liquor interests, the committee is of the opinion that the record clearly establishes the following facts:

"(a) That they have furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

"(b) That they have undertaken to and have frequently succeeded in controlling primaries, elections, and political organizations.

"(c) That they have contributed enormous sums of money to political campaigns in violation of the Federal statutes and the statutes of several of the States.

"(d) That they have exacted pledges from candidates for public office prior to the election.

"(e) That for the purpose of influencing public opinion they have attempted and partly succeeded in subsidizing the public press.

"(f) That to suppress and coerce persons hostile to and to compel support for them they have resorted to an extensive system of boycotting unfriendly American manufacturing and mercantile concerns.

"(g) That they have created their own political organization

in many States and in smaller political units for the purpose of carrying into effect their own political will and have financed the same with large contributions and assessments.

“(h) That with a view of using it for their own political purposes they contributed large sums of money to the German-American Alliance, many of the membership of which were disloyal and unpatriotic.

“(i) That they organized clubs, leagues, and corporations of various kinds for the purpose of secretly carrying on their political activities without having their interest known to the public.

“(j) That they improperly treated the funds expended for political purposes as a proper expenditure of their business and consequently failed to return the same for taxation under the revenue laws of the United States.

“(k) That they undertook through a cunningly conceived plan of advertising and subsidation to control and dominate the foreign-language press of the United States.

“(l) That they have subsidized authors of recognized standing in literary circles to write articles of their selection for many standard periodicals.

“(m) That for many years a working agreement existed between the brewing and distilling interests of the country by the terms of which the brewing interests contributed two-thirds and the distilling interests one-third of the political expenditures made by the joint interests.”

As pointed out by a valued friend of *THE BANKERS MAGAZINE*, the liquor interests in the United States have shown a blind stupidity and an utter contempt for public opinion comparable with that of the Prussian military autocracy. Both have been destroyed through their inability to realize that there really exists in the world such a thing as the moral sense of mankind.



Proposed Foreign Finance Corporation

THE plan favored by Senator Owen of Oklahoma for organizing a foreign finance corporation to act as an intermediary in placing foreign securities in the United States has much to commend it. In order to protect the loans already made abroad by this country, to assure a continuation of our export trade, and to help in the financial and industrial rehabilitation of Europe, it will be essential that our banks shall make large advances on European securities. Ultimately the banks, if they are to keep up making these advances for any great length of time and in any con-

siderable volume, must have an outlet or market for the foreign securities. That market exists at present to a very limited extent only. It will have to be much broadened if we are to take a large and permanent share in foreign financing.

Senator Owen has submitted a bill to the Senate proposing the organization of the Foreign Finance Corporation, backed by ample capital, and which would extend long-time credits on the basis of European securities. This corporation would issue and sell its own debentures, secured by the bonds of foreign governments, foreign cities and of certain productive syndicates whose operations are properly safeguarded. It is proposed that the United States Government, through the War Finance Corporation, should furnish one-quarter of the required capital for the new corporation, the banks another quarter and the public one-half.

The outright purchase of foreign stocks and bonds by the American public generally will develop very slowly. But with an intermediate corporation to stand between the investor and his foreign debtor, the sale of foreign securities in the United States might soon reach large proportions.

On the other hand, by thus protecting the American investor in foreign securities we should deprive him of the opportunity of developing that knowledge of this type of investments which is to be gained only through extensive study and experience. Very likely the exigencies of the situation make a resort to the more rapid method a necessity. It is altogether unreasonable to expect that the American public will readily absorb foreign securities. They would, however, buy the bonds of an American corporation secured by foreign issues of recognized merit.

While the proposals made by Senator Owen for the organization of a corporation of the kind indicated are entitled to careful consideration, in the opinion of some banking authorities it might be better to have this undertaking in the hands of private enterprise. It is essential that the securities put out for sale should command the highest confidence. This could be assured either by the participation of the Government in the undertaking or by keeping the organization in the hands of banks of established strength.



The War Time Rise in Prices: Its Cause

By HENRY FLETCHER, A.M., LL.B.

PPRICE is only relative. Price expresses merely a relation between the desirability of a commodity and the desirability of the standard of value. The price of wheat may vary because of changes in the quantity or quality of the wheat; in other words, because of considerations affecting the commodity itself. On the other hand, the price of wheat may vary because of a variance in the purchasing power of the standard.

This real character of price seems to have been almost completely disregarded by most of the writers on the subject of the increase in the prices during the war. It is true that the concept is a difficult one to master. The relation of two variants mutually interdependent is extremely difficult to interpret mathematically. The price of wheat may increase because there is less wheat than usual or because the demand is greater than usual, and on the other hand it may increase because there is more of the standard than usual, or more of that which represents the standard in ordinary use, to wit, the dollar credit.

prices would not have risen to the heights which they reached. It must also be said that without either or both those conditions, i. e., the increase in gold and expansion of credits, the necessary business growing out of the war could not have been actually transacted. Historically speaking, the prices of commodities in this country did not increase until almost a year after the commencement of the war. During the fall of 1914, business in this country was at a complete standstill, because of our inability to export, due almost entirely to the menace of the German warships. So soon as our export business was made possible by the activities of the English fleet, business awoke and from then until the end of the war the prices on almost all commodities advanced steadily. With the resumption of business and the purchase of our goods by foreign governments and individuals, the balance of trade turned strongly in our favor, with the result that the United States drained gold from Europe to the extent of about \$1,200,000,000. This drain, however, was progressive, and was caused by the purchases themselves. These purchases were made at ever advancing prices, whose increase compelled the increase of credits in this country in the purchasers' favor. In order to produce greater quantities of the goods desired, this country found expansion of domestic credits necessary, both for the purchase of raw materials, from which to produce goods, and for the increase of the means to produce those goods.

Looked at historically, therefore, the economic facts occurred in this order, after the resumption of business in 1915: First, purchases from abroad in large quantity; second, gradually increasing prices; third, the drain of gold from the

INCREASE OF GOLD AND EXPANSION OF CREDIT

Those who have expressed an opinion on the cause of the great increase in prices of commodities during the war seem to have been about evenly divided, between those who believe that the increase in prices was caused by the great increase in gold in this country, and those who believe that the prices increased because of the expansion of credit. I can agree with neither of these arguments, although without either or both conditions, i. e., the increase in gold and the expansion of credits, the

purchasers to this country; fourth, the creation of a large body of credit in this country, with which to finance the transactions involved. It is not meant that these four elements did not overlap, but in general they occurred in the order in which they are stated.

Those who claim that the increase in the commodity prices was due to the influx of gold have two important facts to explain. First, that the prices had greatly increased before the influx of gold; and, secondly, the fact that the prices increased to an even larger percentage in the countries from which the gold was drained. Those who believe that the increase of the body of credit in this country was responsible for the increase in prices have to explain the fact that the prices increased before the body of credit was actually created.

LAW OF SUPPLY AND DEMAND THE MOVING CAUSE

The writer submits this proposition—the original increase in the commodity prices was brought about by reason of the need of these commodities by the foreign purchasers and the lack of those commodities in the countries who were purchasers. In other words, the old law of “supply and demand” was the original moving cause of the increase in the commodity prices. This was the element that affected the goods themselves. The law of “supply and demand” was the influence which was brought to bear by circumstances upon the commodity itself, and tended to increase the price of the commodity as expressed in the standard of value. After the prices had begun to increase, and the payment for them drew the gold to this country, the other variant, to wit, the purchasing power of the dollar, was affected. By the increase in the gold stock the purchasing power of the dollar tended to decline and this again tended to increase the price of the commodities as expressed in the dollar. The tremendous size of the transactions involved necessitated the increase of a tremendous body of credit as a substitute for gold. The amount of credit dollars,

whether expressed in currency or in book accounts, and as a substitute for gold dollars, affected the purchasing power of the standard of value, that is, the gold dollar itself. By the enormous increase in the number of credit dollars, the price of commodities, as expressed in the dollar, was necessarily greatly increased. Therefore, it is believed it can be truly said that the increase in the gold stock and the increase in credits were both causes contributing to the increase in the prices of commodities; but, on the other hand, the increase in gold and the tremendous increase in dollar credits were actually the result of previous business transactions. Without this great expansion of credit the transaction of the tremendous volume of business would have been absolutely impossible. To be sure, it might have been possible to restrict somewhat the influx of gold and to hold down somewhat the expansion of credit, but the restrictions which might have been possible would have affected only in a small way the influx of gold and the credit expansion. Governmental restrictions of some kind ought to have been exerted more strongly than they were to hold back both of these dangerous elements, but fundamentally no great restriction would have been possible if it were necessary to transact the enormous volume of business that was to be done. *The only way that the volume of this expansion could have been lessened in any substantial degree would have been by an earlier restriction by the Government on the prices at which the materials were sold to foreigners.* At that time the law of “supply and demand” was still active and still increasing daily the price of materials. Because there was not enough of the desired commodities to answer the unlimited demand, the possible increase of the price of these commodities was theoretically infinite.

INFLUENCE OF THE ELEMENT OF SPECULATION

The fundamental economic cause for the increase in the price of commodities was the insistent and immediate demand

for commodities by those who did not have them, and the fact that the stock of commodities was less than enough to supply the needs of the occasion. Back of this economic cause, however, existed a psychological condition which contributed much to extend and intensify the effect of this economic law. After the increase in the price of commodities had been proceeding for some time, all business men became speculators, all business men became imbued with the idea that prices were increasing, would increase and that there was absolutely no top to the market in any given commodity. Their condition of mind is comparable only to that of the public at the time of the currency panic in 1907. The panic was accentuated by the widespread belief that there was not enough money for all, and this belief reacting upon others passed the panic from man to man until it became all but general. The situation has been the same in all currency panics. In the increase of prices during the war the same psychological element existed. The condition might have been described as a price panic. Men were buying commodities that they had never known of before and of whose use they knew nothing, simply because they had money, or had credit, and believed that the price of all commodities must rise. This necessarily reduced the stock of commodities available for those who had real need of them and raised

the prices illegitimately. The real user became convinced that the prices must continue to rise, and therefore that it would be profitable to him to carry a larger stock of merchandise than was his custom. This panic view was assisted by the difficulties in transportation, but to one who observed at the time, it seems as though a large part of the increase in the commodities due to the extraordinary demand, legitimate and otherwise, might have been avoided by an earlier campaign to restrict the prices of commodities and a propaganda aimed to counteract the view that prices must increase indefinitely. *An early propaganda built around the proposition that the Government would step in and set prices on all commodities, if necessary, would have assisted substantially in retarding the price rise.*

The fundamental reason for the increase in the commodity prices during the war was the lack of a supply equal to the demand. This was accentuated by the price panic, which was produced by the belief that prices must rise indefinitely. The tremendous volume of business, together with the increase in prices, produced the influx in gold and the expansion of credits, and were not produced by them. This increase in gold and expansion of credits on its side reduced the purchasing power of the dollar and in this way further increased indirectly the price of commodities.

FOR men whose ambitions neither seas nor mountains nor unpeopled deserts can limit, nor the bonds dividing Europe from Asia confine their vast desires, it would be hard to expect to forbear from injuring one another when they touch and are close together. These are ever naturally at war, envying and seeking advantages of one another, and merely make use of those two words, peace and war, like current coin, to serve their occasions, not as justice, but as expediency suggests, and are really better men when they openly enter upon a war, than when they give to the mere forbearance from doing wrong, for want of opportunity, the sacred names of justice and friendship.—*Plutarch.*

The Federal Reserve System's Contribution to Agricultural Finance

By IVAN WRIGHT, Cornell University

MORTGAGE LOANS

MEMBER bankers of the Federal Reserve System are permitted to loan to farmers upon first mortgage security on agricultural lands. Section 24, paragraph 153, of the Federal Reserve Law, as amended September 7, 1916, providing for investments in real estate mortgages, reads as follows:

Any national banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land, situated within its Federal Reserve district or within a radius of one hundred miles of the place in which such bank is located, irrespective of district lines, and may also make loans secured by improved and unencumbered real estate located within one hundred miles of the place in which such bank is located, irrespective of district lines; but no loan made upon the security of such farm land shall be made for a longer time than five years, and no loan made upon the security of such real estate as distinguished from farm land shall be made for a longer time than one year, nor shall the amount of any such loan, whether upon such farm land or upon such real estate, exceed fifty per centum of the actual value of the property offered as security. Any such bank may make such loans, whether secured by such farm land or such real estate, in an aggregate sum equal to twenty-five per centum of its capital and surplus or to one-third of its time deposits, and such banks may continue hereafter as heretofore to receive time deposits and to pay interest on the same.

The Federal Reserve Board, in regulation G of 1916, comments on this provision of the law granting member banks of the Federal Reserve System the privilege of making loans on improved and unencumbered farm land and other real estate thus:

Certain conditions and restrictions must, however, be observed:

(a) There must be no prior lien on the land; that is, the lending bank must hold an absolute mortgage or deed of trust.

(b) The amount of the loan must not exceed fifty per cent. of the actual value of the land by which it is secured.

(c) The maximum amount of loans which a national bank may make on real estate, whether on farm land or on other real estate as distinguished from farm land, is limited under the terms of the act to an amount not in excess of one-third of its time deposits at the time of the making of the loan, and not in excess of one-third of its average time deposits during the preceding calendar year; *provided, however*. That if one-third of such time deposits as of the date of making the loan, or one-third of the average time deposits for the preceding calendar year, is less than one-fourth of the capital and surplus of the bank as of the date of making the loan, the bank in such event shall have authority to make loans upon real estate under the terms of the act to the extent of one-fourth of the bank's capital and surplus as of that date.

(d) Farm land to be eligible as security for a loan by a national bank must be situated within the Federal Reserve district in which such bank is located or within a radius of 100 miles of such bank irrespective of district lines.

(e) Real estate as distinguished from farm land to be eligible as security for a loan by a national bank must be located within a radius of 100 miles of such bank irrespective of district lines.

(f) The right of a national bank to "make loans" under section 24 includes the right to purchase or discount loans already made, as well as the right to make such loans in the first instance; *provided, however*. That no loan secured by farm land shall have a maturity of more than five years from the date on which it was purchased or made by the national bank and that no loan secured by other real estate shall have a maturity of more than one year from such date.

(g) Though no national bank is authorized under the provisions of section 24 to

make a loan on the security of real estate, other than farm land, for a period exceeding one year, nevertheless, at the end of the year, it may properly make a new loan upon the same security for a period not exceeding one year. The maturing note must be cancelled and a new note taken in its place, but in order to obviate the necessity of making a new mortgage or deed of trust for each renewal, the original mortgage or deed of trust may be so drawn in the first instance as to cover possible future renewals of the original note. Under no circumstances, however, must the bank obligate itself in advance to make such a renewal. It must, in all cases, preserve the right to require payment at the end of the year and to foreclose the mortgage should that action become necessary. The same principles apply to loans of longer maturities secured by farm lands.

(h) In order that real estate loans held by a bank may be readily classified, a statement signed by the officers making a loan and having knowledge of the facts upon which it is based must be attached to each note secured by a first mortgage on the land by which the loan is secured, certifying in detail as of the date of the loan that all of the requirements of law have been duly observed.

The provision of the Federal Reserve banking law and the regulation of the board are very clear. Further explanation would be superfluous. In some sections of the country considerable loaning on real estate mortgages may be done by the Federal Reserve member banks. In communities where such member banks do not secure sufficient short-term demands to keep their funds in circulation, they will find first mortgages on farm lands safe and profitable investments. The Federal Reserve Banking System is a system of commercial banks. The very nature of their business with trade and commerce requires that a large portion of their capital be kept in quick assets. Only in localities where member banks have surplus funds and need to seek some long-term investments will they likely go as far in investing in farm mortgages as the law allows.

Many state banks and trust companies are now members of the Federal Reserve System. In fact, more than one-third of the total assets of all state institutions is now represented in the Federal Reserve System. No ruling has

been made setting forth the privileges that these member banks which were once state banks and trust companies have in regard to farm mortgage investments. But since the provisions under which these banks are admitted to the Federal Reserve System demand that such banks must conform to the requirements for national banks, and be subject to the provisions of the national banking and Federal Reserve banking laws, it is reasonable to believe they will be subject to the same regulations as national banks in this matter of land mortgages.

SHORT-TERM AGRICULTURAL FINANCE
THROUGH THE FEDERAL RESERVE
MEMBER BANKS

The Federal Reserve Law (Sec. 13, paragraph 89) provides that the Federal Reserve Banks may discount notes, drafts and bills of exchange issued or drawn for agricultural purposes or the proceeds of which have been or are to be used for such purposes. It also provides that notes, drafts and bills of exchange secured by staple agricultural products are eligible for rediscount: Provided, "That notes, drafts and bills drawn or issued for agricultural purposes or based on live stock and having a maturity not exceeding six months, exclusive of days of grace, may be discounted in an amount to be limited to a percentage of the assets of the Federal Reserve Bank, to be ascertained and fixed by the Federal Reserve Board."

However, the Federal Reserve Board in explaining the scope of this provision for short-term agricultural paper gave a definition of six months' agricultural paper thus:

(a) Definition.—Six months' agricultural paper, within the meaning of this regulation, is defined as a note, draft, bill of exchange, or trade acceptance drawn or issued for agricultural purposes, or based on live stock; that is, a note, draft, bill of exchange, or trade acceptance, the proceeds of which have been used, or are to be used, for agricultural purposes, including the breeding, raising, fattening, or marketing of live stock, and which has a maturity at the time of discount of not more than six months, exclusive of days of grace.

(b) Eligibility.—To be eligible for rediscount six months' agricultural paper, whether a note, draft, bill of exchange, or trade acceptance, must comply with the respective sections of this regulation which would apply to it if its maturity were ninety days or less.

OPINIONS AND RULINGS OF THE FEDERAL RESERVE BOARD AND THE COUNCIL ON SHORT-TERM AGRICULTURAL PAPER

The term "live stock" is held to include not only beef cattle, but also horses and mules.

(Informal Ruling, Page 72, June, 1915, "Bulletin.")

Notes made by mule and cattle dealers are mercantile rather than agricultural paper.

(Informal Ruling, Page 212, August, 1915, "Bulletin.")

A note made by a dealer in agricultural implements is not agricultural paper.

(Informal Ruling, Page 212, August, 1915, "Bulletin.")

The purchase or sale of an agricultural product, or of implements or other commodities used in agriculture, constitutes a commercial transaction. Where the proceeds of a note made by a merchant are used to purchase millet seed to be later retailed or sold, such a note can not be treated as one given for an agricultural purpose and can not be discounted by a Federal reserve bank if it has a maturity at time of discount of more than ninety days.

(Opinion of Counsel, Page 526, October, 1916 "Bulletin.")

The bill or note of a packing company, the proceeds of which are used for the purchase of live stock which is slaughtered upon purchase, is not "based on live stock" within the meaning of section 13, and is, therefore, not eligible for rediscount if it has a maturity in excess of ninety days.

(Opinion of Counsel, Page 616, August, 1917, "Bulletin.")

A farmer's six months' note for commercial fertilizer, discounted and endorsed by a member bank, is agricultural paper eligible for rediscount with the Federal Reserve Bank.

(Informal Ruling, Page 75, June, 1915, "Bulletin.")

Mortgages on cattle are not required, and the question whether paper secured by cattle is self-liquidating is a legal one to be determined at the Federal Reserve Bank.

(Informal Ruling, Page 74, June, 1915, "Bulletin.")

The Act does not require the taking of chattel mortgages as security for loans based on agricultural operations. The statement of the member bank to this effect must ordinarily be accepted. The direct, primary purpose of the loan should be for the ordinary operations of agriculture. Words "based on" are not considered synonymous with "secured by." Agricultural paper need not be directly secured by agricultural products, but should be genuinely based upon transactions entered upon for agricultural operations. General banking prudence and knowledge should be applied.

(Informal Ruling, Page 72, June, 1915, "Bulletin.")

Notes signed by a farmer, the proceeds of which are used for the purchase of cows to be used as dairy cattle, are eligible for rediscount at the discretion of the Federal Reserve Bank, notwithstanding the fact that the cattle are not primarily purchased for "breeding, raising, fattening, and marketing of live stock."

(Informal Ruling, Page 112, March, 1916, "Bulletin.")

Loans on cattle for breeding, grazing, or fattening may be made under the classification of six months' agricultural paper and the paper may be rediscounted by a member bank at its Federal Reserve Bank.

(Informal Ruling, Page 679, December, 1916, "Bulletin.")

Where tractors are used to supplement the work of horses or mules, or are used altogether instead of these animals, it is held that notes given by farmers for the purchase price of tractors, and maturing within six months, should be admitted to discount as agricultural paper.

(Informal Ruling, Page 309, April, 1918, "Bulletin.")

Farmers' notes, the proceeds of which are used for tilling farms or for draining land already in use as farm land, should be classified as agricultural paper and are eligible for rediscount.

(Informal Ruling, Page 743, August, 1918, "Bulletin.")

A note given for the purchase price of a commodity can be classed as agricultural paper eligible for rediscount when having a maturity in excess of ninety days, if the maker is to use the commodity for an agricultural purpose, regardless of whether the note is discounted by the maker or by the endorser.

(Opinion of Counsel, Page 312, April, 1918, "Bulletin.")

Where a farmer makes his note payable to the seller of a commodity, and actually uses the commodity for agricultural purposes, such a note may be treated as agricultural paper, whether discounted with the member bank by the farmer as the maker or by the seller as the endorser.

Where the farmer makes his note payable to the member bank and uses the proceeds for an agricultural purpose, such a note may likewise be discounted by a Federal Reserve Bank as agricultural paper. If, however, in either of the foregoing cases the farmer does not use or intend to use the commodity purchased for an agricultural purpose, although it is capable of being so used, the note in question should be treated as commercial paper and not as agricultural paper.

(Informal Ruling, Page 310, April, 1918, "Bulletin.")

The nature of the bill, the name of the acceptor, and the name of the drawer would probably indicate that a farmer was the purchaser, and an implement dealer, the seller of the goods. However, the purchasing member bank will have to satisfy itself in some satisfactory way that the bill is substantially of an agricultural character. A simple memorandum attached to the bill, stating that the bill was drawn in payment of agricultural implements, signed either by the acceptor or the drawer, would probably be considered sufficient evidence by the member bank and the Federal Reserve Bank.

(Informal Ruling, Page 68, February, 1916, "Bulletin.")

OPPORTUNITY OF BANKERS AND FARMERS

Reviewing the conditions governing farmers' short-term credit through member banks of the Federal Reserve System, it is obvious that under the terms of the law and the rulings of the board, member banks, either state or national, are authorized to handle the farmers' short-term paper along with their regular commercial banking practices. Member banks which are located in agricultural communities may find the farmers' short-term note a considerable part of their banking business. These notes may be rediscounted with the Federal Reserve Bank. This makes the farmers' notes, bills of exchange, drafts and trade acceptances just as desirable paper as the merchants', in the channels of commercial banks. This is what it ought to be because the farmers' short-term pa-

per is as safe as the merchants' and for the most part is not required to be rediscounted for any longer time.

However, both the banker and the farmer have much to learn in fostering the use of agricultural short-term paper. Bankers must realize that a prosperous agricultural community means prosperous business, much buying and selling, and these are the pre-requisites for prosperous banking. In order that the banker may accommodate the farmer to the short-term credit he needs, the farmer must comply with certain business requirements. The farmers must be prompt in paying their debts, and keep their credit good. When a farmer wants to borrow from his bank he must furnish the bank a credit rating or property statement of his business. This is especially necessary since it is a regulation of the Federal Reserve Bank to rediscount notes for member banks only when accompanied by a financial statement from the borrower. A statement, something like the one presented in the discussion of state banks, will be adequate. No doubt, bankers will in the near future furnish to farmers similar forms of property and financial statements. This liberal provision for the Federal Reserve member banks to handle farmers' short-term paper, will solve the agricultural short-term credit needs in most parts of the country, if its use is properly stimulated. The rulings of the board provide for rediscounting the farmer's paper for cattle feeders, stockers, dairy cows and horses, farm implements and machinery, fertilizers, and in fact for any agricultural purpose. Millions and millions of dollars in farmers' short-term notes are now floating in the channels of the commercial banks. Mr. C. W. Thompson* finds by a survey made through the Bureau of Markets that on July 1, 1918, approximately two and one-half billion dollars were outstanding in short-term bank loans to farmers. This represents fully one-tenth the banks' loans and discounts. In the Middle West the amount of agricul-

* "Banker-Farmer," April, 1919.

tural paper is found to be especially large. Such loans constitute more than fifty per cent. of the total loans and discounts of the banks of North Dakota, South Dakota and Kansas, fifty per cent. in Nebraska, forty-seven per cent. in Idaho, forty-one per cent. in Oklahoma, forty per cent. in Iowa, thirty-two per

cent. in Minnesota, thirty-nine per cent. in Montana, thirty-six per cent. in Wyoming and thirty-two per cent. in Colorado. The liberal admission of short-term agricultural paper to these banks is undoubtedly the greatest reform in agricultural finance that has ever taken place in the United States.

An Efficiency Marking System for the Bank Clerk

By JAMES A. MURPHY, Chief Clerk First and Security National Bank, Minneapolis



JAMES A. MURPHY
Chief Clerk First and Security National Bank,
Minneapolis

IN the spring of 1918 the number of men and boys called into the service from our staff increased very rapidly, and on account of the loss of these experienced men and the filling of their places with inexperienced women and girls, hundreds of errors occurred in a single day's work. In one department alone (the transit) where we employed sixty-five clerks when the United States entered the war, it was necessary to make eighty-three changes in the force in 1918. Other departments suffered in proportion.

So it became absolutely imperative that something be done which would call into play the closest attention to details and the highest quality of work, and thus reduce the number of errors to the minimum.

IN THE BOOKKEEPING DEPARTMENT

The greatest trouble came in the departments using bookkeeping, adding and listing machines, so it was to these departments that the attention was first turned. In this bank machines are being used exclusively in "keeping the

books" for 7,000 accounts of individuals and firms—3,500 women's accounts, and almost 2,000 country correspondents. And in the transit department, where on an average of 30,000 items—checks, drafts, certificates of deposit, etc.—are

This method has been used for several months, and to show what results have been accomplished we might submit the following figures which have been taken from statistics compiled for the month of March, 1919:

	Mis- sent Items	Wrong Endorse- ments	Total Dif- ference	Final Error Record	Items Handled During Month
Dividend taking first place, J-Li.	5	0	\$0.07	57	31,242
Dividend taking second place, Lo-Ma. 10		0	1.06	206	31,581

sent out each day for collection, machines are used for listing and adding all these items.

EMPLOYMENT OF COLLECTIVE MEASURES

Several conferences of the officers and department heads took place, and one plan after another was discussed and abandoned as impractical. Finally, however, one of the department heads suggested the use of the "demerit marking system." This plan is not worked out quite the same in each department, but the results attained are the same.

The plan in general is this—to mark up against each clerk a certain number of points for each class of mistake made. Take, for instance, the transit department. Most of the errors are made here when forwarding items drawn on banks in towns of the same name in different states. When these are returned a record is made showing, among other things, the name of the clerk or division making the error. For such errors ten points are counted; for wrong endorsements, thirty points are charged. A record of differences is kept showing the exact amount over or short in each division, and these differences are counted of the rate of one point for each cent of difference.

CREDITING PERCENTAGE OF ERRORS

Although these records entail more labor and individual attention to the business sent each correspondent, the results are very gratifying and prove the worth of the additional effort. In case a division has ten missent items, one wrong endorsement and a total in differences of ninety-two cents, the standing in points for errors for the month will be 222.

AWARDING EFFICIENCY MARKS

Of course, there are several other features to consider in giving a clerk the percentage of efficiency for the month, and to complete our private records of each clerk his personal effort, neatness, ability to work harmoniously with others, tardiness, absence and personality—all are carefully judged.

In the country bank book department the penalty for a posting error is two, and for a switch, five points; for paying a draft not drawn on us, ten points; for paying a stop payment, twenty-five points; for an erasure on a ledger, 100 points; and for an unadjusted difference, twenty points. The department average for January was 95.20 per cent.; for February, 94.31 per cent., and for March, 95.27 per cent.

In the individual and ladies' book-keeping departments a daily record is kept covering the work of each of our thirty-five bookkeepers, and all crimes committed against good bookkeeping are marked down and computed by the end of the month. Certain errors will, of course, count heavier than others, and the ratings are as follows:

	Points
Error in listing counts	1
Switch (posting an item on the wrong account)	2
Tardiness	3
Items posted in error:	
Notes, bills, drafts, acceptances, post-dated checks, certified checks, checks not properly endorsed, checks similar to ours, but drawn on some other bank	7
Late returns:	
Clearing House items not accepted and not returned by bookkeeper within a specified time	10
Difference not found by bookkeeper	15
Stop-payment paid by bookkeeper	25

MECHANICAL EFFICIENCY

In figuring out the percentages of mechanical efficiency, the following table is used:

	Per Cent.
No errors	100
Not more than 15 points will give.....	*99
From 16 to 25.....	**95
From 26 to 35.....	90
From 36 to 45.....	85
From 46 to 55.....	80
From 56 to 65.....	75
From 66 and up.....	50

*Must include only errors in listing.

**Only errors in listing and switches.

When these efficiency markings are given to the chief clerk notations are also made regarding the personal characteristics of each clerk.

POSTING THE RESULTS

This method of marking with the slight variations in the different departments has not only promoted a feeling of friendly rivalry among the employes, but has brought about wonderful results in gradually raising the efficiency of the individuals. The final results for each

month are posted on the various bulletin boards, and no war bulletins were ever more eagerly read or debated.

In the exchange, assembly mail and mail proof departments, the same method in general is in use; and throughout the bank it has been unanimously endorsed by both the officers and staff of the institution.

HELPFUL TO EMPLOYEES

The officers of the bank are in favor of it because it gives them a better opportunity to know who are the most efficient clerks in the office when the question of promotion arises. The staff are in favor of it because they know that a high efficiency record, together with personality, will in due time bear fruit in the form of promotion or bigger pay. There is nothing quite so fine as keeping up the right spirit; and our merit system, with its monthly efficiency reports, has established a keen and honorable competition which easily demonstrates its value by better work and improved service to the public.



WE must do all we can to maintain the fine feeling which exists between ourselves and the Allies, the kind which makes treaties and understandings endure, which grew up and became strong during the war because it was founded upon not only a community of interests, but also a community of moral ideas. Let nothing arise to drive a wedge between us and the Allies, for whoever does this is one who betrays the dead and the cause for which they fought, and makes vain their sacrifice.

While we welcome desirable immigration, we should turn our faces against those who come to us with ideas repugnant to our civilization and with purposes and ideals hostile to our form of government.

—Major General Leonard Wood.

Banking and Commercial Law

The following decisions are selected from the most important of the current decisions, handed down by State and Federal Courts, passing upon questions of the law of banking or negotiable instruments. The word "opinion," where used, indicates that the matter following is the opinion written by the court, in whole or in part.

Dismissal of Cashier of National Bank Before End of Year for Which He Is Employed

First National Bank of Colquitt v. Miller,
Georgia Court of Appeals, 98 S. E.
Rep. 402.

THE plaintiff was employed by the defendant bank to serve as cashier during the year 1917. On June first he was dismissed, and claiming that his dismissal was without any legal cause, he brought suit to recover wages which he should have been paid by the bank for the four succeeding months, during which he was out of employment and unable to find work.

Ordinarily, when an employer, without cause, discharges an employee before the expiration of the term of employment specified in the contract between the parties, the employer may be held liable for the loss sustained by the employee.

But in this regard national banks are regulated by the provisions of the National Bank Act, and that act declares that the directors of a national bank may dismiss its "officers or any of them at pleasure and appoint others to fill their places."

Under this statute the court held that the cashier had no redress, irrespective of whether the board acted with cause in terminating his employment.

OPINION

Error from City Court of Miller County; Ben M. Turnipseed, Judge.

Suit by J. M. Miller against the First National Bank of Colquitt. General

demurrer to petition overruled, and defendant excepts and brings error. Reversed.

N. L. Stapleton and P. D. Rich, both of Colquitt, for plaintiff in error.

B. B. Bush, of Tucson, Ariz., and B. W. Fortson, of Arlington, for defendant in error.

BLOODWORTH, J. Plaintiff sued the First National Bank of Colquitt, alleging:

That it "is a corporation organized under and by virtue of the laws of the United States"; that plaintiff was "employed by said bank by and through its board of directors to serve them in the capacity of cashier for the year 1917"; that "he served as such cashier and performed all the duties of such cashier, as he was employed to do, until a few days before June 1, 1917, at which time he was discharged by said bank without any legal cause or right, but that said bank paid your petitioner for services rendered up to June 1, 1917"; that "since June 1, 1917, and up to October 1, 1917, he has made continuing tender of his services to said bank"; that "during said four months he has been out of employment through no fault of his, but on account of the illegal breaking of the contract by said bank."

Plaintiff prayed for judgment for the amount of his services for four months. A general demurrer to the petition was overruled, and the defendant excepted.

Defendant in error insists that the question at issue should have been raised by special plea and not by demurrer. This contention is without merit. In Case v. First National Bank of the City of Brooklyn, 59 Misc. Rep. 269, 109 N. Y. Supp. 1119, where practically the

same question was at issue, the first headnote is as follows:

"As courts must take judicial notice of general laws of the United States, defendant's claim, depending on such a law, as the complaint does not state a cause of action, is properly raised by demurrer."

Under the pleadings in this case, the question to be determined is whether a cashier of a national bank, who is employed for a year and discharged before the expiration thereof, can recover this salary from the date of his discharge to the end of the year, or until he obtains employment prior thereto? The determination of this question turns upon the construction of the following section of the United States Revised Statutes, to wit:

"Fifth. To elect or appoint directors, and by its board of directors to appoint a president, vice president, cashier, and other officers, define their duties, require bonds of them and fix the penalty thereof, dismiss such officers or any of them at pleasure, and appoint others to fill their places." Act June 3, 1864, c. 106, § 8, 13 Stat. p. 101; Rev. St. U. S. p. 993, § 5136 (U. S. Comp. St. 1901, pp. 3455, 3456; U. S. Comp. St. § 9661.)

From this section it is clear that a cashier of a national bank is an "officer" thereof. In *Harrington v. First National Bank of Chittenango*, 1 Thomp. & C. (N. Y.) 361, the headnote says:

"A national bank cannot hire one of its officers for a specified time."

In *Westervelt v. Mohrenstecher*, 76 Fed. 118, 22 C. C. A. 93 (34 L. R. A. 477), the first and second headnotes are as follows:

"The office of cashier of a national bank is not an annual office, but the term of the incumbent continues until he resigns or until he is removed or a successor is appointed by the board of directors of the bank.

"Since the national bank act expressly provides that the cashier of a national bank shall hold his office subject to the pleasure of the board of

directors, a by-law providing that a cashier shall hold his office for one year, and shall be elected annually, is nugatory, as is a reappointment in accordance with such by-law at the beginning of each year."

In the decision in that case Circuit Judge Sanborn said:

"The act of Congress under which this bank was organized provided that its board of directors might appoint a cashier, require bonds of him, and fix the penalty thereof, and dismiss him at pleasure, and appoint another to fill his place. Its articles of association provided that the board might appoint a cashier, fix his salary, and continue him in office, or dismiss him, as in the opinion of a majority of the board the interests of the association might require. It is plain that, in the absence of any other regulations, a cashier once appointed under this act of Congress and these articles of association would hold his office until he resigned, or until the board of directors * * * dismissed him. A subsequent appointment of the same man to the same office would have no more effect upon him, or upon the term of his office, than a second deed to the same property by one who had already conveyed it to the same grantee would have. The only act of the board of directors that could affect the tenure of his office, under the act of Congress, would be his dismissal. It is, however, contended that the by-laws (which provided that the cashier should be elected at the annual meeting in January in each year, should give a bond in the sum of \$10,000, and should hold his office for one year, and until his successor was elected and qualified) made this an annual office, and limited the term of the office of this cashier to the unexpired portion of the year for which his predecessor, Vieths, was elected. But how could the by-laws of this bank repeal or modify the act of Congress and the articles of association under which they were enacted? The act of Congress expressly fixed the tenure of office of the cashier of this bank. It expressly provided that the board of

directors might dismiss the cashier and certain other officers, or any of them at pleasure and appoint others to fill their places. It provided that this cashier should always hold his office subject to instantaneous removal at the pleasure of the board of directors. Nor is it at all probable that this provision of the National Bank Act was inserted without purpose or consideration. Observation and experience alike teach that it is essential to the safety and prosperity of banking institutions that the active officers, to whose integrity and discretion the moneys and property of the bank and its customers are intrusted, should be subject to immediate removal whenever the suspicion of faithlessness or negligence attaches to them. High credit is indispensable to the success and prosperity of a bank. Without it, customers cannot be induced to deposit their moneys. When it has once been secured, and then declines, those who have deposited demand their cash, the income of the bank dwindles, and often bankruptcy follows. It sometimes happens that, without any justification, a suspicion of dishonesty or carelessness attaches to a cashier or a president of a bank, spreads through the community in which he lives, scares the depositors, and threatens immediate financial ruin to the institution. In such a case it is necessary to the prosperity and success—to the very existence—of a banking institution and the board of directors should have power to remove such an officer, and to put in his place another, in whom the community has confidence. In our opinion, the provision of the act of Congress to which we have referred was inserted, *ex industria*, to provide for this very contingency. In any event, it is here, and it clearly provides that the cashier of a national bank may be dismissed at the pleasure of the board of directors, and that it may appoint, not the same man again, but another in his place. National banks are the creatures of the act of Congress. Under familiar principles they have no powers beyond those expressly granted, and those fairly incidental thereto. The Omaha Bridge

Cases, 10 U. S. App. 98, 174, 2 C. C. A. 174, 51 Fed. 309; Union Pac. Ry. Co. v. Chicago, R. I. & P. Ry. Co., 2 C. C. A. 174, 230, 51 Fed. 309, 316. It follows from this principle that, since the act of Congress expressly provides that the cashiers of national banks should hold their offices subject to the pleasure of the board of directors, neither the bank nor its board can make time contracts or appointments in violation of that provision. *Harrington v. Bank*, 1 Thomp. & C. [N. Y.] 361; *Boone, Banking*, §353; *Ball, Banks*, 65. What, then, is the effect of these established rules upon the by-laws of this bank? It is that that part of these by-laws which provides that the cashier shall hold his office for one year, and that he shall be elected annually, must fall, and the cashier of the bank must hold his office under the act of Congress, subject to immediate removal at the pleasure of the board of directors, until he resigns or is removed."

In the above quotation it is distinctly stated that:

"It is plain that, in the absence of any other regulations, a cashier once appointed under this act of Congress and these articles of association would hold his office until he resigned, or until the board of directors of the bank dismissed him. * * * But how could the by-laws of this bank repeal or modify the act of Congress and the articles of association under which they were enacted? The act of Congress expressly fixed the tenure of office of the cashier of this bank. It expressly provided that the board of directors might dismiss the cashier and certain other officers 'or any of them at pleasure and appoint others to fill their places.' It provided that this cashier should always hold his office subject to *instantaneous removal at the pleasure of the board of directors.*" (Italics ours.)

The first headnote in *London v. City of Franklin*, 118 Ky. 105 (80 S. W. 514), is as follows:

"Ky. St. 1903, § 3619, providing that the marshal and certain other city officers shall be appointed for a term of

two years by the city council, but may be removed at the pleasure of the city council, does not limit the power of such council to removals for cause only."

In the opinion of the court, which was written by Judge Hobson, is the following (118 Ky., 108, 80 S. W. 514):

"It is insisted for appellant that under the constitutional provision officers of cities and towns may be only removed for cause, and that section 3619 of the statute, above quoted, must be construed to refer only to removals for cause, or, if not so construed, is unconstitutional. The language of the statute is that the officers named may be removed at the pleasure of the city council. These words have a well-defined legal meaning. The right to remove at pleasure is an entirely different thing from the right to remove for cause. To hold that the statute only authorizes the council to remove for cause would be to deny the words used by the Legislature their ordinary meaning. This cannot be done."

See, also, *Rogers v. Congleton* (Ky.) 84 S. W. 521; *Stebbins v. Police Commissioners of City of Springfield*, 196 Mass. 365, 82 N. E. 42; *Commonwealth v. McGann and another*, 213 Mass. 213, 100 N. E. 355.

Applying the principles announced in the foregoing cases, it is apparent that the National Banking Law gives to the directors of national banks the authority "at pleasure" and without cause to dismiss cashiers and other officers, and all resolutions and by-laws of the directors in conflict with this law are void. There is no conflict in the decisions above referred to and the decision in *Rankin v. Tygard*, 198 Fed. 795, 799, 119 C. C. A. 591, 595. In the opinion in that case Sanborn, Circuit Judge, said:

"An election or appointment to an official position for a fixed term is, it is true, inconsistent with a removal during the term without cause, in the absence of a precedent reservation of the right

to make such a removal during the term. But an election or appointment to the office for a specified term, subject to the precedent expressed condition that the elective or appointive power may remove at will at any time during the term, is consistent with such a removal without cause, and it is as much an election or appointment for a legal term as an election or appointment without such a reservation. It is an election or appointment for a fixed term, subject to recall, and the legal term is the time the person elected or appointed will hold his office if the power to recall is not exercised."

Indeed, instead of being in conflict with the decisions referred to above, it supports them, and is in thorough accord with what is decided in the instant case. The board of directors of the First National Bank of Colquitt having no authority to employ a cashier for any fixed term, and the law providing that they could dismiss the cashier "at pleasure," the petition set out no cause of action, and the court erred in overruling the demurrer thereto.

Judgment reversed.



Note Due on Default in Payment of Interest Is Negotiable

Utah State National Bank v. Smith, Supreme Court of California. 179 Pac. Rep. 160.

The question presented in this case was whether the negotiability of a promissory note is affected by a provision in the following words:

"If the interest is not paid when due, then both principal and interest shall become due at the option of the holder of this note."

It was held that the note was negotiable notwithstanding this clause and the holder, being a holder in due course, was entitled to enforce it, though the maker had a defense to it which would have been good as against the payee.

The note in question was dated and payable in Utah and the action on it was brought in California. At the time when the note was executed the Negotiable Instruments Law was in force in Utah, but had not yet been enacted in California. So it was necessary for the court to decide whether the negotiability of the note should be determined by the law of Utah or that of California. The rule on this point is that the negotiability of a bill or note is governed by the law of the state where it is dated and payable. If it is dated in one state and payable in another then the law of the latter state controls.

OPINION

Appeal from Superior Court, Orange County; Z. B. West, Judge.

Action by the Utah State National Bank, a corporation, against F. Owen Smith and another. From judgment for defendants, plaintiff appeals. Reversed.

WILBUR, J. Appellants, claiming to be bona fide purchasers for value of a negotiable promissory note, brought this action against the makers thereof to enforce its payment. The defendants, asserting that the note was nonnegotiable, interposed a defense valid against the payee therein. The court instructed the jury that the note was nonnegotiable, and that the defense, if established, would defeat recovery on the note. A verdict was rendered favorable to the defendants, and judgment thereon entered. This is an appeal from the judgment. The note in question was dated and payable in Utah, and its negotiability must be determined by the law of the place of payment. 1 Daniel on Negotiable Instruments (6th Ed.) §§865, 879; Wharton on Conflict of Laws (3d Ed.) 451d; notes, 61 L. R. A. 209; 19 L. R. A. (N. S.) 670, 671. The provision relied upon to establish nonnegotiability is the usual provision for accelerating the due date for default in the payment of interest, as follows:

"If the interest is not paid when due,

then both principal and interest shall become due at the option of the holder of this note."

At the time of the execution of the note and when it was payable the uniform negotiable instrument law was in effect in Utah, although not then adopted in California. The terms of the Utah statute are shown in evidence, and, so far as the question here involved is concerned, are substantially the same as the uniform negotiable instrument law enacted in California in 1917. The two sections of the Utah law involved are 1553 and 1556 of the Compiled Laws of Utah, which are identical in language with our Civil Code, sections 3082, 3085, as enacted in 1917 (St. 1917, pp. 1532, 1533), and to sections 1 and 4 of the uniform negotiable instrument law (Crawford's Annotated Negotiable Instrument Law, pp. 11, 19), and read as follows, viz.:

"1553. *Negotiable Instruments, Requirements of.* An instrument to be negotiable must conform to the following requirements:

"1. It must be in writing and signed by the maker or drawer;

"2. Must contain an unconditional promise or order to pay a sum certain in money;

"3. Must be payable on demand, or at a fixed or determinable future time;

"4. Must be payable to the order of specified person or to bearer; and,

"5. Where the instrument is addressed to a drawee, he must be named or otherwise indicated therein with reasonable certainty."

"1556. *Time Payable.* An instrument is payable at a determinable future time, within the meaning of this title, which is expressed to be payable:

"1. At a fixed period after date or sight; or

"2. On or before a fixed or determinable future time specified therein; or

"3. On or at a fixed period after the occurrence of a specified event, which is certain to happen, though the time of happening be uncertain. An instrument payable upon a contingency is not

negotiable, and the happening of the event does not cure the defect."

This uniform law has now been adopted by all but two states of the Union (Georgia and Texas). The history of its drafting and enactment in the various states makes it clear that the purpose was to secure uniformity of legislation and decision throughout the United States, and the purpose is further manifest by a general proviso with reference to the applicability of the general law merchant to supplement the legislation, and no doubt to aid in its interpretation, as follows, viz.:

"In any case not provided for in this act the rules of the law merchant shall govern." Utah Negotiable Instrument Law, § 196; Crawford's Ann. Negotiable Instrument Law, § 196, p. 8.

It is generally held that it is the duty of the courts in construing this law to have in mind the purpose of securing uniformity in the law of commercial paper. *State Bank, etc., v. Bilstad*, 162 Iowa, 433, 136 N. W. 204, 144 N. W. 363, 49 L. R. A. (N. S.) 132; *Felt v. Bush*, 41 Utah, 462, 126 Pac. 688; *Union Trust Co. v. McGinty*, 212 Mass. 205, 98 N. E. 679, Ann. Cas. 1913C, 525; *Broderick v. McGrath*, 81 Misc. Rep. 199, 142 N. Y. Supp 497; *Rockfield v. First Nat. Bank*, 77 Ohio St. 311, 83 N. E. 392, 14 L. R. A. (N. S.) 842. As the view of the Supreme Court of Utah on this rule of interpretation is of special interest, we quote from the case of *Felt v. Bush*, supra, as follows:

"The question, therefore, it seems to us, has passed beyond the domain of judicial discussion. As we understand it, the negotiable instruments law was intended to give legislative sanction to the majority rule to which reference has been made and was conceived by its authors and adopted by the different state Legislatures for the express purpose of harmonizing the conflicting decisions which had been rendered on the subject of negotiable instruments and the rights of those interested therein whose rights were acquired before maturity. As we view it, therefore, it is our plain duty to follow the numerous

decisions that have directly passed upon the negotiable instruments law, and have construed it in accordance with the majority rule. The question is one of business expediency, and not of logic or equity as applied to an individual case."

Before the enactment of this law the great weight of authority was that under the law merchant the clause accelerating the due date did not destroy its negotiability. *Chicago Railway Equipment Co. v. Merchants' Nat. Bank*, 136 U. S. 268, 10 Sup. Ct. 999, 34 L. Ed. 349; *Phelps v. Sargent*, 69 Minn. 118, 71 N. W. 927; *Wilson v. Campbell*, 110 Mich. 580, 68 N. W. 278, 35 L. R. A. 544; *Clark v. Skeen*, 61 Kan. 526, 60 Pac. 327, 49 L. R. A. 190, 78 Ann. St. Rep. 337; *Harrison v. Hunter, et al.* (Tex. Civ. App.) 168 S. W. 1036; *First Nat. Bank, etc., v. Garland*, 160 Ill. App. 407; *Hunter v. Clarke*, 184 Ill. 158, 56 N. E. 297, 75 Am. St. Rep. 160; *Merrill v. Hurley*, 6 S. D. 592, 62 N. W. 958, 55 Am. St. Rep. 859; *Stark v. Olsen*, 44 Neb. 646, 63 N. W. 37; *Daniel on Neg. Instr.* (6th Ed.) § 48; *Smith v. Williamson*, 8 Utah, 219, 30 Pac. 753. All the decisions based upon the uniform negotiable instrument law, so far as we are advised, hold that the clause in question does not destroy the negotiability of a promissory note. *First Nat. Bank v. Barrett*, 52 Mont. 359, 157 Pac. 951; *Bright v. Offield*, 81 Wash. 442, 143 Pac. 159; *Mackintosh v. Gibbs*, 79 N. J. Law, 40, 74 Atl. 708; *Des Moines, etc., Bank v. Arthur*, 163 Iowa, 205, 143 N. W. 556, Ann. Cas. 1916C, 498; *State Bank v. Bilstad*, supra. The reasoning by which the courts have reached the conclusion that such a note is negotiable is not in each case the same. By section 1553, supra (3082 of our Code), a note is negotiable if payable at a "determinable future time." A matter is determinable "that may be accurately found out, settled, or determined." *Standard Dictionary*. That is, "capable of being determined, definitely decided upon, decided upon or ended." *Webster's New International Dictionary*. A future determinable time could be one determin-

able at some time in the future, as well as one determinable at present, or in advance. By section 1556 (3085 of our Code) it is sought to make clearer what is meant by a "determinable future time." An instrument payable at a fixed period after sight is payable at a "determinable future time," the exact date of payment being ascertainable at the date of presentation, but not before. A note payable "on or before a fixed date" is payable at a "determinable future time." If the instrument expressly states that it is payable "on or before" a fixed date, it is payable at the date in question or, at the option of the payor, at any earlier date selected by him for payment. The exact due date is thus left to be determined at a future date by the option of the payor, if exercised before the fixed due date. Under the law merchant the option in such a case lies altogether with the payor, but the due date is no less "determinable" when the option lies with the payee instead of the payor, and if the option of the payee is limited to the case of a default in the payment of an installment of interest the date of maturity is not less determinable in the future, for it may be fixed by the payee at any reasonable time after such default. It should be observed that the statute does not say that only an instrument which uses the words "on or before" a fixed date is negotiable. It declares that an instrument which is in fact payable on or before a certain date is negotiable. For the reasons stated the note in question is payable at a determinable future time, to wit, at a fixed date or before that date at the payee's option in case of a default in the payment of interest. There seems no reason for supposing that in this attempt to secure uniform legislation and decision it was intended to change a well-settled rule of the law merchant, by which in nearly every state such a note was negotiable. Constructed in the light of such rule, and under the plain language of the statute, the note is clearly negotiable.

Respondent calls attention to the fact that the Utah negotiable instrument law differs from that of California and

some other states, in that the words "or of interest" contained in section 3083, subdivision 3, of our amended Civil Code, and section 2 of the uniform law (Crawford's Ann. Neg. Inst. Law p. 13) are not included in the corresponding section (1554) of the Utah law. This section, however, defines when "the sum payable is a sum certain within the meaning of the act." The provision of the California law states that the sum is certain "although it is paid * * * by stated installments with a provision that upon default in payment of any installment or of interest, the whole shall become due." But the question here involved is with reference to certainty in the time of payment and turns upon the construction of subdivision 2 of section 3085, supra. Our attention is called to certain decisions by the courts of California upon the subject of the negotiability of promissory notes: *National Hardware Co. v. Sherwood*, 165 Cal. 1, 130 Pac. 881; *Meyer v. Weber*, 133 Cal. 681, 65 Pac. 1110; *Smiley v. Watson*, 23 Cal. App. 409, 138 Pac. 367. It is suggested that in the interpretation of the uniform negotiable instrument law of Utah we should consider the same in the light of these decisions, on the theory that the Utah law is presumed to be the same as our own, except where shown to be to the contrary. That rule has no applicability here, for the reason that it was stipulated in the court below that the statute in question constituted the law in Utah. The decisions of the courts of this state, based upon its various Code provisions concerning negotiable instruments, and particularly upon sections 3088 and 3093, Civil Code, since repealed and replaced by the uniform negotiable instrument act, obviously can be of no assistance in ascertaining the law of Utah under the uniform act. Nor are we called upon to prophesy what the courts of Utah may do when the same question comes before them under the uniform negotiable instrument law. The question simply is: What interpretation do we place upon the language of the Utah statute in proof in this case? If there is any decision of the Supreme Court

of Utah bearing upon the construction of the statute, such decision was not proved in the case, and, it may be added, is not now called to our attention. The note was negotiable under the law of Utah. The instruction to the contrary was erroneous. Judgment reversed.



Meaning of Provision in Note Pledging Securities—Rights of Pledgee Bank Where Stock Wrongfully Pledged

Hellman Commercial Trust & Savings Bank
v. Armstrong, California District Court
of Appeal. 179 Pac. Rep. 432.

A promissory note contained the following provision: "I hereby pledge to and deposit with said bank as collateral security for the payment of this or any other liability or liabilities of mine to said bank, when due or to become due, or may hereafter be contracted, the following property:" etc.

Among the securities pledged was a note made by the defendant. When the defendant was sued on this pledged note he contended that, under the clause quoted above, contained in the original note, the collateral stood as security only for debts which matured after the making of the original note and not for debts already due from the maker of the original note to the bank. The contention was based on the ground that the words "when due or to become due" cannot be construed to include past due obligations. The court decided that this contention was not sound and that the provision as to securities was sufficiently broad to cover all liabilities, due and to become due.

OPINION

Appeal from Superior Court, Los Angeles County; Gavin W. Craig, Judge.

Action by the Hellman Commercial Trust & Savings Bank against Le Roy

Armstrong. From a judgment for plaintiff, defendant appeals. Affirmed.

CONREY, P. J. This action was brought by respondent to recover judgment against appellant on a promissory note made and executed by appellant to one E. E. Hewlett, dated March 21, 1913, for the sum of \$25,000, due nine months after date. Defendant appeals from the judgment.

The plaintiff sued as pledgee of the note, alleging that the same had been indorsed and delivered to it by Hewlett as security for certain notes executed by him. The trial court found that the consideration for the Armstrong note, as between the defendant and Hewlett, had wholly failed, and also held that that was a negotiable instrument, and that the plaintiff, as pledgee, acquired the same as an indorsee in due course.

The note in question is similar to one which came before this court in *Eastman v. Sunset Park Land Co.*, 35 Cal. App. 628, 170 Pac. 642. In that case the negotiability of the note was attacked upon the same grounds which are presented by appellant here. On the authority of that decision, we hold that the Armstrong note was a negotiable instrument.

On May 14, 1913, Hewlett executed to plaintiff a note for \$11,000. This was done in consideration of the cancellation of an unsecured \$11,000 note previously executed by Hewlett to the All Night and Day Bank, which had been assigned and delivered by that payee to the plaintiff. Hewlett had executed to the All Night and Day Bank two other unsecured one-day notes, of which one was for \$9,000, dated May 1, 1912, and the other was for \$2,500, dated February 1, 1913, both of which had been transferred to the plaintiff. The \$11,000 note, of date May 14, 1913, executed by Hewlett to the plaintiff, referred to the security given by Hewlett as follows:

"I hereby pledge to and deposit with said bank as collateral security for the payment of this or any other liability or liabilities of mine to said bank when due, or to become due, or may hereafter be contracted, the following property:

Note of Le Roy Armstrong dated March 21, 1913, due 9 months, for \$25,000, and certificate No. 30 for 187 shares of the capital stock of the Pacific Coast Motor Car Company, the market value of which is now _____ dollars."

On May 14, 1913, when Hewlett executed the \$11,000 note in favor of the plaintiff, he indorsed and delivered with it, to the plaintiff, the \$25,000 note sued on in this case, together with said certificate of stock of Pacific Coast Motor Car Company. The certificate was issued to Le Roy Armstrong and bore date March 21, 1913. It carried a blank assignment, dated May 13, 1913, signed by Armstrong. The transaction of May 14, 1913, between Hewlett and the plaintiff, was conducted on the part of the plaintiff by C. R. Bell, who was the secretary of the plaintiff. He testified that he was secretary of the All Night and Day Bank from June, 1912, until it was merged with plaintiff in April, 1913, and that prior to June, 1912, he was cashier of the All Night and Day Bank. He testified that he did not distinctly remember his conversation with Mr. Hewlett at the time of the transaction of May 14, 1913. There is no evidence showing that Hewlett informed the plaintiff that the certificate of stock which he was pledging to the plaintiff was held by him in pledge or as security for the Armstrong note. There is not contained in that note, nor in the certificate of stock, nor in any document received by the plaintiff, any statement showing or indicating that the certificate of stock was held by Hewlett as security for the \$25,000 note.

It was a fact, as the court correctly found from the evidence, that Hewlett held the certificate of stock only as pledgee and as security for the \$25,000 note, that the stock was without value, that the consideration for the \$25,000 note had wholly failed, and that as between Hewlett and Armstrong the act of Hewlett in pledging the note and certificate to the plaintiff was an act of bad faith on the part of Hewlett toward Armstrong, and was contrary to an agreement which Hewlett had made with Armstrong.

Appellant claims that the evidence was insufficient to prove that the plaintiff was the owner of the notes which were found to have been assigned to the plaintiff by the All Night and Day Bank, especially in this: That there was no evidence of delivery of the instrument of assignment from the All Night and Day Bank to the plaintiff. We think that the evidence was sufficient. The plaintiff produced in evidence an instrument, in due form, whereby the All Night and Day Bank purported to transfer to the plaintiff all of its notes, etc., and all assets of the All Night and Day Bank. The evidence is sufficient to prove that this instrument, together with the notes, was in the possession of the plaintiff on and before the 14th day of May, 1913. The court did not err in overruling defendant's objection to the admission of this instrument in evidence.

Appellant, in his answer, denied that the hypothecation of his note to the plaintiff was made to secure the \$9,000 note or the \$2,500 note. His contentions in support of this denial are not only that those notes had not been transferred by the All Night and Day Bank to the plaintiff, but also that the words contained in the \$25,000 note, which we have quoted, referring to the pledge, were not sufficient to constitute a hypothecation covering those two notes. The judgment rendered herein against appellant was for a sum a little less than \$25,000, being the aggregate of the principal of the three notes made by Hewlett, with interest and attorney fees thereon. Appellant contends that, if he is liable at all to the plaintiff, he should not be held for anything more than the new note of \$11,000 made payable to the plaintiff. In support of these contentions counsel for appellant claims that the words "when due, or to become due, or may hereafter be contracted," are not sufficient to cover past-due obligations held by the plaintiff; also that the \$9,000 note and \$2,500 note were not taken in the ordinary course of business, and therefore cannot be deemed secured by the pledge of the Armstrong note. We think that the

words above quoted from the Armstrong note are sufficient to cover past-due obligations; also we are of opinion that appellant is not concerned with the matter or the manner in which those notes were acquired by the plaintiff, there being no claim that Hewlett had any ground of defense against them. It is only with respect to the Armstrong note that the plaintiff was obliged to show that it was taken in the ordinary course of business.

Appellant next contends that the Armstrong note was transferred to plaintiff for collection only, and that by reason of the pledge agreement contained in the note made by Hewlett to plaintiff the assignment of the Armstrong note to plaintiff becomes, not a general or special indorsement, but one upon a special contract; that for these reasons plaintiff holds the Armstrong note subject to the defendant's equitable defenses. The authorities cited by appellant in support of these propositions (*Hays v. Plummer*, 126 Cal. 107, 58 Pac. 447, 77 Am. St. Rep. 153; *First National Bank v. Bank of Golden*, 19 Cal. App. 501, 126 Pac. 498) do not sustain the contention made by him. In the first-cited case the pledged note carried upon it no indorsement by the pledgor, and the plaintiff took it with actual knowledge of the circumstances out of which the defendant's equities arose. In the second case the pledged check was drawn against a savings bank, and was accompanied by a passbook, by means of which the plaintiff had notice of facts which rendered the check nonnegotiable. It is plain enough that the plaintiff, as pledgee of the Armstrong note, is not to be regarded as merely an assignee for purposes of collection. By reason of its interest as pledgee, it is an actual holder for value of the pledged note.

Appellant further contends that the note in controversy, at the time of its transfer to plaintiff, accompanied by the certificate of shares pledged by Armstrong to secure it, was by reason of the pledge sufficient to put the plaintiff upon inquiry as to the contract of pledge, thus binding plaintiff by all the

conditions relating to that contract and the execution of the note. The bare fact that the certificate was pledged to Hewlett to secure the Armstrong note, even if known to plaintiff, did not affect the negotiability of the note. Civ. Code, section 3092. But in fact the Armstrong note and the certificate do not contain anything sufficient to carry notice that the one was pledged as security for the other. The only fact bringing them together at all is the fact that Hewlett had both documents in his possession on the 14th day of May, 1913, and delivered them at the same time to the plaintiff in pledge for his own obligation to the plaintiff. Defendant has not brought home to the plaintiff knowledge of any facts sufficient to put the plaintiff upon inquiry concerning the contract relations which at the time of the pledge made to plaintiff may have existed as between Armstrong and Hewlett. In this the case differs from the numerous authorities referred to in appellant's brief. It is not at all parallel to those instances where a note negotiable in form was pledged or otherwise transferred, together with or with notice of a mortgage securing the same, and where, on their face, the two instruments are parts of the same transaction.

In the case at bar the plaintiff proved that it acquired the note in suit, before maturity, for value, and in the usual course of business. "When this is done, unless the evidence shows that the note was taken by the plaintiff under circumstances creating the presumption that he knew the facts impeaching its validity, the burden is cast upon the defendant to show, if he would defeat the plaintiff in his action, that the latter took the instrument with notice of the defendant's equities." *Eames v. Crosier*, 101 Cal. 260, 35 Pac. 873; *Blochman Commercial & Savings Bank v. Moretti*, 170 Pac. 419. Under this rule, the evidence, to which we have referred, is sufficient to justify the court in its finding that the plaintiff did not have any notice or knowledge, express or implied, of the facts on which those equities depend.

Appellant takes the position that because the shares of stock, notwithstanding the blank assignment indorsed upon the certificate of stock, stood in the name of Armstrong on the books of the corporation, the bank had no right to assume that the shares belonged to Hewlett. In *Fowles v. National Bank of California*, 167 Cal. 653, 140 Pac. 271, a blank indorsement had been made (similar to that shown in the case at bar) of a certificate of stock delivered in pledge; the shares remained in the name of the pledgor on the books of the corporation; the pledgee wrongfully used the certificate by pledging it to the defendant. Nevertheless it was held that, the bank having taken the certificate in good faith and without notice of the owner's claim, was entitled to retain it as security for the debt on account of which the certificate was received by it.

The judgment is affirmed.



Bank in which Check Is Deposited May Enforce It Where Payment Stopped

Old National Bank of Spokane v. Gibson,
Supreme Court of Washington. 173
Pac. Rep. 117.

One of the depositors of the plaintiff bank deposited in his account a check for \$440, drawn on another bank. The deposit slips of the plaintiff bank bore the following printed provision:

"Items other than cash are received on deposit with the express understanding that they are taken for collection only."

After the deposit was made, but before the check had been collected, the depositor presented to the plaintiff a check for the full amount standing to his credit, including the amount of this uncollected check, and the plaintiff paid him.

Subsequently the check was returned by the drawee with a notation to the effect that payment had been stopped

by the drawer. It was held that, although at the time of the deposit, the bank became a mere agent for collection, its status changed to that of a holder in due course when it later permitted the depositor to withdraw the amount of the check; and as such holder in due course it was entitled to recover on the check in an action against the drawer.

OPINION

Appeal from Superior Court, Spokane County; Wm. A. Huneke, Judge.

Action by the Old National Bank of Spokane against E. J. Gibson and wife. Judgment for defendants, and plaintiff appeals. Reversed.

Wakefield & Witherspoon, of Spokane, for appellant.

C. E. H. Maloy, of Spokane, for respondents.

TOLMAN, J. Respondent E. J. Gibson drew a check upon his account in the Fidelity National Bank of Spokane, in favor of one J. A. White, in the sum of \$440. White, upon receipt of the check, deposited the same to his account in the appellant bank. The deposit slip upon which White listed the check for deposit with appellant bank contained the following provision:

"Items other than cash are received on deposit with the express understanding that they are taken for collection only."

A conditional credit for such deposit was given the depositor, White, who on the same day checked out his entire balance in the appellant bank, including the conditional credit derived through the deposit of the Gibson check, and has since made no further deposits. Thereafter, and in due course, the check was returned to appellant through the clearing house, with the notation that payment had been stopped thereon by the maker, Gibson. Appellant then demanded payment of the amount of the check from Gibson, which was refused, and brought this action to recover the amount thereof. The trial court sustained a demurrer to the complaint. Appellant elected to stand upon its complaint, and judgment of dismissal was

entered, from which this appeal was taken.

According to the allegations of the complaint it is appellant's claim that the check was received by it in the first instance for collection only, according to the terms of the deposit slip, but, by later permitting the depositor to check out his entire account, including the amount of the check sued upon, that it thereby became a purchaser for value of such check, and entitled to maintain an action against its maker to recover the amount thereof. No rights are based upon the original deposit of the check for collection, but the contention is that the depositor, White, having been paid the full amount of his balance in reliance upon the check now in suit, then on deposit with it, the relationship of principal and agent, which had therefore existed between the depositor White and the appellant bank, was terminated, and that it did, upon making such payment, cease to hold the check for collection, and became a holder in due course under the statute. The question then to be determined is whether, having originally received the check as agent for collection, the bank by honoring White's checks to an amount which entirely exhausted his balance, including the deposited check, thereby became a holder for value.

The respondent relies principally upon the following cases heretofore decided by this court: *Washington Brick, etc., Co. v. Traders' National Bank*, 46 Wash. 23, 89 Pac. 157, 123 Am. St. Rep. 912; *Morris-Miller Co. v. Von Pressentin*, 63 Wash. 74, 114 Pac. 912; *Belsheim v. First National Bank*, 77 Wash. 552, 137 Pac. 1055; and *American Savings Bank & Trust Co. v. Dennis*, 90 Wash. 547, 156 Pac. 559. Of these cases, as we view them, only the first and the last touch upon the point involved, as no question of the payment of value or of who was a holder in due course was involved, or could have been raised under the facts or pleadings in either of the other cases.

In *Washington Brick, etc., Co. v. Traders' National Bank*, supra, there is language employed which seems to

lend support to respondent's position, but when the issues are carefully analyzed, it does not appear that any party to that action was asserting that it had parted with value because of and in reliance upon the instrument, or had become a holder in due course; and, while the opinion might have stated the rule defining a holder in due course of negotiable paper, so as to avoid uncertainty and confusion, yet it is evident that the decision was arrived at and can be sustained without in any wise denying that rule.

In *American Savings Bank & Trust Co. v. Denis*, supra, however, this exact question was squarely raised by the pleadings, but appears to have been lost sight of both in the trial court and in this court. It was decided here upon questions of the admissibility of evidence, and the fundamental question of whether the bank in that case by payments to its depositor after the check was deposited with it became a holder for value without notice and in due course was apparently overlooked.

It may be frankly conceded that in this case the bank received the check for collection in the first instance, or conditionally, with the right to charge it back to the depositor's account if dishonored; and, had no advances been made on account thereof, and so long as the original relationship continued unchanged between the bank and its depositor, the former had no right in or title to the check which would be sufficient to constitute it a holder in due course. It may likewise be conceded, for present purposes, as contended for by respondent, that the bank cannot occupy two different and inconsistent positions at the same time. But if the bank did not waive its right or privilege to charge the check back to the depositor upon its dishonor, and yet advanced its money upon the credit of the check so deposited, there is ample authority to support the view that, by making such advances on the credit of the deposited check, it thereby became a holder in due course to the extent of such advances, notwithstanding that it may still have claimed the right to charge the

check back to its depositor, if it saw fit. *Scott v. W. H. McIntyre Co.*, 93 Kan. 508, 144 Pac. 1002, L. R. A. 1915D, 139; *Noble v. Doughten*, 72 Kan. 336, 83 Pac. 1048, 3 L. R. A. (N. S.) 1167; *First National Bank v. Armstrong* (C. C.) 39 Fed. 231.

It is, however, alleged and claimed in this case that, after the making of the deposit and the giving of the conditional credit before referred to, the bank and its depositor made a new and different contract with reference to the deposited check; that the latter, by presenting his own check and demanding the cash for his entire balance, and the bank by accepting such check and paying the depositor his entire balance, in effect made a new contract, by which the bank waived the condition in the credit theretofore given, waived its right to charge back the check, if dishonored, and became the purchaser of the check for value without notice or a holder in due course. No rule of law is perceived which prevents a bank and its depositor from changing, modifying, or making new and supplemental contracts, as often as they may agree so to do. And if any such new or changed and modified contract is material in this case, it appears to be sufficiently alleged. After the deposit of a check and the giving to the depositor of conditional credit therefor, the depositor, by presenting his own check for the amount of his balance, including such conditional credit, thus established beyond argument his desire and request that the theretofore existing condition in the credit be waived or modified. Upon the presentation by a depositor of a check against such conditional credit, the bank may do any one of a number of things: (1) It may refuse to pay the depositor's check until assured that the conditional credit shown in the account of the depositor has become absolute by the payment of the deposited check at the bank on which it is drawn. Such a course would be a refusal to waive or contract away the previously agreed upon condition involved in the depositor's credit. (2) The bank may cash the depositor's check solely upon his individual credit, look-

ing to him solely to pay the overdraft if one shall result, which would constitute a new contract independent of and distinct from the previous conditional credit contract, and the bank could sue its depositor thereon. (3) The bank might, under the situation which we are now considering, waive the condition created for its own protection, make the conditional credit absolute, and pay the depositor's check upon the credit of the check theretofore deposited by him, but not yet collected. This would constitute an acceptance of the depositor's offer made by presenting his check, and would create a new contract wholly superseding the previous conditional credit contract. (4) Or the bank may, without inconsistency, combine the last two courses suggested, and pay the depositor's check on the combined credit of the depositor and of the deposited check; just as in making a loan to a customer upon a note secured by collateral, the bank would grant the credit upon the combined worth of the borrower and of the collateral pledged. This also would be an acceptance of the depositor's offer to supersede the contract for conditional credit. The allegations of the complaint and the well-known custom of bankers both show that the bank in this instance relied upon the depositor's credit balance, which included the deposited check which went into and helped to create that credit balance, when it cashed its depositor's check in this instance, and thereby exhausted the credit balance. And it is immaterial in this case whether the bank relied solely upon the deposited check, or also in part relied upon the individual worth of its depositor. In either case it by the subsequent transaction, and by paying out its money upon the credit of the deposited check (no matter what other security in the form of the worth of its depositor it may have thought it had) thereby became the holder of such check in due course.

Our negotiable instruments law, which is the uniform law common to so many states, sections 3417 and 3418, Rem. Code, provides:

"Where value has at any time been

given for the instrument, the holder is deemed a holder for value in respect to all parties who became such prior to that time."

"Where the holder has a lien on the instrument, arising either from contract or by implication of law, he is deemed a holder for value to the extent of his lien."

So that under the statute it is immaterial to this inquiry whether the bank, by paying its depositor's check, became the absolute owner of the check now in question, or, as some authorities seem to hold, obtained only a lien thereon to the amount of its advances. In either case, according to the plain language of the statute, it, under the facts pleaded here, became a holder for value to the full amount for which the check was drawn. The statute above referred to expresses only what has been the law of negotiable paper since the time "whereof the memory of man runneth not to the contrary." The following are a few of the many authorities which might be cited to the same effect: 5 Cyc. 497; 3 R. C. L. 1056; Morse, Banks & Banking, 573; 7 C. J. 618; Citizens State Bank v. Tessman, 121 Minn. 34, 140 N. W. 178, 45 L. R. A. (N. S.) 606; Fredonia National Bank v. Tommei, 131 Mich. 674, 92 N. W. 348; Shawmut National Bank v. Manson, 168 Mass. 425, 47 N. E. 196; Jefferson Bank v. Merchants' Refrigerating Co.,

236 Mo. 407, 139 S. W. 545; National Bank of Commerce v. Armbruster, 42 Okla. 656, 142 Pac. 393; Oppenheimer v. Radke & Co., 20 Cal. App. 518, 129 Pac. 798; and our own case of German-American Bank v. Wright, 85 Wash., 460, 148 Pac. 769, Ann. Cas. 1917D, 381, which lays down the same principle.

We are convinced that, whether misled by language used in cases where the rights of no holder of commercial paper in due course were involved, or through oversight, this court arrived at a wrong conclusion in the case of American Savings Bank & Trust Co. v. Dennis, supra, and that the trial court relied upon that case in making the ruling complained of here. In order, therefore, to be in harmony with the statute, with the law of negotiable paper as it has existed from the beginning, and with the great weight of authority everywhere, the case of American Savings Bank & Trust Co. v. Dennis, supra, so far as it affects this question, must be, and it is hereby, overruled.

The demurrer admits that the bank in this case advanced to its depositor the amount of the check now in suit, upon the faith and credit of the check itself; that it did so in good faith and without notice of any possible defense on the part of the maker of the check, and it is therefore a holder in due course, as we have seen, and the demurrer must be overruled.

Judgment reversed.



VIRTUE by itself is not enough, or anything like enough.

Strength must be added to it, and the determination to use that strength. The good man who is ineffective is not able to make his goodness of much account to the people as a whole. No matter how much a man hears the Word, small is the credit attached to him if he fails to be a doer also; and in serving the Lord he must remember that he needs avoid sloth in his business as well as cultivate fervency of spirit.

—Theodore Roosevelt.

Charges for Trust Services

By HENRY A. THEIS, Assistant Trust Officer Guaranty Trust Company of New York

THE problem in all trust business, in fixing the compensation to be received, is to make the fee fit the service, and in determining this the elements that go to make up the service must be taken into consideration. We have no commodity to sell, only service. Our duties are either those of trustee or agent. Our compensation is dependent upon the responsibility which we take, the amount of knowledge which we contribute to the transaction, and the volume of labor performed by us.

Many of the services accepted by a trust company are of such a nature that it is impossible to tell in advance what the company is going to be called upon to do. This refers particularly to reorganizations, deposit agreements, handling of subscriptions to notes, stock, or bonds, escrows, etc. In most of such cases we prefer to accept the service with the understanding that when the operation has proceeded so far that our duties are well defined, and we are able to know the amount of work to be performed by us, we then set a fee, the amount of which is to be mutually agreeable to the client and us. Any other method is likely to prove unfair to either one or the other.

Our duties as trustee under a corporate indenture can be fairly well anticipated by a careful reading of the indenture. No two indentures are ever alike, and the amount of the fee to be received is dependent upon the provisions of the indenture.

visions of a mortgage or indenture a bond is not valid, even after it has been signed, sealed, and delivered by the company, unless it is authenticated by the trustee. One of the reasons for this provision is to prevent fraud or error, either by preventing the company from issuing more bonds than it is authorized to issue, or preventing it from issuing bonds contrary to the provisions of the indenture. The charge for authentication is made not alone for the physical labor in signing the bonds, but likewise for the responsibility of the trustee in making the bonds valid.

If temporary bonds are issued, a charge should be made at rates possibly sixty per cent. of the charge made for definitive bonds. The trustee here has the labor of signing the temporary bonds, exchanging them for definitives, and canceling them.

In the early days of trust companies the authentication fee was the only charge made. Experience has shown, however, that it was an inequitable basis in that it was uniform, while the provisions of indentures were variable; e.g., the expenses of operating as trustee under unsecured note issues are considerably less than the expenses would be under an issue secured by collateral such as stocks and bonds, and it would be unfair if the compensation of the trustee were no larger under the collateral trust than under the unsecured note trust.

AUTHENTICATION FEE THE PRIMARY CHARGE

The first charge to be considered as trustee under a corporate mortgage is that of authentication. Under the pro-

INDENTURE PROVISIONS A BASIS FOR ANNUAL CHARGE

The duties of the trust company as trustee are not ended with the authentication of the bonds. It must administer

the trust to its expiration. This means the keeping of its ordinary records, which includes periodical audits. The trustee must answer inquiries addressed to it by the company, bondholders and outside individuals. Frequent problems arise in the interpretation of trust agreements, some of which may have to be referred to counsel for advice. Trust companies have, therefore, begun to charge an annual fee for such ordinary services during the life of the trust, in addition to the charge for the authentication. The amount of this annual fee is dependent upon the size of the issue and the particular provisions of each indenture.

If it is a real estate mortgage it usually is a recorded instrument. If there are buildings upon the property the indenture will cover the matter of fire insurance. Some provide that the trustee must have physical possession of the policies. If so, it is incumbent upon the trustee to see that new policies are furnished on the expiration of the old ones. The indenture may also provide the disposition to be made of insurance monies. During the life of the mortgage it may be desirable for the company to sell part of its real estate and to request its release from the lien of the mortgage. It is the trustee's duty here to use due care and judgment in the granting of such a release. By releasing a portion of the company's property, the value of the security which protects the bonds is reduced. It is necessary, therefore, for the company to acquire other property of equal value or to pay to the trustee a proportionate value of the property released. The indenture will provide the disposition to be made of release monies.

Vault Space Valuation

Many mortgages provide that only part of the bonds shall be issued at the time of the execution of the mortgage, and the remainder only after improvements and betterments are made. In such instances the trustee has to examine the certificate of improvement, the certificate of a competent engineer to the effect that the improvement is necessary to the proper conduct of the

company's business, or its proper growth, and that the cost is reasonable. In such instances, the trustee may hold in its vault bonds signed by the company but not yet authenticated by the trustee. The value of the vault space of these bonds has to be taken into consideration. The mortgage may provide that the company shall submit to the trustee each year a statement of its earnings, or of the earnings of subsidiaries. For the purpose of the company's audit it may be necessary for the trustee to issue annually a certificate showing the amount of bonds issued, the amount retired and held in the sinking fund, and the amount outstanding. Frequently, there is a provision for the gradual retiring of part of an issue each year through the operation of the sinking fund. The trustee advertises the operation of the sinking fund, buys bonds offered to it at the best prices obtainable, or, if none are offered, draws by lot. Sometimes bonds are canceled; sometimes they are held alive in the trustee's vault. When they are held alive the trustee has to cut the coupons twice a year, and, as the bonds accumulate, the value of the vault space occupied becomes a matter of importance.

In collateral issues the character of the collateral held is to be taken into consideration. If it is stock, there is the responsibility of holding securities of large value. The trustee usually has to issue proxies, and sometimes there are transfers of directors' qualifying shares. The question of the substitution of collateral may arise. If the collateral consists of bonds, the responsibility is even greater than in the case of stock, because usually bonds are in bearer form. The vault space occupied and the cutting of coupons are additional elements in the matter of expenses.

ADDED FEE JUSTIFIABLE

These are only some of the many activities which may occur in the operation of a trust which make it necessary for the trustee to receive an annual fee in order to compensate it adequately for the employment of a requisite number of

high-priced experts who do nothing but look after such matters.

Some companies, instead of including the various activities which may occur in the operation of the trust in the annual fee, charge a nominal annual fee and an additional fee for the custody of securities, the custody of unissued bonds, and the custody of insurance policies. Also, they make a separate charge for each time they execute a supplemental indenture or release and each time they effect the exchange of securities or operate the sinking fund.

Some bonds carry the privilege of conversion into stock. If this privilege is exercised the operation represents responsibility and labor. We are accustomed to make a fixed charge based upon the par value of the bonds converted.

When the bonds come due, or are called, they are frequently presented to the trustee for payment. The mortgagor company, in such instances, deposits the money with the trustee to cover the redemption price. We allow no interest on the money that is in our hands after the due date. Our theory is that the company's interest liability ceases on that date and the bondholder has the privilege of receiving the money against the delivery of his bonds on the due date. If he fails in this it is his own fault. Interest earned on money on deposit beyond the due date has sometimes been taken as compensation for services rendered in connection with the redemption of the bonds. The disadvantage and unfairness of such a procedure is that the profit is indirect and uncertain because there is no way of ascertaining how many bonds will be presented for payment on the due date. The retirement of bonds requires labor and responsibility. The bond has to be taken in, canceled, and held until the satisfaction of the indenture; a check has to be drawn and delivered to the customer. A charge for this service is proper. We base it on the par value redeemed.

TAX LAW COMPLICATES PAYING AGENT'S WORK

As paying agent of coupons the duties of the trust company have been

greatly increased since the Federal Revenue Act went into effect. The handling of the income tax declarations complicates the work of the paying agent. Heretofore, trust companies have occasionally, for good clients, permitted the deposit of interest monies fifteen or thirty days in advance, without interest, in place of charging a commission for the paying of the coupons. They now invariably make a charge for the service based upon the gross amount of the interest money deposited. If the trust company has to act as fiscal agent making returns to the Internal Revenue Collector, an additional charge is made because this service includes the checking back of the income tax declarations, the assorting of them, and reporting them to the Internal Revenue Collector.

Most indentures provide for the registration of bonds. In the past arrangements were sometimes made to pay a fixed sum for each bond registered. This basis is unfair because it overlooks the fact that the registrar of bonds has to furnish at least two certified lists of registered bondholders each year. It might happen, therefore, that you would not have any registrations during the year, but would, nevertheless, have to furnish the lists. There would be no earnings during that year, but there would be an expense. It is desirable, therefore, in all instances, to get an annual fee for services as registrar, dependent upon the size of the issue and the activity of sales. The annual fee allows for a certain number of registrations a year. If the number of registrations exceeds the allowance, a charge for each additional signature is made.

CANCELED BONDS AND COUPONS

It has been the practice heretofore, as coupons are paid, to send the canceled coupons to the company to be held by it until the expiration of the trust. To the paying agent this has meant the expense of shipment and to the company the expense and annoyance of receiving the coupons and keeping them in storage until the expiration of the trust. It has also frequently happened that companies do not fully realize their responsibility in the matter of can-

celled coupons and have therefore been careless in the handling of them. They may not have realized that it is necessary for the trustee to have in its possession all canceled bonds and coupons before it can satisfy the mortgage. If the company is unable to turn over all canceled coupons it must give a bond of indemnity to the trustee. We try to make it a practice, as paying agent, to turn canceled coupons over to the trustee after each six months' period. The trustee assorts, lists, and cremates the canceled coupons, furnishing a certificate of cremation to the company. The trustee is entitled to make a charge for the assorting, listing, and cremating of coupons. The same is true of canceled bonds.

When all the bonds are redeemed you are ready to satisfy the indenture. The trustee is entitled to compensation for this, dependent upon the amount of work done in the preparation, examination, or execution of the satisfaction piece.

TRANSFER AGENT AND REGISTRAR

As transfer agent and registrar of stock, it is also well to have an annual fee even if the stock is very inactive, because the agent must keep his records and at all times be ready to perform work if he should be called upon to do so. He must also furnish five lists of stockholders each year, four of them for dividend paying purposes and one for the annual meeting. An annual charge should be made allowing a certain number of transfers or registrations during the year. If the number is exceeded an additional charge should be made for each transfer or registration. If there are two classes of stock, preferred and common, the annual fee should naturally be larger than if there is only one class of stock. There should also be an annual fee to cover services as co-registrar and co-transfer agent. Daily reports have to be forwarded and received in such a service. There should be extra charges for extra services, such as running off envelopes, enclosing circulars, annual reports, proxies, extra stockholders' lists, quick transfers, and splitting of certificates.

COMPENSATION FIXED BY LAW

The fees received by New Jersey institutions as executor, trustee and guardian are fixed by law as they are in New York State. You are more fortunate than we are in the amounts allowed. The duties of the trustee in these services have been greatly increased during the last few years by reason of the numerous forms and statements necessary to comply with the income tax provisions and the inheritance tax provisions.

In voluntary trusts, the fees to be charged are not limited. It is always well to keep as near to the legal fees as is possible under the circumstances. The legal rates have the advantage of precedent and they are fairly well established as reasonable. Another item not to be overlooked is that each year the trustee's duties seem to become more onerous, and the expense in operating the trust consequently greater. Efforts to compete for voluntary trust business by cutting under the legal fees are likely, some day, to result in regret. In New York the legal fees are so small that an effort is now being made to have them increased.

CHARGE FOR SAFEKEEPING

In the safekeeping of securities, our experience has shown that the best basis for a charge is on the par value of the securities held, with a minimum annual fee. Elements to be considered here are the character of the securities, such as stock unendorsed, stock endorsed in blank, stock in the name of the agent's nominee, and the number and kinds of stock—because the larger the number of kinds of stock, the more work in collecting the income. The same applies to registered bonds. In the case of coupon bonds, there must be considered the number of bonds, vault space, and the number of kinds of bonds—because the larger the number of kinds of bonds, the more work in cutting and collecting the coupons. Other elements to be considered are the frequency of receiving and making deliveries, orders to buy and sell, and making of transfers of stock

and registered bonds; instructions on the disbursing of income, paying of taxes, various kinds of insurance, interest on borrowed money, rent, etc.; making up of income tax forms, signing of same as agent under power of attorney, and preparing of income tax and other statements.

In the fixing of fees for the various services rendered by a trust company it is always well to avoid exceptions because of special cases. If you do make special rates for special cases, you will find that special cases do not always remain special cases, and when they cease to be such you have established

a precedent from which it is hard to depart.

In what I have had to say I have not attempted to give figures or rates. I have instead tried to picture the various kinds of work that have to be performed and which make a basis for a charge so as to give you food for thought. The actual amounts to be charged can only be developed and grow out of your own experience by taking common counsel with each other. If you go into this problem you will find it very interesting and you will discover a fertile territory for increased earnings.

Some Principles Relating to Acceptances

By PAUL M. WARBURG, Chairman Executive Committee
American Acceptance Council

IRRESPECTIVE of what our laws permit or prevent, and without attempting to formulate too technical or too scientific a rule, or presuming to give any but my own personal views in the matter, we may, I believe, enunciate these principles as generally recognized sound banking ethics.

These principles should not be understood as applying to trade acceptances, or single name notes, which are instruments of entirely different character.

A trade acceptance is the obligation of a purchaser to pay to the seller the price of goods bought; it represents, as it were, a loan of goods.

The loan on single-name paper might be held generally to represent a loan of cash, while the bankers acceptance is to be considered as a loan of credit. The bank granting an acceptance credit is not expected to advance cash; the customer is enabled to secure cash on

the strength of the bank's credit, by the sale of the acceptance in the domestic market, or abroad as "exchange," and he is under contract to put the accepting bank in funds in ample time before the acceptance matures. No cash outlay on the part of the acceptor is thus involved.

As compensation, the acceptor receives a commission commensurate with the length of the credit and the risk involved.

Bankers acceptances ought never to be used in order to finance permanent investments, or for the purpose of furnishing working capital, or for providing funds for speculation in securities, staples, or other articles.

Bankers acceptances are primarily designed to finance goods in course of transportation and in their various stages from origin to final distribution.

Staples in warehouses may properly be considered as constituting a tempo-

rary stage between production and distribution (but it is a dictate of banking prudence that such staples be under a contract of or awaiting sale or awaiting delivery into the process of manufacturing within a reasonably short time and that they never be carried as a pure speculation).

Goods in course of production in foreign countries under a definite contract for subsequent transportation may be included as offering a legitimate basis for bankers acceptances, even though the products may not yet be ready for shipment when the bill is drawn.

But care should be taken in all these cases that the proceeds of the goods will liquidate the credit if the sale of the goods takes place before maturity of the acceptance.

A reasonable number of renewals of acceptances are legitimate if, for good and valid reasons, disposal of the goods cannot be completed within the period of the first credit.

Where documents are released, the title to the goods, wherever possible, should be preserved; in any case a moral hold, if no other, ought to be maintained to this extent at least that, before the acceptor is paid, title to the goods may not pass into the hands of other creditors and if the goods are sold the proceeds should be applied to paying off the acceptor.

Bankers acceptances drawn in certain foreign countries for the purpose of furnishing dollar exchange in certain foreign countries are justified where they are to be considered as anticipations of drafts expected to be drawn within a reasonable time for the purpose of the transportation of goods in course of production (e. g.: crops). The law provides that they may be drawn for the purpose of "furnishing exchange" in countries where the customary means of remittance is the 90-day bankers acceptances.

Bankers acceptances, in keeping with the best English practice, ought to show by some reference on the face of the bill the nature of the transaction financed.

Acceptance risks ought to be properly distributed; it is bad banking to grant too large an acceptance credit to any single party, no matter how good its standing.

It is bad banking to grant unduly large acceptance credits on any single kind of collateral.

Bankers acceptance credits ought to be taken only from banks and bankers of undoubted standing and of national reputation (and in the case of foreign drafts, of international reputation).

For the protection of the acceptor it is essential that, except where acceptances are drawn under commercial letters of credit issued under proper guarantees or collateral, acceptances, particularly in the case of warehoused staples, be not drawn to the full value of the goods, that the collateral should offer an ample margin to provide against market fluctuations.

For the protection of the drawer, it is essential that this margin be entrusted to banks only of undoubted strength and credit.

Acceptances ought to be made and sold for the benefit of the drawer, not for the accommodation of the acceptor.

The acceptance business, in many respects, is similar to insurance business. There must be a proper appreciation and a wise distribution of the risks involved. There must be a premium corresponding to the risk, and a recognition on the part of the insured that he is taking a serious chance in dealing with companies that are weak, or disregard sound business rules.

These are illustrations of principles that I believe the business and banking communities ought to clearly recognize, and firmly establish and enforce.



Harmonizing Capital and Labor

By OTTO H. KAHN

IT seems to me that, in the main, right-thinking men of capital and of labor would concur in the following points:

1. The workman is neither a machine nor a commodity. He is a collaborator with capital. (I do not use the word "partner," because partnership implies sharing in the risks and losses of the business, which risks and losses labor does not and cannot be expected to share, except to a limited extent and indirectly.) He must be given an effective voice in determining jointly with the employer the conditions under which he works, either through committees in each factory or other unit, or through labor unions, or through both. Individual capacity, industry and ambition must receive encouragement and recognition. The employer's attitude should not be one of patronizing or grudging concession, but frank and willing recognition of the dignity of the status of the worker and of the consideration due to him in his feeling and viewpoints.

Everything practicable must be done to infuse interest and conscious purpose into his work, and to diminish the sense of drudgery and monotony of his daily task. The closest possible contact must be maintained between employer and employee. Arrangements for the adjustment of grievances must be provided which will work smoothly and instantaneously. Every feasible opportunity must be given to the workman to be informed as to the business of which he forms a part. He must not be deprived of his employment without valid cause. For his own satisfaction and the good of the country, every inducement and facility should be extended to him to become the owner of property.

Responsibility has nearly always a sobering and usually a broadening effect. I believe it to be in the interest of labor and capital and the public at large that workmen should participate in industrial responsibilities to the greatest extent compatible with the maintenance of needful order and system and the indispensable unity of management. Therefore, wherever it is practicable and really desired by the employees

themselves to have representation on the board of direction, I think that should be conceded. It would give them a better notion of the problems, complexities and cares which the employer has to face. It would tend to allay the suspicions and to remove the misconceptions which, so frequently, are the primary cause of trouble. The workman would come to realize that capitalists are not, perhaps, quite as wise and deep as they are given credit for, but, on the other hand, a good deal less grasping and selfish than they are frequently believed to be, a good deal more decent and well meaning, and made of the same human stuff as the worker, without the addition of either horns or claws or hoofs.

2. The worker's living conditions must be made dignified and attractive to himself and his family. Nothing of greater importance. To provide proper homes for the workers is one of the most urgent and elementary duties of the employer, or, if he has not the necessary means, then it becomes the duty of the State.

3. The worker must be relieved of the dread of sickness, unemployment and old age. It is utterly inadmissible that because industry slackens, or illness or old age befalls a worker, he and his family should therefore be condemned to suffering or to the dread of suffering. The community must find ways and means of seeing to it, by public works or otherwise, that any man fit and honestly desirous to do an honest day's work shall have an opportunity to earn a living. Those unable to work must be honorably protected. The only ones on whom a civilized community has a right to turn its back are those unwilling to work.

(Some may regard certain of the foregoing suggestions as closely approaching Socialism. I believe, on the contrary, that measures of the kind and spirit I advocate, so far from being in accord with the real Socialist creed and aim, would be in the nature of effective antidotes against Socialism and kindred plausible fallacies.)

4. The worker must receive a wage which not only permits him to keep body and soul together, but to lay something by, to take care of his wife and children, to have his

share of the comforts, joys and recreations of life, and to be encouraged in the practice and obtain the rewards of thrift.

5. Labor, on the other hand, must realize that high wages can only be maintained if high production is maintained. The restriction of production is a sinister and harmful fallacy, most of all in its effect on labor.

The primary cause of poverty is under-production. Furthermore, lessened production naturally makes for high costs. High wages accompanied by proportionately high cost of the essentials of living don't do the worker any good. And they do the rest of the community a great deal of harm. The welfare of the so-called middle classes, i. e., the men and women living on moderate incomes, the small shopkeeper, the average professional man, the farmer, etc., is just as important to the community as the welfare of the wage-earner. If through undue exactions, through unfair use of his power, through inadequate output, the workman brings about a condition in which the pressure of high prices becomes intolerable to the middle classes, he will create a class animosity against himself which is bound to be of infinite harm to his legitimate aspirations. Precisely the same, of course, holds true of capital.

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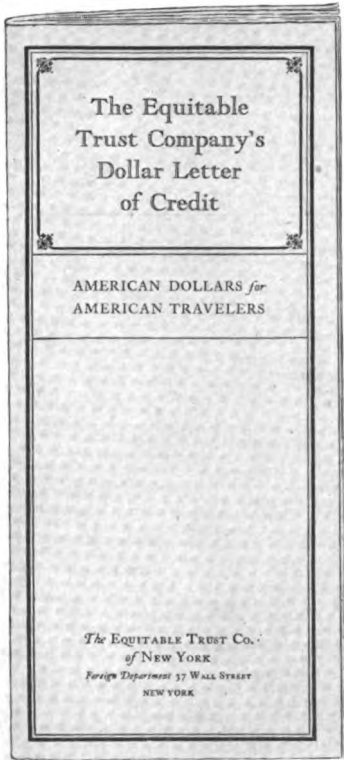
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Economic Conditions in France

THE FOREIGN TRADE OF FRANCE

THE value of imports and exports during the first month of the current year amounts to 1,626,948,000 fr. and 300,710,000 fr. respectively, against 1,374,308,000 fr. and 331,685,000 fr. for the same month in 1918. It should be noticed that the values of imported and exported merchandises in 1919 are calculated on the rate of 1918, which is under the real rate of 1919. Taking into consideration this fact, we observe the following points. The value of merchandise entered in France during the month of January is 252,640,000 francs larger than that of 1918. The difference refers mostly to manufactured goods (248 and one-half millions of fr.), and to alimentary articles (59 and one-half millions of fr.). On the other hand, there has been a diminution of over 55 millions of fr. as regards the import of raw materials. This diminution will continue in proportion to the work of reparation of the coal industry in the territories invaded during the war. On the whole, the foreign trade of France is dependent on the development of such industry, which will be promoted also by the coal mines of the Saar Basin, recently acquired by France as a compensation for her crippled mines.

THE TAX ON LUXURY

The Chamber of Deputies has voted on the suppression of the tax on luxury established during the war. On the other hand it has decided to raise to twenty-five per cent. the tax on liquors. Moreover, a tax of five per cent. has been voted on all advertisements in newspapers, magazines, and other publications. The Senate has, however, not accepted the suppression of the tax on luxury. This tax will thus continue for the time being. The partisans of the

suppression of the tax contend that such a tax has had an injurious influence upon the production and consumption of the articles of luxury, which are one of the most important financial resources of the country.

THE PREMIUM OF DEMOBILIZATION

The *Journal Officiel* publishes the bill regarding the premium of demobilization. According to this bill, every member of the army or navy, who has served under the colors at least three months during the war, has the right to receive an indemnity of 250 francs on the day of his discharge. This applies to all grades up to that of captain, inclusive. Besides this premium, there is a supplementary bonus of fifteen francs for each month of service till the signing of the armistice.

The budget of the current year has provided 887 million francs for the purposes of this bill. However, the amount will not suffice to cover all the obligations implied by the bill. In order to find the necessary amount the government intends to tax the civilian population. The new taxation will be borne with a light heart by every French citizen, for it will help to relieve the economic situation of the demobilized soldiers.

THE LARGE BANKS DURING THE WAR

The following facts and figures concerning the large French banks are taken from an article in *L'Economiste Européen*, signed by Mr. Edmond Théry.

In spite of the unusual conditions during the war, the largest financial institutions of France have maintained their normal conditions of work.

From June 30, 1914, till December 31, 1918, the *Crédit Foncier de France* has augmented its capital and reserves

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CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$50,000,000

from 561 millions of francs to 702 millions of francs. The various obligations in circulation amounted to 4,066 millions in 1914, and 4,972 millions in 1918. On the other hand, the mortgage loans have diminished from 2,883 millions in 1914 to 2,698 millions in 1918.

The Crédit Lyonnais shows the same prosperous situation during the period. The amount of values in the bank was 231 millions of francs in 1914 and 435 millions of francs in 1918. The commercial transactions amounted to 1,648 millions and 1,928 millions respectively. The capital and reserves have, however, remained stationary (425 millions fr.).

One finds the same characteristics in examining the balance of the Comptoir National d'Escompte. The values in the bank amounted to 197 millions of francs in 1914 and 300 millions of francs in 1918. The commercial transactions amounted to 1,017 millions in 1914 and 1,513 millions in 1918. The capital and reserves have augmented from 24 millions to 244 millions of francs.

The Société Générale shows a diminution in its capital and reserves from 621 millions francs in 1914 to 551 millions francs in 1918. Its commercial transactions have, however, augmented from 739 millions to 1,200 millions.

Finally, the Crédit Industriel et Com-

mercial has augmented its commercial transactions from 137 millions to 189 millions of francs during the same period. Its capital and reserves have remained stationary (126 millions fr.).

On the whole, the five largest financial institutions of France are well prepared to begin the work of reconstruction in the economic life of the country.

A NEW BANK FOR FOREIGN TRADE

As a result of the reunion of business men and bankers held in Paris lately, a new Bank for Foreign Trade has been created. J. Siegfried, representative of Havre and formerly Minister of Commerce, has been elected president of the institution. The vice-presidents are: J. Bloch, president of the committee of credit for foreign trade, and Mr. Griolet, president of the Banque de Paris et des Pays Bas.

The main function of the new bank will be to promote the foreign trade of France. In order to widen the field of operations with foreign countries, the bank intends to open several branches abroad.

THE COLONIAL BANKS

A new bill concerning the colonial banks of France has been voted by the Chamber of Deputies. According to this bill, the central agency in Paris

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will be reorganized. This agency will exercise a permanent control over the financial operations of all privileged colonial banks. The control is similar to that exercised by the Banque de France toward its branches in the prov-

ince. Moreover, the central agency will play a more important rôle in the various transactions of the colonial banks. It will thus take a direct hand in the operations of loans as well as in those regarding the issue of notes.



Economic Conditions in Italy

BANCA D'ITALIA

THE Banca d'Italia has realized a net profit of 55,880,000 lire in 1918. Of this amount 23 millions are given to the state, and 18 millions are added to the reserves. The repartition of 48 lire for each share has required 14,400,000 lire. The operations of discount have augmented from 1,957 millions in 1917 to 2,551 millions in 1918. The bank will continue its policy of helping the financial and economic development of the country. Its activi-

ties will be extended to the newly-acquired territories, where several branches will be established.

BANCA ITALIANA DI SCONTO

The Banca Italiana di Sconto has established several new branches in Italy in order to meet the demand of its continual growth. After the recent opening of branches in Belluno, Gioja Tauro, Riposto, Pirano d'Istria, Udine, Vallemosso, Oderzo, and Avezzano, the bank has decided to open branches in

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A general foreign and international banking business in all its ramifications transacted, with special facilities in connection with France and the French Colonies and Dependencies.

The following banks are associated with and own the entire capital stock of the French American Banking Corporation:

Comptoir National D'Escompte De Paris National Bank of Commerce in New York The First National Bank of Boston

whose numerous branches and correspondents all over the world furnish a thorough equipment for foreign trade purposes.

A Foreign Trade Department organized on the lines of practical merchant banking is maintained at the service of manufacturers, importers and exporters.

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National Bank of Commerce in New York

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Comptoir National D'Escompte De Paris

PAUL FULLER, JR.
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The First National Bank of Boston

MAURICE LEWANDOWSKI, Manager
Comptoir National D'Escompte De Paris

EDGAR LLEWELLYN, Manager
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JOHN E. ROVENSKY, Vice-President
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MAURICE SILVESTER, President
French American Banking Corporation

STANISLAS SIMON, Managing Director
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HARRY B. THAYER, President
Western Electric Company

DANIEL G. WING, President
The First National Bank of Boston

OWEN D. YOUNG, Vice-President
General Electric Company

OFFICERS :

MAURICE SILVESTER, President

F. ABBOT GOODHUE, Vice-President

JOHN E. ROVENSKY, Vice-President

ROGER P. KAVANAGH, Vice-Pres. and Treas.

THOMAS E. GREEN, Secretary

The Yokohama Specie Bank, Ltd.

[Yokohama Shokin Ginko]

HEAD OFFICE, YOKOHAMA, JAPAN

(¥0.50=1 Yen)

Capital Subscribed Yen 48,000,000

Capital paid up Yen 42,000,000

Reserve Fund Yen 23,100,000

(9th March, 1918)

DIRECTORS

JUNNOSUKE INOUE, Esq., President
NAGATANE SOMA, Esq.
BIYEMON KIMURA, Esq.
MASNOKE ODAGIRI, Esq.
BARON KOYATA IWASAKI

CHUJI KAJIWARA, Vice-President
KOKICHI SONODA, Esq.
ROKURO HARA, Esq.
SHIMAKICHI SUZUKI, Esq.
KONOJO TATSUMI, Esq.

YUKI YAMAKAWA, Esq.

Branches and Agencies

Tokyo	Sydney	Peking	Kobe	Calcutta	Tientsin	Manila
Osaka	Hongkong	Dairen	Nagasaki	Singapore	Newchwang	Rangoon
London	Hankow	Fengtien	Lyons	Shanghai	Harbin	Soerabaya
Bombay	Chi-Nan	Changchun	Honolulu	Tsingtau	Shimonoseki	Buenos Aires

Agencies in United States

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The Bank buys and receives for collection Bills of Exchange, Issues Drafts and Telegraphic Transfers and Letters of Credit on its various branches and elsewhere, and transacts a general Banking Business

NEW YORK OFFICE - - - 120 BROADWAY
R. ICHINOMIYA, Agent

the following localities: Bolzano, Caltanissetta, Bergamo, Trapani, Tortona, and Bassano. The total number of branches is ninety-five, of which ninety-three are in Italy and two abroad.

ITALY'S ECONOMIC AND FINANCIAL SACRIFICES

The economic and financial sacrifices sustained by Italy during the war and since the signing of the armistice are very heavy. The investigation made in this respect by the Italian Government has led to the following estimation:

The damages caused directly by the war in the kingdom, the colonies, and the annexed provinces amount to about 15 billions of lire. The loans abroad and the diminution of the national wealth amount to about 50 billions of lire. Suspension of the growth of wealth on account of the war has cost the country about 40 billions of lire. The losses suffered by the capital of private citizens amount to at least 15 billions of lire. The total of sacrifices amounts thus to 120 billions of lire, which figure does not comprise the other expenditures of war.



Economic Conditions in Belgium

THE WAR DEBT OF BELGIUM

THE consolidated debt of Belgium amounts to 4,157,867,502 francs. The capital of Treasury bonds in circulation amounts to 406,583,385 fr. The nominal capital of the Treasury bonds issued for the replacement of marks and

for which Germany must be made responsible, amounts to 3,040,341,000 fr. It will be remembered that, according to the decisions of the Peace Treaty, this amount will be paid first by Germany.

The advances of the Allies to Belgium

BRANCHES
AND AFFILIATIONS

Mercantile Bank of the
Americas

11 bis Boulevard Haussmann
Paris

Mercantile Bank of the
Americas

Rambla de los Estudios-Canuda 2
Barcelona

Banco Mercantil Americano
de Cuba

Havana

Banco Mercantil Americano
de Colombia

Bogota, Barranquilla,
Cartagena, Medellin, Manizales,
Girardot, Cali, Honda

Banco Mercantil Americano
del Peru

Lima, Arequipa, Chiclayo,
Callao

Banco Mercantil Americano
de Caracas

Caracas, La Guayra

American Mercantile Bank
of Brazil

Para, Pernambuco

National Bank of Nicaragua

Managua, Bluefields, Leon,
Granada

Banco Atlantida
(Honduras)

La Ceiba, Tegucigalpa,
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BANCO MERCANTIL
AMERICANO DEL PERU
LIMA.



BANCO MERCANTIL
AMERICANO DE COLOMBIA
BOGOTA.



BANCO MERCANTIL
AMERICANO DE CARACAS
CARACAS.

MERCANTILE BANK
OF THE AMERICAS

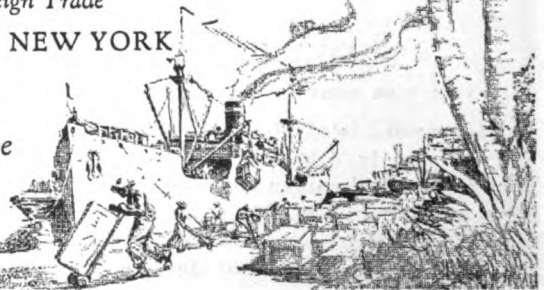
An American Bank for Foreign Trade

44 PINE STREET

NEW YORK

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sent upon request*



amounted to 12,963,234,700 fr. at the end of February, 1919. Of this amount France has participated with 2,170,525,-448 fr., England with £78,584,613, and the United States with \$249,643,000.

THE LOAN FOR BELGIAN RECONSTRUCTION

The Belgian Government is issuing an interior National Reconstruction Loan whose amount is unlimited. It bears five per cent., issued at 95 fr. for 100 fr. of capital. The subscriptions must be in cash, either in subscribing 94 fr. 50 centimes, or in three terms at the price of 95 fr. All subscriptions till 10,000 fr. are irreducible.


THE VICTUALLING OF BELGIUM

The American "Commission for Relief in Belgium" ceased its work some time ago. The problem of victualling the country is now dependent upon the work and cooperation of the people at home. The Government has taken several measures in this respect. From now on the official importations will be reduced to wheat and fats. The necessary credits for the purchase of these articles are secured for four months after the signing of the Peace Treaty. With the existing stocks of wheat in the country and the new importation, Belgium's problem of victualling is solved till November.

The funds for the alimentary help given by the Belgian Government amounts to about thirty millions of francs monthly. This help will be necessary as long as the problem of unemployment is not solved. It is, however, feared by some that the Government's assistance may encourage idleness. For this reason severe measures have been taken to control the distribution of help. Moreover, in case of strikes, every assistance will be suppressed.

FOREIGN CAPITAL DEPOSITED IN THE BELGIAN BANKS

The allied capitalists who had funds deposited in the Belgian banks before the war will not be affected by the sequestration during the German occupation. They will receive the interest for their invested capital for the whole



Report of the Condition of the
Hibernia Bank & Trust Company
NEW ORLEANS
As of May 12, 1919

RESOURCES	
Loans and Discounts	\$21,075,620.95
U. S. Government Securities, Other Bonds and Stocks	8,663,368.74
Hibernia Bank Building	1,100,000.00
Other Real Estate	528,666.26
Customers' Liability on Letters of Acceptances	1,595,554.73
Cash on Hand and with Banks	8,854,861.84
	\$41,818,072.52
LIABILITIES	
Capital and Surplus	\$ 3,506,000.00
Undivided Profits	195,225.13
Reserved for Unearned Discount	82,264.09
Reserved for Interest, Taxes and Expenses	283,288.42
Bills Payable, Secured by U. S. Government Securities	5,476,000.00
Liability on Letters of Credit and Acceptances	1,595,554.73
Deposits	30,685,740.15
	\$41,818,072.52
A Steady Substantial Growth in Deposits	
Deposits May 12, 1915	\$15,377,116.80
Deposits May 12, 1916	18,701,796.20
Deposits May 12, 1917	22,880,514.99
Deposits May 12, 1918	26,757,826.68
Deposits May 12, 1919	30,685,740.15

duration of the war. For, according to the financial stipulations of the Peace Treaty, Germany will return all this capital. Moreover, the capital will be returned in francs, so that there will be no loss of exchange for the foreign investors.

THE FUSION OF BELGIAN BANKS

The unusual conditions brought about by the war have determined many European countries to adopt the system of a financial concentration. In England several banks have already been amalgamated. The same phenomenon is now taking place in Belgium. Thus the fusion of the Banque d'Anvers with the Banque de l'Union Anversoise is now being effected. The Banque de Bruxelles, the Caisse de Reports and the Banque d'Outremer have already been melted with the Banque d'Escompte. All these banks have augmented their individual capital and have developed their collective operations.

Foreign Exchange Department

Letters of Credit Negotiated

Arrangements can be made for the importation of merchandise through the use of dollar acceptances

Capital \$2,250,000

OFFICES

Market and Fulton

81-83 Fulton St.
New York

Eighth Street

Broadway & 8th St.
New York

Sherman

Fifth Ave. & 32nd St.
New York

Aetna

92 West Broadway
New York

Long Island City

Bridge Plaza
Long Island City

Flatbush

839 Flatbush Ave.
Brooklyn

New Utrecht

New Utrecht Ave. & 54th St.
Brooklyn

Irving Trust Company

Frederic G. Lee, President

Woolworth Building, New York

What Foreign Investments Mean to the Nation and the Individual

By COL. JOHN S. HAMMOND

THE vital problem which now faces industrial America is the expansion of her foreign commerce. War years have made demands which have created an increased productive capacity in the United States measured only by ability to fill the markets of the world. Factories and industrial plants have been enormously increased; manufactured products in excess of those needed for home consumption have accumulated; surplus food products to feed the millions of Europe have been produced; prices have risen; wages have taken an unprecedented advance and industries have reached a high valuation. This prosperity is dependent upon the maintenance of our present ratio of production. Should our markets fail, this production will be curtailed. Prices will fall, factories and

industrial plants will be scrapped, and the pre-eminent position in the industrial world, which we now hold, will be lost. However, the extensive machinery built to fill the needs of war can be utilized to place our increased products upon a permanent peace basis. An outlet market is already open to us through the medium of our foreign commerce. However, this commerce is largely dependent upon foreign investments. The economic history of England proves conclusively that trade follows the invested dollar with as much certainty as it follows the flag. At the present moment the important Brazilian loan of Imbrie & Co. for the purpose of developing the capital of the largest of our South American neighbors, and our ally in the great war, is excellent insurance toward the continuation of our for-

ign commerce with Brazil which already amount to forty-seven per cent. of the total imports to Brazil.

Moreover, this loan means a long step has been taken toward the maintenance of our shops at full capacity production, employment for our people, and the continuation of our present prosperity. Our opportunity is, however, one which should be grasped at once if we are to gain the full benefit now presented by our advantageous financial situation.

Mr. John Barrett, in his article entitled "Brazil the Extraordinary," says to the effect: There is no doubt that the powerful financial and commercial interests of Europe, under official sanction and largely with governmental aid, are planning to again renew their negotiations in Central and South America. Even under the burdens imposed by war they believe it necessary to take this step in order to protect their trade and to prevent the United States from becoming the absolute master of the financial and commercial situation. As yet they have not reasserted themselves. The United States is to-day the creditor nation of the world. The American dollar invested to-day outside of America is worth more than the same dollar here at home, and is also worth more than its nominal equivalent in the currency of almost any other nation.

The attractiveness of our position is at its maximum to-day. Even steps toward a return to normal conditions mean an increased market value of the securities which can be purchased now at so attractive a figure. Such South American securities, as safe and stable as the securities of American big municipalities, can be purchased now upon a basis of return hitherto only enjoyed by first-class industrial investments. Moreover, we are now in a position, due to our favorable situation, as far as foreign exchange is concerned, to purchase such securities more cheaply than they can be purchased by England, France, Holland, or any of the European nations whose foreign investments were formerly so much more important than our own.

Our foreign commerce to Brazil has doubled itself in the last four years. We are going to maintain that commerce, through this and similar investments, which mean progress toward continued prosperity for the country at large, and for the individual American investments which are unusually safe and exceptionally profitable.



COL. JOHN S. HAMMOND

John S. Hammond, who has recently assumed the management of the South American Department of Imbrie & Co., was formerly Colonel of the 27th Field Artillery, and during the war commanded the Field Artillery Firing Center at Camp McClellan, Alabama. As Colonel of Field Artillery, he was in command of the artillery instruction at the Plattsburg Officers' Training Camp. At various times in his career he has been appointed Military Attaché of the United States to the Governments of the following countries: Brazil, Argentina, Chile, Uruguay and Paraguay. It was through his efforts that the late Colonel Roosevelt presented to the Argentine Military Club a statue of General Sheridan at the Battle of Cedar Creek.

Imbrie & Co., through the connection of Mr. Frederico Lage, one of the partners of that firm, have already taken a leading position in the development of South America. Their loan of \$10,000,000 to the City of Rio de Janeiro was the largest loan to Latin America since the loan of the same firm to the City of Sao Paulo in November, 1916.

The expansion of the South American Department of Imbrie & Co. evidences great future activities in the South American field.

PARK-UNION FOREIGN BANKING CORPORATION

56 Wall Street, New York

Fully Paid Capital and Surplus, \$2,250,000

WITH OUR OWN BRANCH OFFICES IN SAN FRANCISCO, SEATTLE, Yokohama and Shanghai, and direct connections in the Dutch East Indies and Central and South America, we are in a position to extend to exporters and importers exceptional facilities for the transaction and extension of their foreign business.

Shipments financed, acceptances given, letters of credit and bills of exchange issued.

Our officers will be glad to advise with anyone interested in foreign trade

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OFFICERS

Charles A. Holder, President T. Fred Aspden, Vice-President

Investment of American Capital Abroad

Address delivered by ALFRED O. CORBIN, Manager Foreign Department, A. B. Leach & Co., Inc., New York, before the Second Pan-American Commercial Conference at Washington.

AS manager of the foreign department of A. B. Leach & Co., Inc., New York, I am particularly pleased to be able to say a few words with regard to foreign investments, because it seems to have become customary to eliminate the investment houses from any of the discussions at conventions, although everyone is telling everyone else that we have to buy foreign securities in order to promote foreign trade.

This last point, no doubt, is perfectly correct and logical, but in the final analysis the investment houses will have to do the buying and the distributing of such securities; they are thus closely interlinked with the foreign trade development, and they should therefore be

consulted and heard, especially so as the problems which we are facing to-day are well-nigh unheard of in the history of finance.

DIFFICULTIES OF THE SITUATION

I am going to be short, sincere and to the point.

What are we going to buy, and how are we going to buy?

Do you all sufficiently appreciate the untold difficulties with which we are confronted to-day and which make things almost impossible for us?

Take, for instance, Europe. Her exchange situation is already perplexing. Sterling is down to 4.60, francs to 6.40, lire to 8.10, Danish crowns to 23.50, Norwegian and Swedish crowns

Canadian-American Paper Trade

During the last fiscal year Canada exported approximately \$100,000,000 of pulp, paper and pulpwood. Eighty-two per cent. came to the United States. This phenomenal growth of a basic Canadian industry and the part which American trade has played in it is shown by the following tabulation:

	—Fiscal Year Ending March—		Per Cent.
	1919	1918	Increase
Canada's Total Export.....	\$99,260,000	\$71,820,000	27.6
Exports to U. S.	82,090,000	67,028,000	81.7
Per Cent. to U. S.	82.7		

American importers of pulp and paper, and American exporters of pulp and paper machinery and supplies will find the services of the New York Agency of the Union Bank of Canada at their disposal. With 360 branches at all strategic commercial points throughout Canada, the Union Bank of Canada is in a position to give efficient service.

Union Bank of Canada

Head Office
Winnipeg

New York Agency, 49 Wall St.
W. J. Dawson, F. L. Appleby, W. M. Forrest,
Agents

Capital & Surplus
\$8,600,000

to 25, Dutch guilders to 38½, Austrian crowns to 4 cents, German marks to 8 cents, etc.

The dollar is yet at a discount in Spain and Switzerland, but that is only a matter of a few more weeks, and what will be the future of all the exchanges when all those countries will have to import practically everything from us, unless we make up our minds to come across and loan them money?

We have to buy foreign bonds, but the only things we can buy over there, without being reasonably certain that we cannot buy them cheaper within a few months from now, are dollar securities, and this, I am sure, will be done before we are much older.

OPPORTUNITIES OFFERED BY EUROPE

I am not one of those who claim that Europe is bankrupt. Far from it.

Europe to-day offers us opportunities like we have never had. Not only does

she offer to buy our goods, but also to sell us her securities at attractive prices; and once she gets those goods, she will begin the great task of her rehabilitation; and meanwhile our investments will enhance in value and will be repurchased by her long before they become due.

America was never more God's country than she is to-day. No opportunity like this was ever bestowed upon any nation.

They all want money over there, and they will pay for it, too. Little do the allied or the neutral countries care what they pay, so long as they get it fairly reasonable. The goods which they will get from us will only cost so much more. What does that matter, so long as they get them and can begin their work?

Europe is going to be helped, and she will be helped in two ways—by long-term credits, and by the sale of securities—and the above will materialize before you and I are much older.

The Union Bank of Manchester, Limited

Head Office
17 York St., Manchester, Eng.

Liverpool Office
45 Castle St., Liverpool, Eng.

and branches covering the whole of the district tributary to these two cities, and also WEST YORKSHIRE; including LEEDS, SHEFFIELD, BRADFORD, SALFORD, BIRKENHEAD, OLDHAM, BOLTON, BURY, ROCHDALE, STOCKPORT, HALIFAX (ENG.), HUDDERSFIELD, etc., etc.

Nominal Capital	\$12,500,000
Paid-up Capital	3,750,000
Reserve Capital	3,750,000
Subscribed Capital	7,500,000
Reserves	2,718,350
Surplus over Liabilities	<u>10,218,350</u>

Bankers in the United States and Canada are invited to make use of the Bank's services for all kinds of banking business in the district where the Bank operates, and in Great Britain generally. Collections promptly dealt with, and proceeds remitted by draft or cable transfer on New York, or as desired. Favorable terms.

North American Mails are usually delivered in Manchester and Liverpool earlier than in London.

CENTRAL AND SOUTH AMERICA INVITING FIELDS

And apart from Europe, there is Central and South America to which we have to turn our investment attention.

But optimistic and full of good will as we all may be, this field, large as it may seem, is yet small—very small from the investor's point of view.

A few of the governments may be able to successfully float an issue. Some cities like Rio, Sao Paulo, Montevideo, Buenos Aires, Valparaiso and Lima may have their securities taken here, but until such time as there will be a more thorough understanding of each other's good qualities and of the wealth and possibilities of all the Central and South American nations, until all these countries have a modern currency system, and until this democratic government will adopt a different attitude toward Mexico, there can naturally not yet be

as ready a market for such securities, as we would so much like to have.

Our investors are very conservative—much more so than anywhere else—and big as the U. S. A. may be, they all seem to thrive on the fertile plains of Missouri.

Some of our financial leaders have been advocating the formation of investment trusts along the lines of those existing in England, in order to facilitate the placing of foreign securities in general, and Central and South American securities in special; but I am not a believer in this kind of a bond for our American investors. It is not the kind of an investment which would go in any large quantities; and, apart from a great many other objections, it lacks "scenery" and is too much akin to the old, ill-fated blanket mortgage debentures.

The American public will buy Central and South American securities, but

London and River Plate Bank, Limited.

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Agency: MANCHESTER, 86 Cross Street

Paris Branch: 16 Rue Halevy.

Lisbon Branch: Rua Aurea

Antwerp Branch: 22 Place de Meir

	(\$5=£1.)
CAPITAL (Authorized) - - - - -	\$20,000,000
SUBSCRIBED CAPITAL - - - - -	15,000,000
PAID-UP CAPITAL - - - - -	9,000,000
RESERVE FUND - - - - -	10,500,000

DIRECTORS.

K. ROSS DUFFIELD, Esq.
RICHARD FOSTER, Esq.
FOLLETT HOLT, Esq., M. Inst. C.E.
KENNETH MATHIESON, Esq.

J. W. REAUMONT PEASE, Esq.
HERMAN B. SIM, Esq.
Sir RICHARD V. VASSAR-SMITH, Bart.
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BANKERS; BANK OF ENGLAND;

LLOYDS BANK, LTD.: LONDON COUNTY WESTMINSTER AND PARR'S BANK, LTD.

BRANCHES IN SOUTH AMERICA :

BRAZIL :—Para, Pernambuco, Rio de Janeiro, Santos, Sao Paulo, Bahia, Curitiba, Victoria, also an agency at Manaus. **URUGUAY** :—Montevideo, Montevideo Sub-Agency, Paysandu and Salto.

ARGENTINA :—Buenos Aires, Rosario de Santa Fe, Mendoza, Bahia Blanca, Concordia, Tucuman, Cordoba, Parana. Also in Buenos Aires.—Barracas al Norte, Once, Boca, Calle Santa Fe 2122 and Calle B. de Irigoyen 1138. **CHILE** :—Valparaiso, Santiago.

Correspondents in all other places of importance in these South American Countries.

Documentary Bills Bought, Advanced Upon or Received for Collection.
Drafts and Cable Transfers Sold on all Branches and Agencies.

Commercial and Travelers Letters of Credit Issued.

New York Agency, 51 Wall Street, WM. R. ROBBINS, AGENT.

it will come along the lines of the least resistance, and it will require a long period of education.

And it is therefore that I wish to urge all of you, gathered here to-day, representing the various countries of Central and South America, to go back to your countries and tell them that they can probably sell securities in America, but that they can only do this on any large scale if they teach the American public that these countries are the most wonderful countries on the face of the globe; that their credit is sterling; that their currency systems are reformed and up to date; that their business methods are second to none, and that the American investor will have better protection there than anywhere else in the world.

That will be your task, and for that a prolonged campaign of education and

propaganda will be necessary, and I am sure that if you go about it in the right way you will find the Americans pretty good students.

And it will furthermore be of the greatest importance that you should establish the proper banking facilities, so that your securities would always be regularly taken as collateral by the American banks, one of the points which so often is overlooked; and, better yet, your banks should come over here and establish such facilities on a large scale.

And to Washington I would say, "Help us," and don't leave us like the lonely caller in the desert the moment we go ahead.

I am an optimist; I see a wonderful world in the near distance, and at the horizon of that wonderful reborn world I see in silver letters the words "Pan-Americanism," like so many stars in heaven. May it be so!



The National Bank of the REPUBLIC OF CHICAGO

**OFFERS exceptional service in exceptional times,
and invites the accounts of responsible people
requiring Chicago facilities.**

Capital

and

Surplus

\$3,000,000

OFFICERS

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Wm. T. Fenton, 1st Vice-Pres. & Mgr.	Thomas D. Allin - - - Asst. Cashier
Robt. M. McKinney - 2nd Vice-Pres.	Louis J. Meahl - - - Asst. Cashier
Watkin W. Kneath, - 3rd Vice-Pres.	Wm. C. Freeman - - - Asst. Cashier
Oscar H. Swan - - - - - Cashier	Chas. S. Macferran - - - Asst. Cashier
Walter L. Johnson - - - - -	- - - - - Asst. Cashier

Business Conditions in Argentina

UNDER date of April 30 Messrs. Ernesto Tornquist & Co., Limited, of Buenos Aires, publish an interesting summary of business conditions in the Argentine Republic, from which the following information is taken:

NATIONAL FINANCES

No improvement has been possible in the finances of the National Government in the last few months, owing to the fact that the customs receipts, the chief source of revenue, had inevitably to suffer on account of the prolonged strike in the docks of Buenos Aires. On the other hand, none of the measures proposed by the executive power in order to balance revenue and expenditure in the current year, could be applied owing to the lack of legislative authority.

The extraordinary sessions of Congress, commenced at the beginning of January, still continue, but neither the budget for the present year nor the bills brought forward with the modification of the customs duties and the introduction of an income-tax, have been sanctioned up to the present. The at-

ention of the chambers has been completely absorbed by other matters and, in order that the regular working of the Administration should not suffer the consequences, duodecimal parts of last year's budget were necessarily voted for the months of January to April.

To meet the current expenses of the Administration, the Government has had recourse, as usual, to the discount of Treasury Bills. These operations are effected on the basis of five and a half to five and three-quarters per cent. interest per annum. According to a recent statement made by the Minister of Finance before the Senate, the total of Treasury Bills in circulation (internal short-term loans) reaches \$303,536,000 paper.

FOREIGN TRADE

Notwithstanding the fact that the figures given are only preliminary, and therefore subject to revision and possible modification, once the final checking operations are completed, we deem it advisable to give below the aggregate amounts of Argentine Commercial Interchange for 1918 (real values) compared with those of the previous year, as stated in an advance report lately pre-

The Bank of the Philippine Islands

(ESTABLISHED 1851)

MANILA, P. I.



BRANCHES: ILOILO AND ZAMBOANGA

ELISEO SENDRES, President

RAFAEL MORENO, Secretary

D. GARCIA, Cashier

O. M. SHUMAN, Chief Foreign Dept.

Authorized Capital	(pesos) 10,000,000.00
Capital fully paid-up	4,500,000.00
Reserve Funds	2,250,000.00

(\$0.50 = 1 peso)

Transacts general banking business. Buys and sells exchange on all the principal cities of the world.

AGENTS

London: Nat'l Bank of Scotland, Ltd.
 Spain: Banco Hispano Americano
 Hongkong: Netherland India Com'l Bank
 San Francisco: Wells Fargo Nevada Nat'l Bank
 New York: National City Bank and The Guaranty Trust Company

Paris: Comptoir Nat'l d'Escompte
 Australia: Bank of New South Wales
 Shanghai: Yokohama Specie Bank, Ltd.
 Chicago: Continental & Commercial Nat'l Bank
 Japan: Yokohama Specie Bank, Ltd., and The Bank of Taiwan, Ltd.

sent to the Ministry of Finance by the Director General of Statistics.

corresponds to the year 1915, the increase being thus gold \$69,000,000.

REAL VALUES IN \$ GOLD IN THE YEARS

	1918	1917
Imports	480,896,072	380,321,178
Exports	826,496,000	550,170,049
Total	1,307,392,072	930,491,227
Real favorable commercial balance	345,599,928	169,848,871

FOREIGN CAPITAL

The influx of foreign capital, specially of that which escapes control, continues. To judge from cable news received from Christiania, Norwegian banks are said to have combined in providing the capital of a banking institution to be opened in this city, with the purpose of furthering trade and shipping.

It is officially announced that the Royal Bank of Canada has decided to open a branch at Buenos Aires.

A company formed with Dutch capital will build a gas works in the town of Pergamino, Province of Buenos Aires, for which it has obtained a concession from the municipality.

BANKS

Since the end of November last a steadily increasing movement of the loans and discounts of the local banks may be observed, while deposits are slightly lower and cash reserves remain practically unchanged.

This movement is due to agricultural and commercial needs in connection with the circumstances prevailing, which caused an advance of the discount rate. Money, al-

Not only in quantity, but also in value, our exports in 1918 were the largest ever recorded, exceeding in value by \$224,317,000 gold, the highest previous figure (1915, gold \$582,179,000). The Director of Statistics affirms that if circumstances had allowed of the coordination of the prices of Argentina's export produce with the purchasing capacity of the importing countries, the value of Argentina's exports in 1918 would have reached gold \$1,130,000,000.

As to imports, the quantity of goods bought by this country during the year 1918 was the smallest registered during the past fifteen years.

The commercial balance in favor of the country is the largest ever recorded. The previous highest figure, gold \$276,600,000,

Norwegian American Securities Corporation

74 Broadway, New York City

Capital \$1,000,000.00

TRYGVE BARTH, President

LEIF H. STROM, Vice-President

GEORGE REITH, Vice-President

B. KROEPELIEN, Secretary and Treasurer

LE ROY JONES, Assistant Secretary

The Norwegian American Securities Corporation buys and sells Stocks and Bonds, lends money on shipments of commodities, Bills of Lading, etc., provides capital for conservative business enterprises, all with the view of increasing business relations between the United States and Norway. Commissions received for the purchase and sale of Stocks, Bonds and other Securities in the United States or any other market. Clients represented in any other capacity in connection with any legitimate business.

CORRESPONDENCE INVITED

POSITION OF LOCAL BANKS

	LOANS & DISCOUNTS	DEPOSITS	CASH RESERVE
	\$ Paper	\$ Paper	\$ Paper
November 30, 1918.....	1,824,900,000	2,828,200,000	970,900,000
December 31, 1918.....	1,884,800,000	2,843,600,000	933,500,000
January 31, 1919.....	1,947,100,000	2,845,200,000	954,900,000
February 28, 1919.....	1,969,500,000	2,798,400,000	955,600,000
March 31, 1919.....	1,998,000,000	2,810,100,000	956,100,000

though still abundant, is not quite as easy as before.

The figures herewith show the monthly position of the local banks from November 30 up to March 31:

THE CLEARINGS

The great activity which prevailed throughout 1918 in Argentine trade and industry is fully demonstrated by the following aggregate figures:

	\$ Paper
1918	26,935,528,347
1917	19,043,286,192
1916	15,783,775,429

In spite of the uncertainty created by the return of peace conditions and by labor unrest, the movement during the first three

months of this year has been still more important:

	\$ Paper
First 3 months of 1919.....	6,114,356,527
First 3 months of 1918.....	5,782,390,500
First 3 months of 1917.....	4,699,603,800
First 3 months of 1916.....	3,878,737,700

FAILURES

The commercial and private failures throughout the Republic during the year 1918 reached, \$ paper..... 38,747,400
in 1917 79,871,500
in 1916 102,067,000
in 1915 172,517,400
in 1914 429,472,100

These figures show that the total of liabilities in 1918 are less than one-half of those of the preceding year.



The Kajima Bank, Limited

THIS is one of the most influential banking institution, and also one of the oldest firms for monetary business in Japan. It originated in Osaka under the business style of the "Kajima-ya" about 300 years ago, and from that time to the imperial restoration of Meiji the house was engaged in financing the Tokugawa Shogunate and Feudal Lords

in exchanging of coins, bullions, and notes, and in serving as the head organ for the establishment of silver quotations.

After the downfall of the Shogunate Government, the house was chiefly engaged in exchange business. In December, 1887, it registered as a bank under the title of Kajima Bank and

World-Wide

Our Banking and Commercial Service extends to all parts of the world. If you have dealings in foreign countries or in any section of the United States it will be to your advantage to utilize our facilities.

You will be assured that your interests will receive the most efficient attention.

THE FIRST NATIONAL BANK of Boston

Capital, Surplus and Profits \$28,000,000

Resources - - - over 240,000,000

Branch at Buenos Aires, Argentina

opened its business in the following year.

While transacting a general banking business the bank has acted as agent for the National Treasury. In June, 1893, it was reorganized into a limited partnership according to the former Commercial Law. In March, 1913, the bank enlarged its scope by starting a trust business for handling secured debentures.

In accordance with the general tendency of the times, it was decided at the general meeting of the partners, which was held in August, 1917, to increase its capital to yen 5,000,000, fully paid up, and to reorganize the bank into a joint stock company. About the same time the bank opened foreign exchange business transactions to finance Japan's international trade, which had shown an extraordinary increase since the outbreak of the World War. Since November 3 of the same year the bank has been conducting its business under the name of the Kajima Bank, Limited.

Being a member of the syndicate which was organized by the influential banks for the purpose of underwriting Government bonds, Treasury bills and foreign investments, the bank occupies a high standing in financial circles in Japan.

The splendid confidence the public places in this institution is shown by the fact that the deposits of the bank increased very rapidly during the recent ten years, as may be seen in the accompanying table:

At the end of	Deposits Yen
1909	11,112,147
1910	13,462,124
1911	13,971,549
1912	18,907,504
1913	21,389,223
1914	22,805,284
1915	34,593,048
1916	53,837,636
1917	81,901,253
1918	115,229,472

Dividends for recent ten years, beginning with 1909 and ending to 1918 were as follows:

	Per Cent.
1909—1915	6
1916 the former half year.....	6
1916 the latter half year.....	8
1917 the former half year.....	8
1917 the latter half year.....	10
1918	10

The directors and chief officers of this bank are: Keizo Hirooka, president; Yukinori Hoshino, managing director; Seijiro Gion, director; Seishichi Kawakini, director and general manager; Kyuemon Hirooka, auditor; Manroku Matsui, auditor; Kotaro Nakamura, assistant general manager; Yoshikoto Sugiyara, assistant general manager; Torao Mohara, manager; Kikumatsu Shimomura, chief of foreign department.

The head office of the Kajima Bank, Limited, is at Osaka, and the chief branches are at Tokyo, Kyoto, Kobe, Okayama, Hiroshima, Fukuyama and Tokuyama. Its correspondents in London and New York are the Yokohama Specie Bank, Limited, and the Bank of Taiwan, Limited. There are also correspondents of the bank in the chief commercial centers of the world.

A statement of assets and liabilities, as shown by the sixty-second semi-annual report, as of December 31, 1918, appears herewith:

ASSETS	
	Yen
Various loans and advances..	71,883,343.63
Foreign bills bought and interest bills	2,524,296.90
Due from other banks.....	1,933,546.86
Guarantees as per contra....	4,660,640.96
Various bonds and stocks....	30,244,256.57
Estates and furniture.....	1,379,624.98
Cash deposited and on hand..	17,007,141.22
Total	129,632,851.12
LIABILITIES	
Various deposits	115,229,472.46
Foreign bills sold.....	107,814.11
Due to other banks.....	2,253,700.10
Guarantees	4,660,640.96
Capital paid up.....	5,000,000.00
Reserve fund	550,000.00
Interest accrued on deposits and rebate on bills not due.	1,278,338.75
Profit brought over from last half-year	64,859.01
Net profit for the half-year...	488,025.73
Total	129,632,851.12

PROFIT AND LOSS ACCOUNT

Gross profit for the half-year	3,535,671.55
Profit brought over from the last half-year	64,859.01
Total	3,600,530.56
Less interest paid and expenses for the half-year..	3,047,645.82
	552,884.74

DISTRIBUTED AS FOLLOWS

Reserve fund	200,000.00
Dividends at 10 per cent. per annum	250,000.00
Bonus to the directors and auditors and pension fund..	37,000.00
Balance of profit carried to the next half-year.....	65,884.74



Investment of American Capital in Foreign Securities

FROM a recent report of the American Bankers' Association on commerce and marine, the following is taken in relation to the desirability of investing American capital in foreign securities:

Primarily, in the committee's opinion, it is well to emphasize that there is special necessity of securing for America's foreign commerce a secure and substantial basis, and there is all the more reason for this in view of present conditions of world unsettlement following the years of war and the consequent limitation of purchasing power in various foreign countries because of war losses and expenditures. This basis, it appears, can be given to a very influential degree by American investment in high-class foreign securities, not only government issues, but municipal and industrial, if properly guaranteed. Either such securities, or debentures issued against them by responsible and thoroughly well-informed companies, with ample capital and officered by men having the confidence of the public both as to ability and integrity of purpose, should be absorbed by American investors in a volume of ever-increasing dimensions. To bring this about will require earnest, well-planned and consistently sustained efforts.

With an expected trade balance in America's favor, under normal conditions of not less than a billion dollars annually, it is patent to informed bankers that this sum, in large part, must be absorbed by the investing public in the purchase of foreign



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THE NATIONAL SHAWMUT BANK OF BOSTON

Resources over \$200,000,000

securities, or debentures issued against them, for otherwise the purchasing power of foreign customers inevitably will decline, and, with their road to prosperity thus impeded, if not blocked, there will be a marked effect on our own industry and commerce.

It may be pointed out that America's banking institutions should not be required, and, indeed, could not reasonably be expected, to absorb all, or even a considerable part, of the accretions of the net balance referred to. The absorption must be, in effect, by the investing public under safeguard in line with financial wisdom and to the end of promoting national welfare.

With proper protection of investments in foreign securities, the influence of America as a nation on countries with which we do business in volume will be enhanced to a great extent, and the links of trade and investment, so joined should promote a general world condition of prosperity and, it is to be hoped, of amity.



Finding Credit for the European Countries

THAT the task of finding credit for feeding and reconstruction purposes is a matter for governmental ac-

tion, is the view expressed in the *Review*, published by Barclays Bank, Limited, London. It says:

The risk involved in granting credits to new or to devastated countries with unstable Governments is neither a mercantile nor banking risk. The credits granted would be for long periods, but they would be used reproductively by countries possessing good potentialities. It follows that there should be little or no danger of payment being avoided, always providing no reason for repudiation arose. In such an event a creditor Government has certain powers and privileges which enable it to press its claim and to act with safety in instances outside the scope of commercial enterprise.

The feeding and the reconstruction of Europe are unquestionably the greatest problems of the moment, for apart from considerations of humanity, it must be remembered that starvation and acute discomfort are among the chief causes of Bolshevism and class warfare. A Government could with ease and safety—within agreed limits and for certain specified reconstruction purposes—arrange to guarantee all necessary credits.

If this method were adopted the countries requiring assistance would apply to a duly appointed committee, giving precise details

of their needs. Each application would be considered on its merits and the total credit to be granted agreed.

The devastated and new countries could then supply their needs and be ensured a good start on the road to ultimate prosperity and because the whole of the necessary finance would be arranged through specified channels, anything in the nature of disorganization, of abuse, or of that dangerous scrambling which is so apt to follow a period of inanition, would be avoided. In this latter connection it would be comparatively easy, by collaboration with other lending nations, to guard against the danger of an excessive volume of credit being granted to any one country.

The exporting countries would be able to get to work, as they would be sure of payment in their own currency without risk in exchange, while the strong position of a Government would enable it to rely with certainty on the obligations bearing its guarantee being met at maturity. Schemes to effect the desired end could be suggested in infinite variety. These might include arrangements whereby credits were opened by banks under guarantee with the stipulation that all sums collected against exports from the countries being financed should be earmarked for the purpose of meeting maturing acceptances, any balance being treated as a debt guaranteed by their Government.

Whatever the details, the principle remains that nations who have accepted the ideas enunciated by a League of Nations cannot logically stand outside and witness the tragedy of war-worn Europe without an effort to alleviate it. Nor can they logically grant credits with the selfish and short-sighted stipulation that the proceeds are to be spent in their own country. This question of reconstructing Europe is important to us as a commercial proposition, but it is more than that, for it will prove a lasting disgrace to the great nations if, from timorous motives, they prolong a condition of affairs well within their power to remedy.



Combined International Credit

AN interesting suggestion relating to a combined international credit is thus discussed in a recent number of Lloyd's Bank *Monthly Financial Report*:

Sir George Paish and Mr. J. A. Hobson have brought forward an interesting proposal for dealing with the present financial condition of the world, a situation which, if left to itself, is likely to paralyze the power of economic recovery and to breed grave

social disorders in every country. In their opinion it would be foolish to expect to get out of Germany a much larger sum than fifty millions per annum for reparation, and the task of financing the material restoration of France, Belgium, Serbia, etc., they suggest must be done by a large international loan, towards the repayment of which Germany must make her annual contribution. But this furnishing of immediate credit for the work of reparation cannot be separated from the still graver obligation of dealing with the vast amount of floating debt incurred by the several Entente nations. The internal indebtedness of these nations will form a difficult problem, but one that is simplicity itself in comparison with the task of meeting the foreign debts at maturity or even of redeeming them over a period of years. Our own position is not easy, while France is also in a difficult situation, and Italy is perhaps worse off. Austria and Russia are hopelessly insolvent. The writers therefore come to the conclusion that all nations must contribute towards a common financial project, pooling for this purpose their several credits, and thereby creating an international credit much stronger than the mere aggregate of the separate national credits. They suggest a loan of some 5,000 millions for the purpose of repairing war damage, reorganizing the finances and currency of Russia and funding the foreign debts, which amount on balance to about 3,000 millions. This loan must be guaranteed both severally and jointly by all the contributory powers, so that if any one power should fail to provide its quota of interest and sinking fund the rest would jointly accept responsibility for the deficit. Each nation must contribute according to its presumed ability, i.e., according to its present and early future credit. The proportionate contributions are suggested as: America, 20 per cent.; Great Britain, 20 per cent.; Germany, 20 per cent.; France, 10 per cent.; Russia, 10 per cent., and the minor countries, including the British Dominions and India, and the neutral countries the remaining 20 per cent., between them. It is suggested that the loan should be made free of taxation in every country. It could probably be placed at four per cent., and with a one per cent. sinking fund, the sum required each year for interest and repayment would be five per cent. It would be a strong security for bankers in all countries, inasmuch as it would be freely dealt in everywhere, and would be of considerable value for the purpose of adjusting exchange. The conclusion arrived at is that "the burden of the war debts will be too great for the world to bear, if they are imposed only upon the nations and the persons who have suffered most from the war, and, through their inability to bear them, will bring about a complete collapse in the credit of every nation. But the burden can

Banco Internacional de Cuba



EFFICIENT banking service in Cuba is assured by this institution, with its head office in Havana and thirty-four branches throughout the Island, enabling us adequately to serve your Cuban banking requirements in regard to collections, credit information, commercial credits and foreign exchange. Inquiries are cordially invited.

be borne with toleration, if not with ease, if the peril to which such a dread alternative exposes the world, induces the nations to cooperate and take collective and effective action to overcome it."

It will be agreed, we think, that the suggested solution is a bold one and the authors deserve credit for their ideas. The results of a collapse of world credit would certainly be so terrific in their universal application that it is necessary that all possible avenues of a way of escape should be thoroughly explored. Whether this particular solution would be the most effective of such avenues remains to be seen.



The British Overseas Bank

IN supporting participation in the organization of the British Overseas Bank, Capt. G. P. Dewhurst, chairman of Williams Deacon's Bank, gave the following outline of the purpose of this new instrument for facilitating international trade:

While this new bank will focus the interests of five constituent banks, each one of the five will retain in toto its separate identity, control and independence of action. It

will be, in fact, a protective alliance, firstly for the promotion of mutual interests, and secondly, for the development of business in fresh fields. The latter phase has, I think, been fully touched upon in the circular letter you have received, but with regard to the former I look upon a scheme of this kind as the obvious reply on the part of the banks in our position to the vast amalgamations that have concentrated the banking control of the country into no more than five hands.

We propose this alliance in no spirit of antagonism, but we feel that a policy of isolation is dangerous, and we propose to consolidate our position and extend our influence in our respective spheres of interest, and, acting together through a bank in which each of us have a definite proprietary interest, we shall, working on the very finest lines, not only be able to offer the best services and facilities to our customers, but also to undertake operations which, both in magnitude and direction, might be beyond the scope and area of any one of us individually.

As regards the composition and capital of the British Overseas Bank, five banks have made themselves responsible for the first £1,000,000 of ordinary share capital, of which our bank's share at present is £250,000, though this will be reduced pro rata as other banks are admitted. It is proposed shortly

to make an issue of preference share capital to which the public will be invited to subscribe, but the control of the bank will, of course, remain with the ordinary shareholders.

"The bank will be governed by a chairman, with executive officers under him controlling the different departments and with a board of directors composed of gentlemen skilled in financial and banking business. The chairman and board of directors will be responsible for the efficient carrying out of the details of policy, which will be broadly laid down by a council, and upon this council there will be representatives of each of the shareholding banks, and also a body of gentlemen recognized as outstandingly competent in various trades, e. g., there will be on the council representatives of finance and the principal trades of the country, and the board of directors will thus

thus obtained to be added to the reserve fund. The directors then propose to declare a bonus out of the reserve fund of £5 per share on the existing 50,000 shares, equivalent to a total payment of £250,000, and to add this £250,000 to capital by applying each £5 in payment of a like amount of the present liability on these shares, making them £25 paid, instead of £20 as at present, and reducing the liability on each share from £80 to £75. Of this reduced liability, £35 will be callable for purposes of business, and the remaining £40 callable only for the purpose of liquidation.

The effect of the proposed changes are thus summarized:

1. The paid-up capital of the bank will be increased by £750,000.
2. The amount paid up on each of the existing shares will be increased from £20 to £25.
3. Conversely the liability on each existing share will be reduced by £5.
4. Each £100 share, £25 paid, will be divided into five shares of £20 each, £5 paid.
5. The total capital will then stand thus:—

Nominal capital, all issued.....	£5,500,000
Paid-up capital:—	
250,000 shares of £20 each, £5 paid	£1,250,000
500,000 shares £1 each, fully paid	500,000
making the total.....	£1,750,000
as against the present paid-up capital of.....	£1,000,000

The amount of the present reserve fund of £850,000 will not be affected.

be able to consult when necessary with members of the council, who will act in an advisory capacity on matters within their separate spheres.



Increase in Capital of Commercial Bank of Scotland, Limited

IN view of the marked increase in business during the past few years, and on account of the additional facilities likely to be required for the reconstruction and development of industry in the near future, the directors of the Commercial Bank of Scotland, Ltd., Edinburgh, have decided to raise the nominal capital of the bank from £5,000,000 to £5,500,000 by the creation of 500,000 new shares of £1 each, these shares to be issued for payment in cash of \$1 10s per share, the premium of £250,000

British Italian Corporation, Limited

AT the third ordinary general meeting of shareholders of the British Italian Corporation, Ltd., held in London April 15, the directors submitted the account for the year 1918 showing that the net profits had amounted to £34,420, to which was to be added £5,582 carried forward from previous report. Of this amount a dividend of four per cent. absorbed £35,515, and the amount to be carried forward to next account was £4,487. The auxiliary in Italy, the Compagnia Italo-Britannica, also declared a dividend of four per cent. for the year 1918.

In addition to the well-known British banks that are shareholders, the Credito Italiano, the Banca Commerciale Italiana, the Banca Italiana di Sconto, and the Banca di Roma are also interested.

Economic and Financial Situation in Switzerland

THE above is the title of a most interesting book just published by the Swiss Bank Corporation of Basle. It contains a Financial Section, a Commercial Section, a History of the Swiss Bank Corporation, the Monetary System, Financial Legislation, and Weights and Measures. The book furnishes within convenient limits a very thorough presentation of the present economic position of Switzerland, and constitutes an invaluable work of reference to all bankers and others interested in the financial and industrial situation of that country.



Skandinaviska Kreditaktiebolaget

THE profits of this institution for the year were Kr. 20,494,189.63, to which was to be added Kr. 218,278.98 brought forward from 1917 account. After setting aside for taxes Kr. 4,800,000, the directors appropriated Kr. 13,000,000 for dividends (twenty-five Kr. per share on 520,000 shares), transferred Kr. 300,000 to staff pension and relief fund, and carried Kr. 2,612,468.61 forward to next account.



Industrial Conditions in Italy

SOME interesting facts regarding industrial conditions in Italy have been made public by the Banca Italiana di Sconto, which has its head office in Rome and more than ninety branches throughout the kingdom.

Through the report made to the board of directors, it appears that the bank was instrumental in the placing of the increase in capitalization of Gio. Ansaldo & Co. from 100,000,000 lire to 500,000,000 lire. The activities of the Ansaldo Company comprise every branch of engineering and mechanics from shipbuilding to the production of

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

gasoline engines. The Banca Italiana di Sconto also played a leading part in the financing of many other industrial enterprises in Italy. Some few of the operations were: The underwriting of the increase of the capitalization of Societa Edison from 48,000,000 lire to 96,000,000 lire; the formation of the Societa Anonima Italiana Ing. Nicola Romeo & Co., from the long-established firm of the same name, and the increase in the capital to 50,000,000 lire; the establishment of the steamship company Lloyd Adriatico, and the handling of the issue of 85,000,000 lire of securities by the Lloyd Mediterraneo; the establishment of the General Foreign Trade Corporation, and the International Reinsurance Company; and many other important transactions.

The Banca Italiana di Sconto, which is the correspondent of the Italian Discount and Trust Company, of New York, is capitalized at \$63,000,000, which is the largest capital of any industrial bank in Italy. The net profits for the calendar year 1918 were about \$4,000,000.



Bank Aids Italian Industry

THE annual report of the Banca Commerciale Italiana, of Milan, gives the following information in regard to the aid which that institution is affording to Italian industry:

BANKAKTIEBOLAGET SÖDRA SVERIGE

Head Office : HELSINGBORG, Sweden

Branches STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS and in 62 other
Places in Sweden

(\$0.26 = 1 Kr.)

Capital Paid Up	. . .	Kr. 30,000,000
Surplus About	. . .	Kr. 17,200,000
Resources About	. . .	Kr. 373,000,000

The organization and excellent relations of this Bank secure to its clients the most efficient handling of their business on moderate terms

Inquiries and applications for terms are cordially invited and will find prompt attention

Principal New York Correspondents { The Mechanics & Metals National Bank
The National City Bank of New York

Our institution during the past year has taken the initiative or otherwise participated in over fifty financial transactions of varying importance, both for the formation of new companies and for issue of fresh capital on behalf of existing undertakings in the following branches, which we give in the order of the importance of the financial transactions involved: Metallurgical and engineering branch, 12; electrical industries, 10; marine and transport companies, 4; mining and chemical industries, 9; textile, 3; export companies, 2; insurance companies, 2; banks and financial undertakings, 6; miscellaneous, 5.

After referring to the development of the bank's commercial and financial relations in the United Kingdom, the United States, South America, France, Switzerland, and in the East, the report adds:

The balance-sheet we submit shows again marked progress in every direction. The satisfactory results make it possible for us to propose for the year 1918 a higher dividend than any paid heretofore—namely, 50 lire per share of 500 lire, equal to 10 per cent. of the nominal capital.



Australian Commerce in 1918

EXCLUDING specie, the imports of merchandise into Australia for the calendar year 1918 were valued at £76,578,759 and the exports at £79,436,691. This compares with imports to the value of £61,650,159 in 1917 and exports £80,795,439. In commenting on these figures, the *Australasian Insurance and Banking Record* points out that imports of merchandise for 1918 show an increase of £14,928,600, following the decrease of £19,431,061 which took

place in 1917 after the heavy total reached in 1916. Out of last year's increase of £14,928,600, about two-thirds was accounted for by apparel and textiles, the imports of which amounted to nearly 26¾ millions sterling, against about 16½ millions in 1917, and 23 millions in 1916. Apart from the effect of high prices, two special causes were at work last year tending to swell the figures. In the first place shipping became somewhat more readily available for the Australian trade, and this enabled arrears to be caught up. The second cause was the rapidity with which home manufacturers with whom late orders were placed executed the orders. Attention is also called to the fact that while both Canada and the United States had a large trade in munitions, this did not enter materially as a factor in the Australian exports, the character of which underwent little change on account of the war.



St. Paulo Branch of Banco Portugues do Brazil

ON July 1 a branch of the Banco Portugues do Brazil was opened at St. Paulo, with Antonio d'Oliveira Manarte as manager and Alberto Arantes de Seabra e Sa assistant manager.

A new building for the head office of the bank at Rio de Janeiro is under construction and will soon be completed.

THE MERCANTILE BANK OF INDIA (LIMITED)

Head Office: 15 GRACECHURCH STREET, LONDON, E. C. 3.

Capital Authorized	\$7,500,000
Paid-up	3,250,000
Reserve Fund	3,000,000

BANKERS: Bank of England; London Joint City and Midland Bank (Limited)

Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan and Mauritius

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances.

Default on Russian Bonds

BONDS of the Imperial Russian Government, recently due in New York to the amount of \$50,000,000, were not paid for lack of available funds. This loan represented a three-year credit at six and one-half per cent. interest negotiated by New York and Boston bankers. In the present disturbed condition of Russian affairs no representation on account of the matter can well be made by the American State Department. It is hoped the loan may be finally paid when conditions in Russia become more settled.



New Branches of National Bank of South Africa

BRANCHES of the National Bank of South Africa have been opened at Victoria and Shabante, both in Rhodesia.



London Bank of Australia, Limited

THE ordinary general meeting of the proprietors of the London Bank of Australia, Limited, was held in London on May 11. Profits of the bank for the year ended Dec. 31, 1918, were

£90,765, out of which the directors recommended a final dividend of nine per cent. per annum, making eight per cent. for the year, on both preference and ordinary shares for the six months ending with Dec. 31, 1918. The reserve fund was increased to £420,000 and £24,262 carried forward.



Swedish Government Loan Placed in the United States

THERE was recently placed in New York, through a syndicate of well-known banks and bankers, a Swedish Government loan to the amount of \$25,000,000. The loan was for twenty years at six per cent., the proceeds to be used for the purchase of commodities in the United States.



Royal Bank of Australia, Limited

AN increase of capital of this bank was made necessary by the expansion of business, and this was provided for by issuing 50,000 new shares at £4 per share. Profits for the half-year ending March 31, after providing for a

NOYES & COMPANY

Established 1879

Foreign Bills
Government and Municipal Bonds

8, Place Edouard VII.
PARIS - FRANCE

bonus for the staff, were £29,413. A dividend at the rate of eight per cent. per annum absorbed £12,000 of this, and £10,000 was added to the reserve fund, making the total of that item £320,000. The remainder was added to the amount carried forward from the previous half-year. New buildings of this bank at Sydney and at Flinders Lane (Melbourne) have recently been completed. The head office is at Melbourne.



Sumitomo Bank, Limited

As shown by the report of Dec. 31, the net profits of the Sumitomo Bank, Limited, were for the half-year yen 1,653,364. After making provisions for dividends, reserves and bonus fund, there was left to be carried forward yen 681,390. Deposits of the bank on the date named were yen 269,986,281 and total resources yen 357,614,540.

The head office of the Sumitomo Bank, Limited, is at Osaka. Paid-up

capital of the bank is yen 22,500,000, and the reserve fund yen 4,500,000.



Commonwealth Bank of Australia

PROFITS of the Commonwealth Bank of Australia for the half-year ended December 31, 1918, were £428,271, applied in equal parts to the reserve and redemption funds, making the total reserve fund £767,148, and the redemption fund the same amount. Deposits on the date named were £50,823,659 in the general banking department and £16,125,050 in the savings bank department.



Bonds and Debentures in Japan

THERE has been compiled and published by the investigation department of the Industrial Bank of Japan, Tokyo, the Sixteenth Semi-Annual Table of Bonds and Debentures in Japan. It gives in detail, both in Japanese and English, a wealth of valuable statistical information relating to public securities in Japan as they existed at the close of 1918.



New Foreign Branches of the National City Bank

BRANCHES of the National City Bank of New York have been opened recently at Havana, Cuba, making the third in that city—the latest addition being known as the Goliano branch—and also at Artemisa, Cuba, and at Pernambuco, Brazil.



Banking and Financial Industry

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



THE LIBERTY NATIONAL BANK *of* NEW YORK

CAPITAL \$3,000,000.00

SURPLUS 3,000,000.00

UNDIVIDED PROFITS 1,700,000.00

OFFICERS

HARVEY D. GIBSON	President
DANIEL G. REID	Vice President
CHAS. W. RIECKS	Vice President
ERNEST STAUFFEN, Jr.	Vice President
JOSEPH A. BOWER	Vice President
JAMES G. BLAINE, Jr.	Vice President
JOSEPH S. MAXWELL	Vice President
GEORGE F. MURNANE	Vice President
SIDNEY W. NOYES	Vice President
FREDERICK W. WALZ	Cashier
FREDERICK P. McGLYNN	Assistant Cashier
THEODORE C. HOVEY	Assistant Cashier
LOUIS W. KNOWLES	Assistant Cashier
JOHN P. MAGUIRE	Assistant Cashier

What a Bank Must Have

When you undertake to provide a new home for your bank, you do so for two reasons:

- (1) To increase your business.
- (2) To afford more satisfactory working accommodations for your employees.

To accomplish this with real success, you must provide:

- (1) A practical and suitable bank building.
- (2) A thoroughly up-to-date and efficient banking arrangement.
- (3) Real security in your vault equipment.

We have recognized experts in each of these branches of a bank's requirements, thus covering in the one organization all of a bank's needs without the risk, trouble and expense of divided responsibility.

Some Banks We Have Served

We are either now, or have very recently acted in New York for:

National Bank of Commerce
Seaboard National Bank
Columbia Trust Company
Asia Banking Corporation
Mercantile Trust Company

and in other towns for:

First National Bank, Richmond, Va.
American Exchange National Bank, Dallas, Texas.
Hibernia Bank & Trust Company, New Orleans, La.
Colonial Trust Company, Philadelphia.
Charlotte National Bank, Charlotte, N. C.
Greenwich Trust Company, Greenwich, Conn.

I would like to refer you to any of the above institutions and to consult with you in connection with your problems for improving the home and success of your bank.

Alfred C. Bossom

Bank Architect and Equipment Engineer

366 Fifth Avenue, New York

The Bank Doorway

Illustrated by Examples of the Author's Work

By ALFRED C. BOSSOM, Bank Architect and Equipment Engineer

THE author of this article was trained for his profession not only here, but in England and France. He has designed innumerable bank and office buildings all over the United States, and has the unique distinction of being the first bank specialist to get together in one organization experts in all the branches of a bank's requirements covering general architecture, the efficiency equipment and the security vault work, so as to provide the banker with everything he needs from the one headquarters of design.

He has carried out the same principles in bank designing that have been carried out by the steel trust. That is, he starts with the raw material and ends with a complete and finished product.



ALFRED C. BOSSOM

NOT so many years ago it appeared as though it were more important for a bank to have a bronze or near-bronze door than it was to have a secure vault. It mattered not its form or surrounding, but like the what-not in the parlor no bank was complete without one.

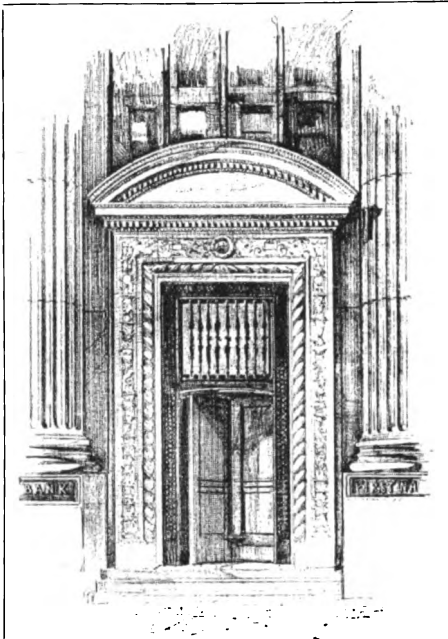
Times have changed and now every bank strives for individuality and practicability in conjunction with comfort for its clients, and the doorway provides a great opportunity of advantageously carrying out these principles.

As the face is to the man so is the doorway to the bank.

It is the first point to attract atten-

tion and of necessity it has to be seen at close range, and consequently impresses itself more upon the client or possible client than any other detail of the entire structure. Hence it is exceedingly valuable as a medium of latent advertising; so much so that the modern banker should always require his architect to give him the full advantage of this feature in the bank's new building.

This advertising value may not only be created by the door's architectural individuality, but also by making it very easy—in fact, exceedingly easy—no great heavy doors to struggle with. The bank's doorway should be provided with



Doorway of the First National Bank of Richmond, Va.

FORMING one of the two adjoining bank entrances to the twenty-story building of the First National Bank of Richmond, Va., both doors leading in to the main lobby. The doors are richly carved and are located between monumental Corinthian classic columns. The doors are of the revolving Van Kannel type.



Greenwich Trust Co., Greenwich, Conn.

DOORWAY of granite and bronze. In addition to the clock over the door, there was a clock set in the floor of this entrance, adding to its unique appearance.

the least possible number of steps, liberally wide enough to allow all users to pass in and out without hindrance, inconvenience, and without the fear that the door may swing back and strike them.

Architecturally doors do create a distinct note along a thoroughfare, and for this reason it is safe to say that more detail study is and should be given to the door than any other individual detail of the building—the Old World is ransacked for suggestions and ideas and the more interesting and distinctive these are the greater becomes their desirability.

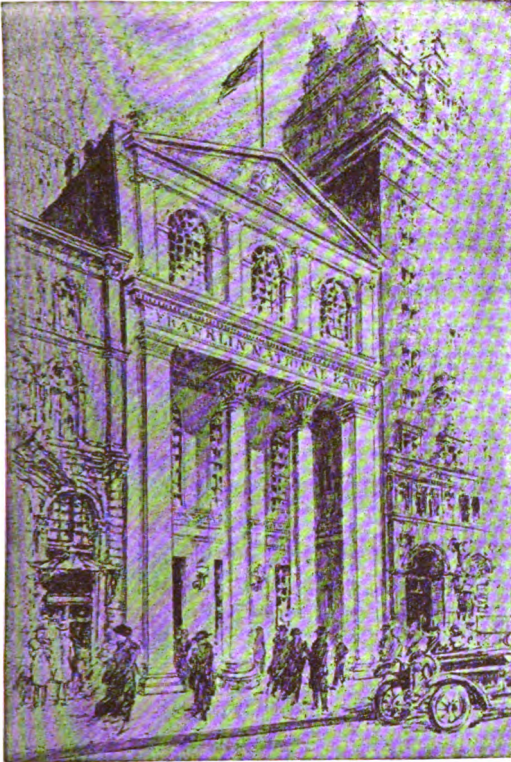
Italy has supplied the motif perhaps for more doors in the United States than any other old country. The monumental buildings of Florence, Venice or Rome possess that symbolic, sturdy self-reliance that we have learned to feel our banks in the U. S. A. stand for.

Many and many a bank building is



Doorway of the Fidelity Bank of Durham, N. C.

DOORWAY of metal inserted in a Venetian limestone surround. Here bronze and iron were used in conjunction and the general treatment of the facade was uninterrupted, and yet the door provided the necessary conspicuous color note to make itself readily seen.



Chestnut Street west of Broad

ORGANIZED in 1900,
The Franklin National
Bank of Philadelphia has
capital of one million dollars,
surplus and profits of four
and a half million dollars,
and total resources of over
seventy million dollars,—
a record of growth, sub-
stantial and unequalled.

Foreign Credits

Many considerations govern the successful entry of American business in foreign trade. Chief of these have to do with finance and credits. Through our twenty-three branches in South America we are in a position to furnish trade and credit information on foreign markets and act for you in any capacity where a bank specializing in foreign business can be of service.

Our Service in Europe

England, France and Spain are completely covered by eight of our own offices. Correspondents are located in all other parts of the world. Thus we are enabled to offer the broadest kind of foreign banking service. Our facilities are at your disposal through the medium of your own bank, if you so desire.

Write for Booklet "Collection Tariff."

Anglo-South American Bank

Head Office
London

Limited

Capital and Reserves
Over \$32,000,000

New York Agency, 49 Broadway

F. C. Harding, Agent

W. M. Dawkin, Sub-Agent

designed around the door, its location and size determining the scale of the building, and if it be handled suitably it can actually, by the interest it has in itself, excite the curiosity of the passer-by to step in and seek further interesting surprises within; and, once within, the banker can safely be relied on to do the rest.

Mystery or secrecy in banking is no longer indulged in; the officers to-day pride themselves on their accessibility to the public. They like to be near the door, and they are proud of the fact that the bank is busy and doing business—and here again the door can aid most materially by being so designed that all passers-by can see right into the bank and know it is actually a very busy place. This again brings up a further point wherein the door can create an additional interest for the banking house.

By so locating the main vault door in



Doorway of the Asia Banking Corp., 35 Broadway, New York City

COMPOSED of carved concrete stone and equipped with a Van Kannell revolving door. The design is based on a famous classic example and lends itself to a most dignified treatment.



Office Building Entrance of the Fidelity Bank, Durham, N. C.

DOORWAY of carved Indiana limestone based on one of the most famous examples of Italy's Florentine doors.



Doorway of the First National Bank of Bound Brook, N. J.

CONSTRUCTED of limestone with metal doors which fold back, allowing free view of the bank lobby and vault. This door was based upon a very pure Greek Ionic type of architecture and is the only ornamentation on the entire front of this building.



Doorway of the Columbia Trust Company's
Bronx Branch, New York City

METAL and glass door surrounded by carved limestone, the limestone being in very flat relief carved in a wide Cyma moulding. The doors are opened back during the day to allow free and ready access to the quarters within.



Doorway of the Peoples Bank of
Harrisonburg, Virginia

BUILT of limestone and based on the massive Roman type of architecture. It affords a particularly dignified and attractive type of bank entrance.

alignment with the entrance during the bank's closed hours, provided the door is transparent, it gives an interesting vista of the huge vault door, which a layman is never tired of looking at, and by so doing creates a sense of security that the frankest publicity alone can provide.

From the author's actual experience extending over both America and Europe, having designed over half a hundred different banking houses, it is safe to say that the doorway must be conspicuous to be satisfactory—artistically so—and it must create the feeling of spaciousness and bigness befitting the scale and dignity of the building it adorns; but the door itself must not be too big. It preferably should be rather small to make it very readily handled, and with a separate leaf for the incoming and another for the outgoing customers.

Good hinges are most important—

clear glass desirable. An open lattice gate in front of the main door will provide the protection, while proper push-bars, metal kick-plates, kept scrupulously clean, all tend to invite the particular, the infirm and the man in a hurry. Handles or latches should be avoided—they hinder free use.

Lastly, the name, date or inscription of the institution can be arranged suitably over the door and again at the eye level, where every user is bound to see it, and the banker who does not wish the name of his bank known must be ashamed of it, and this kind has never yet crossed the author's path.

The doorway's possibilities are increasing rapidly, and if all advantages are taken it can form one of those subtle attractions and advertising agencies that work day in and day out for three hundred and sixty-five days in the year at no cost whatever after once being completed.

Royal Bank of Canada's New Building in Havana

FITTINGLY commemorating its twenty years of progress in Cuba, the Royal Bank of Canada has issued a handsomely printed and illustrated booklet, partly in Spanish and partly in English, featuring its new and fine building in Havana.

The Royal Bank of Canada was the first foreign banking institution to open a branch in Cuba after the conclusion of the Spanish-American War, its Havana office having been established on January 4, 1899. The number of its branches in Cuba has been steadily increased since that date twenty years ago until it now has a complete chain of

twenty-nine offices from one end of the island to the other.

It is interesting to recall that in 1904 the Royal Bank of Canada was appointed agent of the Government of the Republic of Cuba for the distribution throughout the island of \$31,000,000 awarded to the Army of Liberation, or fifty per cent. of the amount of the soldiers' claims. This commission was executed so satisfactorily that in the following year the arrangement was extended to the distribution of the remainder of the award, namely, a further \$30,000,000, or \$61,000,000 in all.



J. R. BRUCE

Supervisor in New York of General Southern Business, Royal Bank of Canada



F. J. BEATTY

Supervisor in Havana of Cuban Branches, Royal Bank of Canada



Exterior of New Havana Premises, Royal Bank of Canada

PERSONNEL OF THE HAVANA BRANCH

It is learned from the bank's booklet that the managers in Havana in 1899 were W. F. Brock and the former Acting United States Consul and Consul General for Cuba, J. A. Springer. Mr. Brock was succeeded in Cuba by F. J. Sherman and O. A. Hornsby, the lat-

ter now being president of the Trust Company of Cuba. In 1907 Mr. Sherman was appointed assistant general manager of the bank, but remained in Cuba until early in 1912. Much of the success of the bank on the island is due to the efforts and personality of Mr. Sherman. The latter was succeeded by C. E. Mackenzie as

supervisor of Cuban branches on November 1, 1911, an appointment which he continued to hold until June, 1914, when he was transferred to Montreal as chief inspector, subsequently becoming one of the bank's agents in New York. J. R. Bruce followed Mr. Mackenzie, remaining in Cuba until June, 1915, when he became supervisor in New York of general southern business. T. F. Dever succeeded him, but was transferred to Barcelona, Spain, in 1917, to open a branch of the bank in that city, and the present supervisor of Cuban branches, F. J. Beatty, was appointed. The present joint managers of the Havana Branch are R. de Arozarena and F. W. Bain, whose portraits are presented herewith.

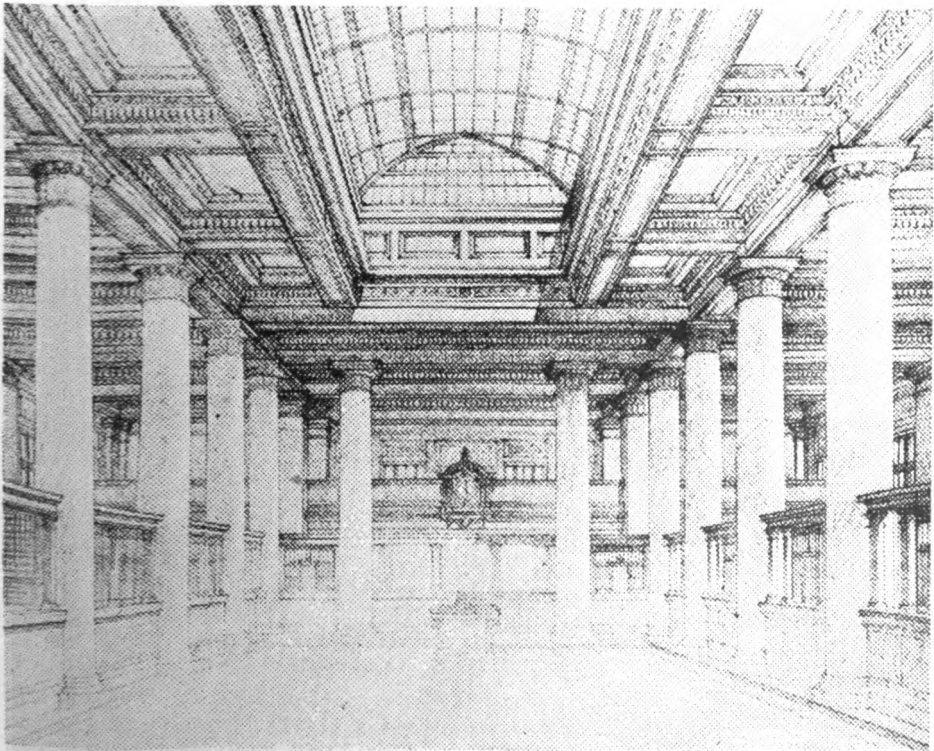
THE NEW BUILDING IN HAVANA

The new premises of the Royal Bank of Canada at the corner of Obrapia and Aguiar streets are nearing completion,

and it is hoped that they will be occupied in July. Illustrations of the exterior and interior of the building, presented in these pages, show it to be of the latest and best type of bank construction.

The new building is a seven-story structure. The first floor will be occupied by the bank and the second, third, fourth, fifth and sixth floors will be devoted to modern spacious offices to be rented to prominent local firms. The seventh floor has been specially designed for a luncheon club organized by representative bankers, merchants and professional men of Havana.

The exterior of the new building is treated in a rather severe, classic style. The architects have tried in their designs to express in a fitting and dignified manner both the use, and the character and stability of the institution which the building represents. The same restraint, which is in the design of the



Main Banking Floor of New Havana Premises, Royal Bank of Canada

exterior, is carried out in the banking-room interior. The banking counter is of Tavernelle marble with bronze screens. The wainscoting and check

country, and very different from the usual gloom of corridors in northern office buildings.

BRANCHES IN VARIOUS COUNTRIES

The Royal Bank of Canada, according to the latest statement, have now no less than 576 branches throughout Canada, Newfoundland, the West Indies, in Central America and along the Northern seaboard of South America. Branches are shortly to be opened in the principal cities of the Argentine Republic, Brazil, and Uruguay. The Canadian staffs for offices at Rio de Janeiro, Montevideo and Buenos Aires are already in the South. Announcement was made recently of the opening of the bank's agency in Paris. This office is being



F. W. BAIN
Joint Manager Royal bank of Canada,
Havana Branch

desks are also carried out in the same marble. The offices are equipped with vaults for currency, safe-deposit boxes and books. Modern labor-saving devices are also provided, such as a carrier system, intercommunicating telephones, lockers and dressing rooms, and a filter system for drinking water. The public lobby is covered by an ornamental skylight of stained glass which admits light from the patio occupying the centre of the building through all the floors above the banking room. The necessity of having a free circulation of air through the offices has been taken into careful consideration. Not only has the entire building been kept away from the surrounding structures, leaving a seven-foot passageway, but as mentioned above, the corridors which are wainscoted in white marble have a light open character, quite in keeping with the



R. DE AROZARENA
Joint Manager, Royal Bank of Canada

operated under the name of "The Royal Bank of Canada (France)" and is located at 28 Rue du Quatre-Septembre.

The Royal Bank of Canada recently entered into a close reciprocal arrange-

ment with the London County Westminster & Parr's Bank, Ltd., one of the strongest, oldest established and most important of the English joint-stock banks. It has over 700 branches throughout England and Wales and affiliations in Scotland and Ireland, also

branches in Spain, Belgium and France. The arrangement should have very far-reaching and beneficial results in the development of business between Canada and the West Indies and the leading centres of European trade and commerce.

New Home of the Charlotte National Bank

THE new building of the Charlotte National Bank of Charlotte, N. C., which will be opened about August 1st, is an entirely granite monumental structure, built of Mt. Airy granite and adorned with large bronze plaques on the exterior, which are replicas of famous classic coins of the period of architecture on which the building is based.

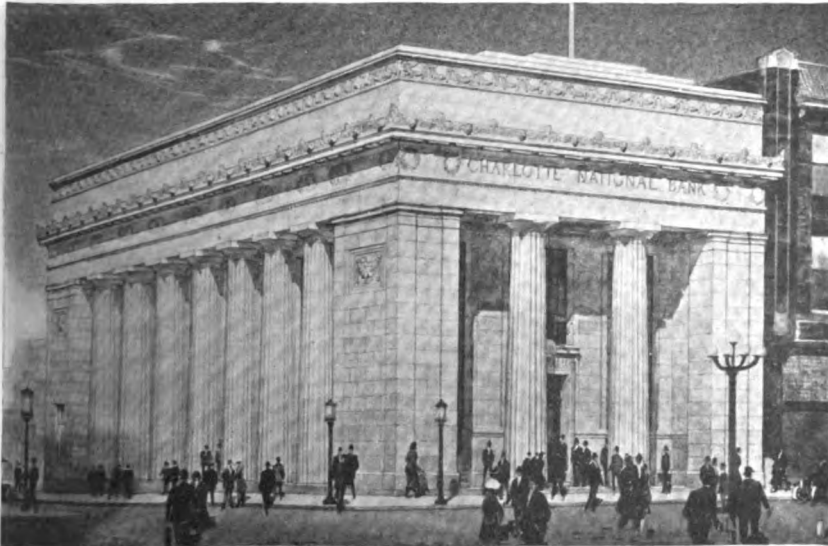
The columns are the largest granite shafts in any bank in either the Virginias or the Carolinas.

Internally the banking rooms are finished with Botticini marble in severe

classic detail and every convenience for customers and employees has been introduced.

The vault equipment is the heaviest and of the latest type available and no effort or expense has been spared by John Scott, the president; W. H. Twitty, cashier, or W. J. Chambers, chairman of the building committee, to make this the very last word in bank construction.

The Architect and Equipment Engineer and Vault Expert retained was Alfred C. Bossom, New York City.



Charlotte National Bank, Charlotte, N. C.

Labor and Capital Getting Together

By HON. W. C. REDFIELD, Secretary of Commerce

WE have just fought a great war. For what purpose? Not to make us rich or powerful or to extend our territories. Not for the purpose of enlarging our trade, but simply because there was hideous selfishness in the world that took such form and did such things that it became our duty to do what we could to destroy it.

Those who were in the army on the other side say that there was in our boys a wonderful spirit. It was not formulated. They did not call it patriotism, or religion. But it certainly was the spirit of sacrifice—of a tough job done at great risk that the world might be safe for our wives, mothers, sisters and daughters, and that things generally might be cleaned up. Many of our boys from the mills, from the factories, and from all industries were over there, all with the same purpose. Their former bosses were, many of them, on the job, there and here, forgetting their earnings, ignoring their mills, putting their surplus into Government bonds, working without salary in the same cause.

Thus, one common spirit was over all. Side by side in our drafted regiments were men of all sorts and conditions. The son of a cultured family in my old home led a group of East Side boys who spoke many tongues. Yet there was a common spirit. I think—I believe I am not mistaken—I think I have seen and heard it in the hearts and on the lips of men and in their deeds since. I believe that something of that common spirit has shed itself abroad, is shedding itself abroad throughout our industry; that in the mind and judgment of the leader is a more definite understanding of and sympathy with the man at the bench and machine; something a lit-

tle more intimate, something a little more appreciative, something really more human. I think it is so. If it is so, it is the greatest thing that has happened to America—greater than the war, and infinitely worth the war.

What does this all mean, reduced to practice, for we are a practical folk and we want to know whether this can be reduced to items of the day's work or not? First, I hope it means a more open mind between the industrial leader and the men whom he leads. I think it has meant already clear progress on the part of employers toward understanding the thoughts and the lives of the men they employ.

Among the greatest arts of employment is that of getting at the other's viewpoint. Many of our troubles, whether trifling or large, come from a failure to understand what the other fellow wants, to comprehend just how he looks at things, and from the failure to understand that an aspiration which we have is not wrong when the other fellow has it. I think I have known men in certain positions to seek an increase in their own salary, while at the same time they would object to a workman looking for a dollar a day more. I know I have heard of superintendents who objected to continuing the piecework rate because the men, as he thought, earned too much. I have friends to-day who do not realize, in their sincere arguing of the relative rights of capital and labor, and in their equally sincere effort to secure the rights of capital as they see them, against what they regard as the encroachments of labor, that they are looking at the thing quite superficially from the standpoint of legality and controversy, whereas it is a matter which

should be dealt with, and only can be finally dealt with, from the standpoint of a common spirit.

Yet the progress of this nation of ours in the world depends upon our unity of

spirit, upon the recognition by men of their obligations one to another, their opportunities for service one to another, and not supremely upon the enforcing of their rights one over the other.

A Good Form of Bank Statement

STATEMENT of condition, the Commercial National Bank of Washington, D. C., May 12, 1919:

RESOURCES	
Federal Reserve Bank Legal Reserve	\$793,712.41
Other banks and U. S. Treasurer	737,363.72
Cash and cash items	932,016.34
	\$2,463,092.47
Overdrafts	1,700.15
Loans and discounts	\$7,046,189.03
Less discount and interest suspense	34,412.10
	7,011,776.93
U. S. Government war issues	\$2,353,300.00
Other U. S. Government bonds ..	1,075,000.00
Stocks and bonds ..	1,766,556.61
Accrued interest on securities ...	41,806.00
	5,236,662.61
Bank premises ...	\$1,220,831.60
Other real estate ..	67,787.99
	1,288,618.89
	\$16,001,851.05
LIABILITIES	
Deposits (net) ..	\$12,671,649.14
Interest accrued thereon	36,474.70
	\$12,708,123.84
Bills payable (secured by Government war issues)	500,000.00
Circulation	973,300.00
Reserve for taxes, expenses, etc.	39,741.92
Bonds borrowed	127,000.00
Capital stock	1,000,000.00
Undivided profits ..	653,685.29
	1,653,685.29
	\$16,001,851.05

The presentation of the bank's assets and liabilities in the above order is illustrative of conformation to recognized principles of the best accounting practice of the day. Heretofore the order of accounts generally shown in bank statements lacked relative positions as between assets and liabilities, grading in relative degrees of liquidity among assets and grading of urgency among liabilities. For instance, the old order showed capital stock the first liability—it is absolutely the last to be liquidated. It has so little relation therein to loans (the asset usually shown first) as to negative comparison. Cash, loans and investments usually bear some general relation to deposits and the "set up" in this form shows that relation.

One of the old evils—inflation of totals so invidiously pursued by the average banker—has been eliminated in the Commercial's statement. Unearned discount is deducted from loans in order to show liquid figures for that asset. Any bank conforming to the Comptroller's ruling in regard to the very important items: Discount collected but not earned; interest earned but not collected; interest accrued payable, etc., is able to publish such figures at any date.

In such a statement the final figure (before the footing of liabilities) represents something of decided interest to the owner of the bank's shares. If there has been sufficient reserve created for bad debts, depreciation in securities and other assets, the figure represents

net liquidating worth. It takes no cognizance of good will—an indeterminate asset quite proper in some lines, rarely on bank books.

The "set-up" of the figures presents something concise and understandable. Percentages of grouped assets to either total assets or relative liabilities are almost obvious and the general form of

the statement might well be followed by any bank.

In the order given the accounts there is very close conformity to the new daily balance-sheet used by all Federal Reserve Banks, responsibility or credit for which, as well as to the above form, we understand is traceable to a single banker.

Plans for the Bankers Convention at St. Louis

PRELIMINARY arrangements are being made for the forty-fifth annual convention of the American Bankers Association, which will be held at St. Louis the week of September 29.

Probably no city in the country entertains bankers' conventions more frequently than St. Louis. The Missouri Bankers Association meets there almost yearly, so that the St. Louis bankers will be equal to the occasion of entertaining the American Bankers Association with typical St. Louis hospitality and with a complete attention to details.

The local committee decided on selecting the three well known first class hotels for headquarters, with general registration in each of these hotels: The Statler, Jefferson, and Planters. The local Hotel Committee will assign reservations of rooms as follows: Hotel Statler: Executive Council, A. B. A. officials, commissions and committees, Trust Company Section, State Secretaries Section. Hotel Jefferson: Savings Bank Section, State Bank Section. Planters Hotel: National Bank Section, Clearing House Section.

All applications for hotel accommodations must be made through A. C. White, manager, St. Louis Clearing-House, St. Louis, Missouri. Mr. White is chairman of the local hotel committee. The committee requests that as far as possible bankers who will not be accompanied by their wives, endeavor to join with other banker friends in asking for a double room. This will enable the Hotel Committee to take care of a larger number of people in the better hotels of St. Louis.

The administrative committee at its recent meeting at White Sulphur Springs adopted the following plan for the various meetings at St. Louis:

Monday, September 29: Committee meetings, morning; section meetings, afternoon; Executive Council, evening.

Tuesday, September 30: General Convention, opening session, morning; section meetings, afternoon.

Wednesday, October 1: General Convention, morning; section meetings, afternoon.

Thursday, October 2: General Convention, morning and afternoon.

Book Reviews

COMMERCIAL RUSSIA. By W. H. Beable. The Macmillan Company, N. Y. 278 pages.

This book has been written for the manufacturer who desires to know Russia from a business standpoint.

The author describes the commercial possibilities of the country, discusses the prospects of different lines of business, and indicates the methods best suited to individual circumstances. Index and a map.



A BANK'S BEST ASSET. By C. Maclaren Freeman. Federal Banking Service, Inc., Washington, D. C. 152 pages.

This is a study of personality as the outstanding factor of importance in permanent bank development.

It is non-technical, practical and full of suggestions for the upbuilding of morale in a banking house, thus insuring better and more business.



PROBLEMS OF RECONSTRUCTION. By Isaac Lippincott. The Macmillan Company, New York. 340 pages.

In this volume the author discusses the industrial reconstruction problems.

Some of the chapters are: The need of reconstruction; war control of food, fuel and labor; economic results of the war; reconstruction in foreign countries, and a reconstruction plan for the United States.



GOVERNMENT OWNERSHIP OF PUBLIC UTILITIES IN THE UNITED STATES. By

Leon Cammen. McDavitt-Wilson's, New York. 142 pages.

This book presents a general discussion of the question of government control of industries. Arguments for and against are considered.

The author discusses the economic and political sides and shows that our democratic business methods and ideals would be endangered if controlled by an autocratic central authority.



NEW YORK STOCK EXCHANGE. By H. S. Martin. F. E. Fitch, 47 Broad St., New York. 277 pages.

This is a description of the Stock Exchange and a discussion of the business done.

The relation to other business is shown, also investment, speculation and gambling. Safeguards provided by the exchange and the means taken to improve the character of speculation are clearly and specifically set before the reader.



TRADING WITH THE FAR EAST. Compiled by the Irving National Bank, New York City. 261 pages.

This volume endeavors to provide an interpretation, for commercial purposes, of present conditions in the Orient with a general analysis of trade opportunities.

Practical suggestions from several prominent exporters have been incorporated, analyzing situations and outlining effective solutions. 261 pages.

AMERICAN BUSINESS IN WORLD MARKETS. By James T. M. Moore. G. H. Doran Company, New York. 320 pages.

An authoritative book for the American business man, written by one who has had world-wide commercial experience extending over many years.

The book is in four parts, as follows:

Where American business stands at home after the war upheaval.

The scientific method in business.

How to develop export trade.

An alternative for export trade.

MONEY AND PRICES. By J. Lawrence Laughlin. Charles Scribner's Sons, New York. 314 pages.

The author presents an untechnical study of the problem of prices and their regulation, with an interpretation of their controlling forces.

The treatment is such that the general reader can readily grasp the workings of the fundamentals of the principles of money in recent decades.

Some of the chapters are: Gold and prices after 1873; changes in prices since 1896, and the monetary commission of 1897.



National Bank of South Africa

IN a cablegram received by R. E. Saunders, New York agent of the National Bank of South Africa, head office, Pretoria, appears the following information:

At the annual meeting of the shareholders of the National Bank of South Africa, held at their head office in South Africa, the balance sheet figures for the fiscal year showed paid-up capital \$14,325,000; deposits, \$202,605,000; notes in circulation, \$15,350,000; cash assets, \$51,370,000; investments, \$23,875,000, all gilt edged and including \$15,000,000 in short-term British Treasury Bills written down to market quotations; bills of exchange, \$46,050,000; liquid assets, \$121,300,000, representing fifty-four per cent. of the bank's liabilities to the public; bills discounted, loans, etc., \$121,850,000. These figures show substantial increase in all departments. The net available profit including carry forward was \$2,365,000 after allocating \$250,000 to reduction of bank premises

which now stand at \$3,830,000, and after making full provision for bad and doubtful debts.

A dividend of six per cent. and a bonus of one per cent. have been declared, absorbing, with dividend already paid, \$1,000,000. An allocation of \$250,000 to pension fund has been made and \$1,000,000 to reserve fund, making it \$5,250,000, leaving \$116,000 to carry forward.

In his annual address the chairman surveyed mining, farming and commercial industries, dwelling at length on the progress of the latter, which now show a total of upward of 5000 factories representing \$255,000,000, giving employment to 114,000 people. The bank has become interested in the establishing of the National Industrial Corporation of Africa, Ltd. The chairman intimated the hope of the bank to inaugurate a system whereby the staff will be more closely identified with the interests of the institution they serve.

Bank Advertising Exchange

Those listed herewith are willing to exchange booklets, folders and other advertising matter issued by them. Subscribers can get on this list free of charge

Watch for New Names and Other Changes

A

Adams, F. R., Will County National Bank, Joliet, Ill.
American National Bank, Pendleton, Oregon.
American Savings Bank, Springfield, Mo.
Anley, D., c/o Central Trust Co., San Antonio, Tex.

B

Bader, A. F., assistant cashier, Old State National Bank, Evansville, Ind.
Baker, I. W., Mgr., Advertising Dept., Guardian Savgs. and Tr. Co., Cleveland, Ohio.
Bailey, C. W., cashier, First National Bank of Clarksville, Clarksville, Tenn.
Banco Mercantil Americano Del Peru, Lima, Peru, S. A.
Banks Magazine, The, New York.
Bauder, Ray E., manager new business department, National City Bank, Chicago, Ill.
Baughner, E. M., president, The Home Building Association Co., Newark, O.
Bennet, H. D., assistant cashier, Capital National Bank, Lansing, Mich.
Bernheim, E., Ph.D., Foreign Dept., The National Shawmut Bank of Boston, Boston, Mass.
Bize, L. A., president Citizens Bank and Trust Co., Tampa, Fla.
Boilman, H. C., cashier, First National Bank, Collinsville, Okla.
Branham, D. R., director publicity, Hellman Commercial Trust and Savings Bank, Los Angeles, Cal.
Brooks, T. J., vice-president, The Guaranty Trust and Savings Bank, Jacksonville, Fla.
Brown, R. A., assistant cashier, Citizens National Bank, Raleigh, N. C.
Bunch, F. E., cashier, Merchants and Farmers Bank, Statesville, N. C.
Burton, E. C., vice-president, Penn National Bank, Chester, Pa.

C

Conhaim, Herbert J., publicity manager, Fort Dearborn National Bank, Chicago, Ill.
Cox, Ray, cashier, American Savings Bank, Springfield, Mo.
Crowson, M. Clarence, cashier, Home Banking Co., High Point, N. C.
Cubbreth, Eugene E., Commercial National Bank, Raleigh, N. C.

D

Davis, Clark B., Asst. Secy., Franklin Tr. Co., 166 Montague St., Brooklyn, N. Y.
Dayton, T. S., publicity manager, Guaranty Trust Co., New York City.
Delly, H. E., Tradesmen's National Bank, Philadelphia, Pa.
Dysart, W. R., assistant cashier, First National Bank, Ripon, Wis.

E

Eberspacher, J. C., assistant cashier, First National Bank, Shelbyville, Ill.
Ekirch, A. A., secretary, North Side Savings Bank, New York City.
Ellsworth, F. W., vice-president, Hibernia Bank & Trust Co., New Orleans, La.

F

Finch, E. W., assistant cashier, Birmingham Trust and Savings Co., Birmingham, Ala.
Fisher, C. J. (Miss), Hoggson Bros., 485 Fifth Avenue, N. Y. C.

G

Germo, Eleanor, manager publicity department, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
Grimm, H. B., director, Department of New Business, Ft. Joseph Valley Bank, Elkhart, Indiana.
Groves, J. W., advertising manager, Minnesota Loan and Trust Co., Minneapolis, Minn.

H

Hall, J. Comly, Farmers and Mechanics Trust Co., West Chester, Pa.
Hamsher, C. F., president First National Bank, Los Gatos, Cal.
Haskell, E. G., Barnett National Bank, Jacksonville, Fla.
Hatton, E. A., cashier, First National Bank, Del Rio, Tex.
Hillyer, E. L., secretary, Union Trust Co. of D. C., Washington, D. C.
Hoagland, Jessamine G., publicity manager, National City Bank, Chicago, Ill.
Hoffman, A. C., manager, department of publicity, The Security Trust & Savings Bank, Los Angeles, Cal.
Hokanson, N. M., advertising manager, State Bank of Chicago, Chicago, Ill.
Holdam, J. V., advertising manager, Chattanooga Savings Bank, Chattanooga, Tenn.
Hunter, Harold G., Secy and Treas., Kansas City Terminal Trust Company, Kansas City, Mo.

I

Imhoff, Charles H., vice-president, Union National Bank, Newark, N. J.

J

Jarvis, Charles D., publicity manager, Savings Bank of Utica, Utica, N. Y.
Jensup, Theodore, assistant cashier, Woodlawn Trust and Savings Bank, 1204 E. 63rd Street, Chicago, Ill.
Johnson, E. W., Warren National Bank, Warren, Pa.
Jones, Marshall H., Asst. Cashier First and Citizens National Bank, Elizabeth City, N. C.

K

Kahn, A. T., vice-president, Commercial National Bank, Shreveport, La.
Keller, C. E., Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
Kittredge, E. H., publicity manager, Old Colony Trust Co., Boston, Mass.
Kommers, W. J., vice-president, Union Trust Co., Spokane, Wash.

L

Lanier, E. W., Asst. Treas., United States Tr. Co., Jacksonville, Fla.
Lannig, Edgar R., advertising manager, Hibernia Bank and Trust Company, New Orleans, La.
Logan, John, cashier, Columbus State Bank, Columbus, Mont.
Lovett, W. R., Atlantic National Bank of Jacksonville, Jacksonville, Fla.

M

McCorkle, Josephine C., Publicity Manager, The City National Bank, Evansville, Ind.
 McDowell, J. H., c/o American Trust and Banking Co., Chattanooga, Tenn.
 Mann, Ralph H., treasurer, Park Trust Co., Worcester, Mass.
 Marvel, Charles S., cashier, The First-Second Savings and Trust Co., Akron, O.
 Matthews, Dave S., advertising manager, Farmers and Merchants Bank, Stockton, Cal.
 Matthew, H. B., advertising manager, S. W. Straus & Co., 150 Broadway, New York City.
 Mead, Harold O., Asst. Cashier, The Bkg. Corporation of Montana, Helena, Mont.
 Merrill, Frank, advertising manager, The Northwestern National Bank, Minneapolis, Minn.
 Meyer, A. J., publicity department, Union Trust Co., Rochester, N. Y.
 Mills, W. C., New Business Department, Metropolitan Trust Co., 60 Wall Street, New York City.
 Moniteur des Interets Materiels, 27 Pl. de Louvain, Brussels, Belgium.
 Muralt, Henry de, secretary, Swiss Banking Association, Zurich, Switzerland.

N

Nye, Frank T., cashier, First National Bank, Northboro, Iowa.

O

Overton, J. A., cashier, The National Bank of Smithtown Branch, Smithtown Branch, N. Y.

P

Pierce, Matthew G., publicity manager, Harris Trust and Savings Bank, Chicago, Ill.
 Poole, John, president, Federal National Bank, Washington, D. C.
 Potts, W. W., secretary and treasurer, The Federal Title and Trust Co., Beaver Falls, Pa.
 Pratt, Thomas B., Henry L. Doherty and Company, 60 Wall St., N. Y. C.

R

Raven, F. J., American Oriental Banking Corporation, Shanghai, China.
 Reid, Carol S., publicity manager, The People's Bank, Ltd., Hilo, T. H.
 Powell, V. M., cashier, Home Savings Bank, Brooklyn, N. Y.
 Ruff, William J., cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

S

Sacramento Bank, Sacramento, Cal.
 Schlenker, Almot, cashier, First National Bank, Brenham, Tex.
 Scott, Walker, vice-president, Virginia Trust Co., Richmond, Va.

Shepherd, George W., c/o International Trust Co., Boston, Mass.
 Shoven, A. M., cashier, Kankakee County Trust and Savings Bank, Kankakee, Ill.
 Smith, A. C., vice-president, City National Bank, Clinton, Iowa.
 Smith, Allen T., manager Special Service Department, Industrial Savings Bank, Flint, Mich.
 Staker, F. M., manager, safe deposit department, Commerce Trust Co., Kansas City, Mo.
 Starr, E. L., publicity manager, Wachovia Bank and Trust Co., Winston-Salem, N. C.
 Stein, Rudolph, assistant cashier, John Nemeth State Bank, New York City.
 Stewart, F. E., 1505 Jefferson St., Toledo, O.
 Stoner, T. H., cashier, The Peoples National Bank, Waynesboro, Pa.
 Stover, J. C., secretary-treasurer, Indiana Savings and Loan Association, South Bend, Ind.
 Sutton, Frederick T., Publicity Mgr., Mercantile Bank of the Americas, 44 Pine street, New York.

T

Taylor, C. E., Jr., president, Wilmington Savings and Trust Co., Wilmington, N. C.

V

Van Blarcom, Wessels, assistant cashier, Second National Bank, Paterson, N. J.
 Van Name, Miss M. L., 515 Stephen Girard Building, Philadelphia, Pa.

W

Wadden, John W., president Lake County Bank, Madison, S. D.
 Wilkes, W. H., assistant to the president, National Bank of Commerce, St. Louis, Mo.
 Williams, F. H., treasurer, Albany City Savings Institution, Albany, N. Y.
 Williams, J. E., assistant cashier, Third National Bank, Scranton, Pa.
 Winship, Addison L., vice-president and manager, New Business Department, National Shawmut Bank, Boston, Massachusetts.

Z

Zimmerman, Frank A., treasurer, Chambersburg Trust Co., Chambersburg, Pa.
 Zimmerman, Paul E., cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAMES

Hodgins, J. H., Statistical Dept., Union Bk. of Canada, Toronto, Canada.

Keep us in touch with your publicity work. Each month current advertising is reviewed and commented upon, ads are reproduced and criticised in **BANKING PUBLICITY**



Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



UNION COMMERCE *National Bank* OF CLEVELAND

Capital, Surplus and Undivided
▼ Profits \$7,500,000.00 ▼

BANKS and bankers desiring a Cleveland connection will find our facilities complete for every form of commercial banking service.

Calls and correspondence are invited relative to local, national, and international requirements.

OFFICERS

WARREN S. HAYDEN	Chairman	HARRY E. HILLS	Asst. Cashier
GEORGE A. COULTON	President	CARL R. LEE	Asst. Cashier
GEORGE S. RUSSELL	Vice Pres.	FRANK A. WHITE	Asst. Cashier
WILLIAM E. WARD	Vice Pres.	FRED W. COOK	Asst. Cashier
CHARLES L. BRADLEY	Vice Pres.	GEORGE Q. HALL	Asst. Cashier
ELMER E. CRESWELL	Vice Pres.	EZRA W. BOURNE	Asst. Cashier
WALTER C. SAUNDERS	Cashier	JAMES DUNN, Jr.	Mgr. Income Tax Dept.

UNDER JOINT OWNERSHIP WITH
THE CITIZENS SAVINGS AND TRUST CO.
COMBINED RESOURCES OVER \$145,000,000.00

Banking and Financial Notes

FRENCH-AMERICAN BANK OPENS FOR BUSINESS

One of the newest developments in the international financial and trade situation has been the formation in this city of the French-American Banking Corporation, which opened for business on July 1 at No. 65 William street. The organization of the new bank is the outcome of an alliance between the National Bank of Commerce in New York, the First National Bank of Boston and the Comptoir National d'Escompte of Paris for the purpose of fostering and developing better and closer business relations between the United States and France.



Maurice Silvester
Our first President

Merchants National Bank
RICHMOND, VA.

Capital \$400,000
Surplus and Profits over 1,600,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"

The French-American Banking Corporation is unique in that it signals the drawing together of European and American financial interests for mutual benefit and business understanding. Half of the capital stock is held in France by the Comptoir National d'Escompte and the other half held equally by the two American banks. It is incorporated under the laws of New York State and has a capital and surplus of \$2,500,000.

The purpose of the organization is to provide for American merchants and manufacturers fullest facilities for an international banking service in France, and to engage in a general foreign banking business. The French stockholding bank is one of the largest and most powerful banks in that country and has more than two hundred branches in the most important industrial and commercial centers of the Republic.

By this arrangement American business men obtain the benefit of the experience and connections of the native French bankers that could be given in no other way.

The officers of the organization include Maurice Silvester, president; Roger P. Kavanaugh, vice-president and treasurer; John E. Rovensky, vice-president; F. Abbot Goodhue, vice-president, and Thomas E. Green, secretary. On the board of directors are James S. Alexander, president National Bank of Commerce in New York; Paul Boyer, president Comptoir National d'Escompte de Paris; Paul Fuller, Jr., of Messrs. Coudert Bros., New York; F. Abbot Goodhue, vice-president First National Bank, Boston; Maurice Lewandowski, manager Comptoir National d'Escompte de Paris; Edgar Llewellyn, manager Comptoir National d'Escompte de Paris; John E. Rovensky, vice-president National Bank of Commerce in New York; Maurice Silvester, president

The Selection of Your Bank

is not a matter of minor importance.

The fact is an added reason for serious consideration of this invitation for your account from an institution that is a landmark in American banking.

We are seeking new business on our record.

The Chemical National Bank of New York

(Established 1824)

French-American Banking Corporation; Stanislas Simon, managing director, Banque de l'Indo Chine, Paris; Harry B. Thayer, president Western Electric Company; Daniel G. Wing, president First National Bank, Boston; Owen D. Young, vice-president General Electric Company.

MR. HARRISON BECOMES EXECUTIVE MAN- AGER OF N. Y. SAVINGS BANK ASSOCIATION

Milton Harrison, secretary of the Savings Bank Section of the American Bankers Association since May 1, 1915, has resigned that office to become executive manager of the Savings Banks Association of the State of New York. The resignation becomes effective September 1st.

Since Mr. Harrison took up the work of the Savings Bank Section he has made a name for himself in numerous activities connected with the savings

institutions of the United States, particularly in regard to the promotion of habits of thrift and industry among the people. He took a prominent part in organizing and perfecting the campaign for the sale of war savings stamps, spending several months at Washington and working in collaboration with the Treasury Department on the details of the campaign.

He is a graduate of the American Institute of Banking and has lectured on commercial law in New York Chapter of the Institute. He has also given deep study to the subject of taxation. He has been a prolific writer on various subjects, including amortization of mortgages, bank taxation, commercial law and other kindred topics. His training and experience make him a valuable acquisition to the 139 savings banks composing the Savings Banks Association of the State of New York. Mr. Harrison's headquarters will be in New York city.

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$700,000

OFFICERS

JULIAN D. FAIRCHILD, *President*

JULIAN P. FAIRCHILD,

D. W. McWILLIAMS,

WILLIAM J. WASON, JR.,

Vice-Presidents

THOMAS BLAKE, *Secretary*

HOWARD D. JOOST, *Assistant Secretary*

J. NORMAN CARPENTER, *Trust Officer*

GEORGE V. BROWER, *Counsel*

ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS.

NEW ASSISTANT TREASURER EQUITABLE
LIFE ASSURANCE SOCIETY

On June 4, Meredith C. Laffey was appointed an assistant treasurer of the Equitable Life Assurance Society, New



MEREDITH C. LAFFEY

Assistant Treasurer Equitable Assurance Society,
New York

York, and entered upon his duties on July 1st. He is well known in financial circles as an analyst of securities and his work will be chiefly of that charac-

ter, under the direction of Vice-President Horr.

Mr. Laffey has unusual qualifications for the duties assigned him. After graduating from Williams College, where he specialized in economics, he became identified with a prominent firm of investment bankers in New York. In 1917 he accepted the position of bond statistician with the Equitable Trust Company. While experienced in the analysis of all classes of corporate securities, he has made a particular study of railroad bonds.

THE CUBAN SUGAR CROP

That up to the 15th of May 3,400,000 tons of the present Cuban sugar crop had been ground, and that at least 600,000 tons are represented by the cane which remains standing, was the statement made by Walter M. Van Deusen, assistant manager of the Mercantile Bank of the Americas. "The only danger to Cuba in the present crop situation," said Mr. Van Deusen, "lies in the event of heavy rains before the completion of the grinding season, which would make country roads impassable and growers consequently unable to convey their cane to the mills. Furthermore, the sugar industry has been handicapped this year, as for several years past, by lack of sufficient rolling stock on the part of the railways for handling cane to the mills and sugar to the ports. At this time, according to sugar authorities, 180 central factories are in active operation through-

“The Bank That Service Built”

THE
SEABOARD NATIONAL BANK
OF THE CITY OF NEW YORK

Capital	\$1,000,000
Surplus and Profits (Earned)	3,972,000
Deposits	66,063,000

S. G. BAYNE, President

C. C. THOMPSON, Vice-President

B. L. GILL, Vice-President

W. K. CLEVERLEY, Vice-President

L. N. DeVAUSNEY, Vice-President

C. H. MARFIELD, Cashier

O. M. JEFFERDS, Asst. Cashier

C. C. FISHER, Asst. Cashier

J. D. SMITH, Asst. Cashier

B. I. DADSON, Asst. Cashier

J. E. ORR, Asst. Cashier

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HENRY C. FOLGER

BENNETT L. GILL

EDW. H. R. GREEN

PETER McDONNELL

JOSEPH SEEP

CHARLES C. THOMPSON

DAVID H. E. JONES

ROBERT J. CALDWELL

The success of this bank is founded upon a policy of painstaking,
efficient and courteous service to all

ACCOUNTS INVITED

out the island. The total grinding is estimated at 4,000,000 tons, which at current quotations will bring a return of about \$525,000,000."

In a statement to the press in January, Mr. Van Deusen estimated the value of Cuba's 1918-19 sugar crop at \$500,000,000. This statement was considered by many at the time to be exceedingly optimistic and was the subject of considerable comment.

IMBRIE & COMPANY, BANKERS

Imbrie & Company, the well-known international bankers of New York, Chicago, Pittsburgh, Boston and Milwaukee, are preparing statistics of interest to financiers, investors and the general public on the undeveloped resources of Brazil, our only South American ally in the war.

These statistics will show definitely how the present economic strength of the United States of Brazil is only a fractional part of the possibilities and,

as Brazil has sincerely sought the lead and assistance of the United States in her development, will give a detailed account of her importance not only as a producer of rubber, coffee, cocoa, tobacco, cattle, cotton and cane sugar, but in the matter of mineral wealth, manufacturing industries, railroad mileage, agricultural development, and immensity of area opportunities. These facts and their significance have not been fully appreciated by American investors, and in view of the additional fact that American imports and American money enjoy special privileges in Brazil, they certainly should be.

IRVING NATIONAL'S MAP OF LATIN-AMERICA

All the roads leading to Latin-American markets are made plain on the new Spanish edition of the commercial map of South and Central America just issued by the Irving National Bank of New York. In this travel and shipping



100 YEARS OF COMMERCIAL BANKING

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FRANK J. HEANEY

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HENRY L. CADMUS

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JOSEPH BROWN

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RICHARD H. HIGGINS

Vice-President

BERT L. HASKINS

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Asst. Cashier

GEORGE M. HARD
Chairman

ACCOUNTS INVITED
RESOURCES OVER 150 MILLION DOLLARS

guide, which is more than a map, are presented in graphic form essential facts and basic conditions for the immediate use of the exporter.

The specific information comprises steamer routes from and between Latin-American ports, giving distances in miles and days at sea; harbors, railroads and navigable rivers; wireless stations, submarine cables and telegraphic lines, consular offices and agencies. Five smaller insert maps show the rainfall and temperature for summer and winter months, the physical character and vegetation, the mineral and agricultural products, and the density of population of each country.

RUDOLPH-GUENTHER-RUSSELL LAW, INC.,
FINANCIAL ADVERTISING SPECIALISTS

These two old-established firms have formed a partnership as of May 1, 1919, specializing in financial advertising in all its branches. Rudolph Guenther and Russell Law are well known to banking and brokerage houses throughout the United States as efficient and up-to-day advertising agencies who have a grasp of all the phases of what bankers and brokers need in clean financial publicity.

This firm is extremely enterprising and resourceful and many accounts have profited while in their hands. Their

service department particularly is adapted to preparing advertising literature such as booklets, special letters, etc.

TEXTILE BANKING COMPANY, INC.

At the organization meeting of the Textile Banking Company, Inc., New York, held on June 19, the following officers and directors were elected: President, Harvey D. Gibson, president Liberty National Bank; vice-presidents, John P. Maguire, assistant cashier, Liberty National Bank; Frank E. Spencer, formerly manager of sales for the Carnegie Steel Company in Detroit; James D. Hopkins, formerly with L. F. Dommerich & Co.; treasurer, F. H. Wandelt, Liberty National Bank; secretary, John H. Jephson, formerly with Schefer, Schramm & Vogel. Directors: E. C. Converse, a prominent New York capitalist; Grayson M. P. Murphy, and Eugene W. Stetson, both vice-presidents of the Guaranty Trust Company of New York; Harvey D. Gibson and John P. Maguire, president and assistant cashier, respectively, of the Liberty National Bank.

The creation of this company by the Guaranty Trust Company of New York and the Liberty National Bank is regarded as probably the initial step toward specialization in the field of Amer-



In New York

A strong, live, progressive institution of 90 years standing offers out-of-town banks a New York service designed to fulfill every requirement

Phineas C. Lounsbury, Chairman
Herrnan D. Kountze, President
Edward K. Cherrill, Vice-Pres.
Gilbert H. Johnson, Vice-Pres.
Kimball C. Atwood, Vice-Pres.
Charles F. Junod, Vice-Pres.
Frank E. Andruss, Cashier
John P. Laird, Asst. Cashier
John H. Brennen, Asst. Cashier
John H. Trowbridge, Asst. Cashier

ATLANTIC
National Bank
Broadway-Opposite City Hall

ican industrial banking. The recent growth of the American textile industry in all of its branches, silk, wool, cotton, etc., and its continued expansion, coupled with the lessons derived from the war, have made evident the necessity and advantages of a closer relationship between manufacturers, converters and other merchants, and their bankers. An ample, continued and assured supply of banking capital is a vital necessity for manufacturers and other interests in the textile field, not only for financing their current operations, but for affording an opportunity for such growth as the increasing volume of their business demands.

This company is so organized as to be able to supply all of the facilities which are now obtainable under the existing methods of the trade, such as, for instance, the services which have been, and are now being, rendered by concerns known as factors or commission houses. In addition, the new company will be in a position to afford far-reach-

ing and valuable services, particularly in the way of financing raw material and merchandise requirements.

The company's organization will include an industrial department, which will be under the direction of men of recognized ability and standing in the textile trade. The services which this department is designed to offer are of a most comprehensive character, and should prove of great value in the operation and expansion of the business of the bank's customers, both in the United States and in foreign markets.

Affiliated with the Textile Banking Company in the scope of its operations, there is the Independent Warehouses, Inc., which was recently organized by the same interests as those who control and will support the banking company. It is the purpose of this company to acquire and operate an extensive chain of warehouses to be located at the important ports of entry of the United States, and throughout the important textile centers of the country. This

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital \$10,000,000
 Surplus and Profits 18,478,000
 Deposits (June 30, 1919) 381,639,000

A. BARTON HEPBURN, Chairman of the Advisory Board
 ALBERT H. WIGGIN, Chairman of the Board of Directors

EUGENE V. R. THAYER, President

SAMUEL H. MILLER,	Vice-President	WILLIAM P. HOLLY,	Asst. Cashier
EDWARD R. TINKER,	Vice-President	GEORGE H. SAYLOR,	Asst. Cashier
CARL J. SCHMIDLAPP,	Vice-President	M. HADDEN HOWELL,	Asst. Cashier
GERHARD M. DAHL,	Vice-President	S. FREDERICK TELLEEN,	Asst. Cashier
ALFRED C. ANDREWS,	Cashier	ROBERT I. BARR,	Asst. Cashier
CHARLES C. SLADE,	Asst. Cashier	SEWALL S. SHAW,	Asst. Cashier
EDWIN A. LEE,	Asst. Cashier	LEON H. JOHNSTON,	Asst. Cashier
WILLIAM E. PURDY,	Asst. Cashier	OTIS EVERETT,	Asst. Cashier
CHARLES D. SMITH	Asst. Cashier	GEORGE E. SCHOEPPS,	Asst. Cashier

DIRECTORS

H. W. CANNON	J. N. HILL	E. R. TINKER	E. V. R. THAYER
A. B. HEPBURN	D. C. JACKLING	H. B. ENDICOTT	C. J. SCHMIDLAPP
A. H. WIGGIN	F. A. SAYLES	E. T. NICHOLS	G. M. DAHL
J. J. MITCHELL	C. M. SCHWAB	N. CARLTON	A. FLETCHER
G. E. TRIPP	S. H. MILLER	F. H. ECKER	

WE RECEIVE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT

enterprise is designed to fill an existing need for the scientific storing and financing of cotton, wool, silk and other commodities which are stored in large volume.

NEW VICE-PRESIDENT OF IRVING NATIONAL

The board of directors of the Irving National Bank of New York have promoted to the position of vice-president, H. A. Mathews, formerly assistant cashier.

Mr. Mathews, who for ten years was connected with the Anglo-South American Bank, for the past two years and a half has been with the Irving National in its foreign department.

ADDITION TO INDUSTRIAL DEPARTMENT OF LIBERTY NATIONAL BANK

James F. McClelland, professor of mining and metallurgy of the Sheffield Scientific School of Yale University, and a director of engineering research of

the Hammond Laboratory, has joined the staff of the industrial department of the Liberty National Bank of New York. Mr. McClelland has had a wide experience, covering engineering problems both in the field and in the research laboratory, together with service as head of the department of production engineering for the Aircraft Board in Dayton, Ohio, and Washington, during the war. As an expert engineer he comes to the Liberty National peculiarly well equipped to be of great assistance in the development and broadening of scope of the industrial department of the bank. He will serve as consulting engineer on questions of industrial research and production, both for the bank and the Liberty Securities Corporation.

LIBERTY SECURITIES CORPORATION INCREASES CAPITAL

A capital increase of \$1,000,000 has been voted at a special meeting of the stockholders of the Liberty Securities Corporation of New York. This in-

crease was authorized in the form of ten thousand shares of eight per cent. cumulative preferred non-voting stock of \$100 par value. The new issue is preferred both as to dividends and distribution. It is redeemable at \$105 on any dividend date and will be offered for subscription at par *pro rata* to the holders of the present thirty thousand shares capital stock, which becomes common stock without par value. The officers of this company are: Harvey D. Gibson, president; Sidney W. Noyes and Joseph A. Bower, vice-presidents; Frederick P. McGlynn, secretary and treasurer, and H. S. Bartow, assistant secretary and assistant treasurer.

GUARANTY TRUST NEWS

John J. Sample, head of the commodity loan division, has been appointed an assistant manager of the foreign department of the Guaranty Trust Company of New York.

The Treasury Department has designated the Brussels Office of the Guaranty Trust Company of New York as a depository of the public moneys of the United States.

The board of directors of the Guaranty Trust Company of New York declared a quarterly dividend of five per cent. on the capital stock of that company for the quarter ending June 30, 1919, which was payable on that date to stockholders of record June 19, 1919.

William C. Mansfield and G. M. Powell, Jr., have been appointed assistant auditors of the Guaranty Trust Company of New York.

Mr. Mansfield was born at Macon, Ga., August 19, 1880. He was educated at Mercer College, Macon, and at Eastman Business College, Poughkeepsie, N. Y. Upon concluding his course at the latter school he entered the employ of the Aeolian Company in New York and remained there for eighteen and a half years, filling many positions and finally becoming assistant secretary. He came to the Guaranty on December 23, 1918.

Mr. Powell was born at Montgomery, Ala., July 21, 1876, and received his early education in the public schools.

First



Chicago

Developed through the growth and experience of more than half a century

The First National Bank of Chicago

James B. Forgan, Chairman of the Board
Frank O. Wetmore, President

and the

First Trust and Savings Bank

James B. Forgan, Chairman of the Board
Melvin A. Traylor, President

offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and to international requirements.

**Combined resources over
\$300,000,000**

Nation-Wide Business

We have on our books accounts of banks as far west as the Pacific coast, and in the south as far as Florida. These institutions are sending their items on this section to us.

We will be glad to serve you.

Citizens Commercial Trust Company

Buffalo, N. Y.

Capital and Surplus	\$2,500,000.00
Resources	31,000,000.00

MEMBER FEDERAL RESERVE SYSTEM

After two years in a newspaper office, Mr. Powell went to the Atlantic Coast Line Railroad as a clerk in the transportation department, finally becoming chief clerk. In 1908 he went to the First National Bank of Montgomery as a bookkeeper and during the next ten years worked in various departments of the bank. He entered the auditing department of the Guaranty Trust Company of New York on February 1, 1918, and was transferred to the accounting department when it was organized three months later.

P. Harvey Middleton, formerly executive assistant of the Railway Business Association, was appointed an assistant manager of the foreign trade bureau of the Guaranty Trust Company of New York on June 16.

Mr. Middleton has had fourteen years' varied experience in the United States and Europe, in the foreign trade field, mostly in iron and steel, electrical and railway supplies. He is the author of numerous articles and pamphlets de-

voted to the promotion of foreign trade. Mr. Middleton has recently returned from a trip through Mexico from the Texas border to Yucatan, during which he investigated the markets for railway supplies, conditions in the oil fields and mines, agricultural conditions, and timber resources. The results of this trip have been set forth in a pamphlet "Railway Supplies in Mexico," distributed by the Railway Business Association, and in articles in the "Railway Age" and New York "Commercial."

Edward P. Davis was appointed an assistant secretary of the Guaranty Trust Company of New York on June 19.

Mr. Davis was born in Chester county, Pennsylvania, August 29, 1886, and was educated at the Huntingdon Valley High School and Bank's Business College, Philadelphia. In 1902 he began his business career as a bookkeeper and stenographer in the office of the A. S. Van Winkle Estate, coal mining operators of Philadelphia. For

two years he was employed by the New York Continental Jewell Filtration Company and later by the Otis Elevator Company in Frankfort, Pennsylvania. He then came to New York and entered the DeForest Wireless Telegraph Company, which was succeeded by the United Wireless Telegraph Company, and of which he became assistant secretary. Mr. Davis came to the Guaranty Trust Company in December, 1911. He was at first in the stock registration department and went then to the trust department, where he became head of the custody division. Recently he has been assistant to assistant secretary Albert Hopkins.

NEW VICE-PRESIDENT OF GUARANTY
TRUST CO.

Merrel Price Callaway, of Macon, Ga., who was formerly president of the Continental Trust Company and vice-president of the Fourth National Bank in that city, was appointed a vice-president of the Guaranty Trust Company of New York on June 18.

Mr. Callaway was born in Mitchell County, Georgia, November 26, 1872. After graduation from the law school of Mercer University at Macon, he entered business with the General Fire Insurance Company of that city. He then became a member of the law firm of Hardeman, Jones, Callaway and Johnston, engaging in general corporation practice and acting as local counsel of the Georgia Railroad and the Louisville and Nashville Railway. In 1910 Mr. Callaway became assistant special counsel for the Associated Railways and Steamship Companies of the South, at Washington, D. C., representing the principal railway companies in the South, including coastwise steamship lines. In 1918 he retired from railroad practice and became president of the Continental Trust Company and vice-president of the Fourth National Bank of Macon, Ga.

PROGRESS OF THE ASIA BANKING
CORPORATION

The promising outlook for the growth of American trade with China is reflect-

Resources

\$16,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



**Try our Service
and you will be entirely
satisfied**

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Cashier
C. G. FEIL, Asst. Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier



ROGER H. WILLIAMS
Vice-President National Bank of Commerce in
New York



EDWARD H. RAWLS
Assistant Cashier National Bank of Commerce in
New York

ed in the recent activities of the Asia Banking Corporation, which opened its new offices at 35 Broadway, early in May. Simultaneous with the opening of this head office in New York came the announcement that branches of the corporation had been established in Peking and Tientsin. This makes four branches now doing business in China—the Shanghai and Hankow branches having been established earlier in the year. Other branches will be opened shortly in Hongkong, Canton, Changsha, Manila, P. I., Harbin and Vladivostok.

Herbert L. Pratt, vice-president and treasurer of the Standard Oil Company of New York, was elected a director of the Asia Banking Corporation on June third.

Ralph Dawson, vice-president and general manager of the corporation, who recently returned to the head office in the Far East at Shanghai after a visit to South China and the Philippines, is looking after the establishment of the foreign branches, as well as the organizing of the personnel of each branch. J. H. Wichers was made as-

sistant general manager of the branches of the Corporation in the Orient.

NEW OFFICERS OF THE NATIONAL BANK OF COMMERCE IN NEW YORK

Roger H. Williams, banker and lawyer, has been elected a vice-president of the National Bank of Commerce in New York, retiring from the law firm of Williams, Glover and Washburn, New York, of which he was head.

Mr. Williams has an extensive record of corporation, banking, trust and legal experience. His first banking connection was with the First National Bank of Ithaca, N. Y. He later came to New York where he became associated with N. W. Harris and Company, now Harris, Forbes and Company, and then with N. W. Halsey and Company, having charge of the firm's legal and corporation work. In 1914 he opened his own law firm, making a specialty of estates and trusts. Mr. Williams has also been an executive officer of numerous corporations.

He was born in Ithaca, N. Y., in



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There is but one Dictaphone, trade-marked "The Dictaphone,"
made and merchandised by the Columbia Graphophone Company



"The Shortest Route to the Mail-Chute"

1874, a son of the late Professor Henry Shaler Williams and grandson of Josiah Butler Williams, a bank president of Ithaca, N. Y., and one of the original directors of the United States Trust Company of New York city. He graduated from Cornell in 1895 with the degree of Ph.B., and then took graduate work in economics and finance at Yale, where he received the degree of M.A. Subsequently he received the degrees of LL.B. and J.D. from New York University. During the last several years he has been chairman in charge of the entire student Y. M. C. A. work in the United States and Canada, and has served on the executive and financial committees of the National War Work Council of the association.

Mr. Williams is a member of the Bar Association of New York, the New York County Lawyers' Association, the Academy of Political Science, the American Economic Association, the Executive Committee of the Civil Service Reform Association, the Asiatic Association, the League to Enforce Peace, and the Cornell, Yale, Century, Bankers and University Clubs of New York. He was just recently elected a trustee of Cornell University at Ithaca, N. Y.

Edward H. Rawls has been made an assistant cashier of the National Bank of Commerce in New York.

Mr. Rawls joined the bank in 1917. He came from Charleston, S. C., where he was treasurer-manager of a wholesale grocery house.

He was born in Lexington county, South Carolina, in 1878, and was educated at Newbury College. He served for four years in the United States Army, from 1898 to 1902, in the Spanish War and in the Philippines.

MR. PEEDE GOES TO "THE SUN"

Loring G. Peede, formerly publicity manager of the Mercantile Bank of the Americas, New York, has left that institution to accept a position as assistant editor of the South American section of the New York "Sun."

Mr. Peede came to the Mercantile Bank of the Americas direct from the

service and organized the department of which he has been in charge.

He has spent some time in various parts of South America and is familiar with Latin-American conditions and foreign trade in general.

ASSISTANT CASHIER FIRST NATIONAL BANK IN BROOKLYN

At a meeting of the board of directors of the First National Bank, Brooklyn, N. Y., Austin Tobey, Jr., formerly paying teller, was elected an assistant cashier.

NEW PUBLICITY MANAGER FOR MERCANTILE BANK OF THE AMERICAS

Frederick T. Sutton, who was recently made manager of the publicity department of the Mercantile Bank of the Americas, was formerly connected with the publicity department of the Guaranty Trust Company.

After securing his discharge from the Naval Aviation Service in December he became connected with the Mercantile Bank of the Americas.

COAL AND IRON NATIONAL ESTABLISHES TRUST DEPARTMENT

A trust department has been established by the Coal and Iron National Bank of the City of New York and Arthur A. G. Luders has been elected trust officer. This is an important addition to the present facilities of this rapidly growing bank and enables it to serve its customers in every branch of the banking and trust business.

Mr. Luders is well known to New York State Bankers. For the past five years he has been secretary and treasurer of the Rockland County Trust Company of Nyack, N. Y., of which he remains a director. He is also president of the Rockland County Bankers Association and chairman of Group VI of the New York State Bankers Association as well as Rockland county director for the sale of U. S. Treasury Certificates of Indebtedness. He is particularly well equipped for his new position as he has had a broad business expe-

Is It Not Sound Policy

to send your Baltimore business to the bank whose half century of experience gives assurance of efficiency and strength?

For the handling of collections and all other banking business, this institution is admirably equipped.

Large capital, surplus and resources enable this bank to offer you complete banking facilities and services which are real and not visionary.

The National Exchange Bank Baltimore, Md.

Capital & Surplus, \$2,500,000 Resources, \$22,380,000

WALDO NEWCOMER, President

SUMMERFIELD BALDWIN, Vice-President

PAUL A. SEEGER, Vice-Pres.

JOSEPH W. LEFFLER, Cashier

CLINTON G. MORGAN, Vice-Pres.

WILLIAM R. WEBB, Asst. Cash.

rience in addition to a technical knowledge of the banking and trust business.

The Coal and Iron National Bank has made notable progress, its last statement showing total resources of over \$26,000,000. Its officers are: John T. Sproull, president; David Taylor and Allison Dodd, vice-presidents; Addison H. Day, cashier; Wm. H. Jaquith and W. A. Gray, assistant cashiers; A. A. G. Luders, trust officer.

MR. HECKSCHER GOES TO EUROPE

James Heckscher, vice-president of the Irving National Bank of New York, sailed for Liverpool recently. Mr. Heckscher goes abroad to make a study of business and banking conditions in Western Europe, and to establish closer and more effective working relations with the Irving's English and Continental correspondents. His tour will include England, France, Belgium, Holland, Denmark, Norway and Sweden.

UNITED STATES MORTGAGE AND TRUST CO.

At a meeting of the board of directors of the United States Mortgage and Trust Company, New York, held June 27, 1919, the regular quarterly dividend of six per cent. was declared payable July 1, 1919, to stockholders of record June 27, 1919.

Henry L. Servoss was elected vice-president and secretary, Chauncey H. Murphey, vice-president and treasurer, and Arthur W. Keevil, assistant secretary.

BONUS FOR ATLANTIC NATIONAL EMPLOYEES

A bonus of two and one-half per cent. of their salaries was recently voted to employees of the Atlantic National Bank of New York by the directors of that institution. The bonus applied to those who entered the bank's service since April 1. An additional two and one-half per cent. bonus was voted to

those employees who have been in the service of the bank six months or more. Those employees who left the bank to go into Government service and who are now employed by the bank receive the full five per cent bonus. These awards are in addition to the yearly bonuses voted January 1.

PRESIDENT OF BETHLEHEM STEEL ELECTED DIRECTOR OF GUARANTY TRUST CO.

Eugene G. Grace, president of the Bethlehem Steel Corporation, was elected a director of the Guaranty Trust Company of New York at a meeting of the board of directors June 4.

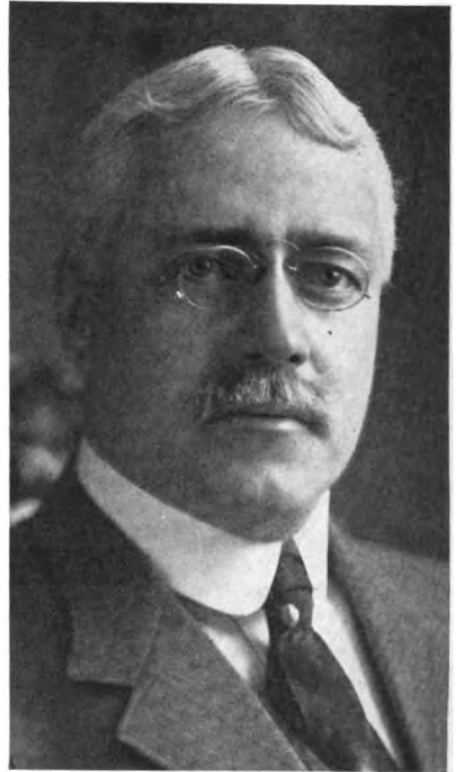


EUGENE G. GRACE

MR. VANDERLIP RESIGNS PRESIDENCY OF NATIONAL CITY BANK, NEW YORK

Early last month Frank A. Vanderlip resigned as president of the National

City Bank of New York. Mr. Vanderlip in early life worked in a manufacturing establishment, and afterwards was engaged in newspaper work in Chicago, later going to Washington, where



FRANK A. VANDERLIP

he became Assistant Secretary of the Treasury. He was elected vice-president of the National City Bank in 1901 and president in 1909. He is widely known as a banker, financier and economist. His addresses upon business topics have gained for him a high reputation, both in this country and abroad.

FOREIGN BOND AND SHARE CORPORATION

At a meeting of the board of directors of Foreign Bond and Share Corporation, held on June 9, Eugene V. R. Thayer, president of the Chase National Bank, was elected president of the corporation.

Resources over
\$180,000,000

Capital and Surplus
\$10,000,000

The
Philadelphia National Bank

Established 115 Years

A Bank of Character, Strength and Service

LEVI L. RUE, President

CHARLES P. BLINN, Vice-President

WILLIAM S. MADDOX, Vice-President

HOWARD W. LEWIS, Vice-President

HORACE FORTESCUE, Vice-Pres. & Cashier

With the election of Mr. Thayer, the organization of Foreign Bond and Share Corporation is complete, and public announcement of its officers has been authorized as follows: President, Eugene V. R. Thayer, of Chase National Bank; chairman of the board, Frederick Strauss, of J. & W. Seligman & Co.; chairman of the executive committee, John Henry Hammond, of Brown Brothers & Co.; vice-president and general manager, Maurice Hely-Hutchinson; secretary and treasurer, Walter I. Worrall; general counsel, Messrs. Curtis, Mallet-Prevost & Colt.

Mr. Hely-Hutchinson, the vice-president and general manager, was formerly associated with Messrs. Robert Fleming & Co., of London, and had charge of their business in the United States.

Three additional directors have been elected, as follows: Alvin W. Krech, president Equitable Trust Company, New York; Arthur Reynolds, vice-president Continental and Commercial National Bank, Chicago; Alfred L. Aiken,



EUGENE V. R. THAYER
President of the Chase National Bank, President
Foreign Bond and Share Corporation, New York



Bank of British West Africa, New York Agency, 100 Beaver Street, New York City



ROBERT R. APPELBY
New York Agent Bank of British West Africa

president National Shawmut Bank, Boston.

The offices of the corporation are located in the Columbia Trust Company Building, at No. 60 Broadway, New York.

NEW QUARTERS OF THE BANK OF BRITISH WEST AFRICA

Following the trend of the times which is developing in the constantly growing disposition among business men and bankers to prepare to meet the coming trade expansion movement, the Bank of British West Africa has moved from its former New York offices at No. 6 Wall street, and taken larger quarters at No. 100 Beaver street, where it will occupy the entire ground floor. This is of particular significance as it is taken as a forecast of a strenuous bid for American business from the markets of North and West Africa.

The Bank of British West Africa is the strongest of the British banks operating in the British Crown Provinces of West and North Africa and has a



Main Banking Room and Public Space, Bank of British West Africa, New York Agency

wide organization throughout Egypt, Morocco, Canary Islands, Gambia, the French Ivory and Gold Coasts and Ashanti, Togoland, Nigeria and Fernando Po. The change from its old offices in Wall street which it has occupied for many years is therefore significant to the future.

R. R. Appleby, agent of the bank in New York, is especially optimistic in regard to the African British Crown Provinces. Besides being potentially the richest undeveloped colonial possessions of Great Britain, he declares them even in their present state of undevelopment to be immensely rich, especially in the products of the soil, all of which are now grown in their natural state without attempt at intensive cultivation. The Gold Coast Colony, Mr. Appleby says, is the largest cocoa producing country in the world. The crop last year was in excess of \$35,000,000, and was controlled entirely by natives.

Efforts are being made throughout the colonies to develop and control their

natural resources. The British Government is taking an active interest in this regard and new railways are being constructed to inland points that they may have direct connections with their markets. In Nigeria railways are being built through the coal fields, thus making available the vast coal deposits which are said to equal in quality second-class Welsh steam coal.

Nigeria, besides being a vast territory, half as large again as the German Empire, is tremendously rich in natural resources. It is estimated that on the upland plateaus more than 15,000,000 head of cattle are pastured, while Kano, a city of more than 250,000 population, is the center of the hide, skin and leather industry of the territory.

WILLIAM P. MALBURN ELECTED VICE-PRESIDENT AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

On July 1 William P. Malburn assumed the duties of vice-president of the

American Exchange National Bank, New York, a position to which he was recently elected. Mr. Malburn has been since January 24, 1917, chief national



WILLIAM P. MALBURN

Vice-President American Exchange Bank, New York

bank examiner for the Second Federal Reserve District, with headquarters at New York. At the time of his appointment to that office he was Assistant Secretary of the Treasury, and formerly had practiced law at Denver and was also identified with banking for a number of years.

ADDITION TO NEW YORK AUDITING FIRM

Messrs. Djourup and McArdle, accountants and auditors at 42 Broadway, New York, announce that Arthur B. McArdle, former bank examiner for the Banking Department of the State of New York, has become a member of the firm and will conduct the accounting practice in the future under the name of McArdle, Djourup & McArdle.

BUFFALO BANKS UNITE

At a recent meeting of the stockholders of the Bank of Buffalo, City Trust Co. and the Market Bank, Buffalo, N. Y., the merger agreement by which the Bank of Buffalo will absorb the City Trust Co. and the Market Bank was approved unanimously by the stockholders voting.

The board of directors of the consolidated institution will be increased from ten members to twenty-one.

The stockholders of the Bank of Buffalo also voted to increase the capital stock of the Bank of Buffalo from \$1,000,000 to \$2,500,000.

MASSACHUSETTS SAVINGS BANKS ASSOCIATION

The annual meeting of the Savings Banks Association of Massachusetts was held at the Boston City Club on the evening of June 19. There was a large representation of member banks in attendance. The officers of the previous year were elected for one term as follows: President, Henry Parkman, Provident Institute for Savings, Boston; vice-president, William L. Adam, Berkshire County Savings Bank, Pittsfield, Mass.; treasurer, Wilmot R. Evans, Boston Five Cents Savings Bank, Boston; secretary, Carl M. Spencer, Home Savings Bank, Boston.

At a dinner following the meeting the delegates and guests were addressed by Augustus L. Thorndike, Bank Commissioner of Massachusetts, and Samuel H. Beach, president Rome Savings Bank, Rome, N. Y., who brought greetings of the Associated Savings Banks of New York State.

MR. CERRILL ELECTED A MEMBER OF EXECUTIVE COMMITTEE OF NEW YORK STATE BANKERS ASSOCIATION

Edward K. Cherrill, vice-president of the Atlantic National Bank of New York, was chosen a member of the executive committee of the National Bank Section, New York State Bankers Association, at its convention in Albany recently.

Equipped for Service



LOCATED in a modern building with every facility for the efficient handling of its business, this bank is in a position to offer you prompt and adequate service in your Philadelphia banking transactions.

Union National Bank

PHILADELPHIA

Resources over . . . \$19,500,000

NATIONAL NEWARK AND ESSEX BANKING COMPANY ADOPTS PENSION AND DEATH BENEFIT SYSTEM

The board of directors of the National Newark and Essex Banking Company of Newark, N. J., have adopted a plan for a pension and a death benefit system for the officers, clerks and other employees. The purpose, it was explained, is to encourage efficiency and loyalty to the bank with a material reward to those who give the productive years of their lives to the service of the institution and retire, or are retired, or who die while in its service.

NIAGARA COUNTY NATIONAL BANK IN NEW BANKING HOME

The formal opening of the new individual bank building of the Niagara County National Bank of Lockport, New York, early last month was the occasion for many congratulations and best wishes to the officers and directors of that enterprising institution.

The new building, which was erected, equipped, furnished and decorated by Hoggson Brothers, the New York and Chicago builders, presents an appearance of dignity, strength and endurance. It occupies a prominent site at the corner of Main and Pine streets, where the bank's former home stood for many years. The design of the exterior is classic in treatment, the main façade having a portico extending the full height of the structure with four massive engaged columns of the Roman-Doric order supporting a richly moulded cornice. The Pine street side has a recessed portico with pilasters instead of the column effect of the front, and is flanked by pavilions.

The character of the interior follows closely the spirit of the exterior treatment, combining beauty with utility, in harmony with the business of the owners. The decorative treatment is in flat wall pilasters and panels resting on a high base. The walls up to the cornice line are done in Caen stone effect,



Niagara County National Bank, Lockport, N. Y.

the cornice and ornamented ceiling being plastered, and tinted in harmonious colors. The counter-screen enclosing the public square, which is of the horse-shoe type, is constructed of Botticino marble, the wainscot, pilasters and moulded cornice framing bronze wickets and plate glass panels, with black Carrara deal plates at the openings. Four large marble check-desks are decorative features of the public area.

CHANGES IN STOCK OWNERSHIP OF THE COMMERCIAL NATIONAL OF WASHINGTON

A large block of stock in the Commercial National Bank, Washington, D. C., owned by Frank P. Harman, former president and now chairman of the board, has been purchased by Boston, New York and Washington banking interests.

FIRST NATIONAL BANK OF PHILADELPHIA OUTING

The officers and employees of the First National Bank of Philadelphia with their families held an outing Saturday, June 28, at the Curtis Country Club. An exciting game of baseball was played between the single men and the married men, the married men losing by the score of 7 to 11. Running races for junior boys and girls and senior boys and girls were held from fifty yards to one-quarter of a mile relay, the winners receiving suitable prizes and badges. Swimming races, tennis and dancing were other features.

Following the dinner speeches were made by Frederick S. Giger, the oldest employee of the bank, with a record of fifty-five years, and Mr. George A. Baldwin, who has served thirty-eight years.



**On the Earth there are
1,750,000,000 People**

**And no one person is
an exact duplicate, men-
tally or physically, of
any other.**

We certainly don't expect, then, in serving our 2000 bank correspondents, to find any two alike in their desires and requirements. So our service is adjusted accordingly — *individual* service for *individual* bankers.

The National Bank of Commerce

IN ST. LOUIS

Capital, Surplus and Profits over \$13,800,000.00

Mr. Giger, on behalf of the officers and employees, presented an engraved testimonial to Freas Brown Snyder, vice-president, who resigned to become president of the W. C. Hamilton & Sons, Inc. Mr. Baldwin, on behalf of the officers and employees, presented Mr. Snyder with a gold watch and chain.

HIBERNIA BANK MAKES BRUCE BAIRD AN OFFICER

The board of directors of the Hibernia Bank & Trust Company of New Orleans has elected Bruce Baird manager of its foreign trade department.

Mr. Baird gained his knowledge of foreign banking in the foreign exchange department of the First National Bank of Chicago, where he was employed for about fifteen years. He became associated with the foreign department of the Hibernia Bank and Trust Company about six months ago. Mr. Baird is well known throughout the country because of his activities in the American

Institute of Banking. He is chairman of the national membership committee, and a local member of the transportation committee of the 1919 convention, which will be held in New Orleans. He has attended numerous conventions of that organization, has served on various important committees, and last year was president of the Chicago Chapter. His election as an officer of the Hibernia Bank and Trust Company is but one more significant comment on the value of institute training.

HIBERNIA BANK OF NEW ORLEANS EXPANDS

The Hibernia Bank and Trust Company of New Orleans has completed the preliminary details whereby it will shortly absorb the New Orleans National Bank. The enlarged institution will have resources of more than \$50,000,000.

The office of the New Orleans National Bank will become the Camp



CHARLES G. BANCROFT

President International Trust Co., Boston: newly elected President, Massachusetts Bankers Association

Street Branch of the Hibernia Bank and Trust Company and will be in charge of the same officers as heretofore.

VIRGINIA BANKERS' CONVENTION

Immediate return of the railroads to their owners under the Warfield plan, the League of Nations as proposed by the Paris Peace Conference, and a comprehensive system of through state highways, were among the matters given official indorsement at the twenty-sixth annual convention of the Virginia Bankers' Association held at the Hotel Chamberlain, Old Point Comfort, Va., June 19, 20 and 21. The convention was notable for a large attendance, the interest shown in the topics under discussion, and the participation of a number of the members in the debates.

Officers were elected for the coming year as follows: R. G. Vance, Waynesboro, president; Tench F. Tilghman, Norfolk, vice-president; William F.

Augustine, Richmond, secretary, and Fred D. Maphis, Strasburg, treasurer.

NEW ORLEANS BANKS MERGE

The Canal Bank and Trust Company and the Commercial Trust and Savings Bank have merged under the name of the Canal-Commercial Trust and Savings Bank. The consolidation carries control of the Commercial National Bank, all of the stock of which is owned by the Commercial Trust and Savings Bank. The name of the national bank is to be changed to the Canal-Commercial National Bank.

The banks when consolidated and the resources of the United States Trust and Savings Bank, which go into the consolidation, will have combined resources of between \$74,000,000 and \$75,000,000, making it the largest aggregation of banking capital in the South.

It is the intention to consolidate the two banks under the charter of the Commercial Trust and Savings Bank. To that end the capital stock of the bank will be increased from \$1,250,000 to \$4,000,000 and the name changed to Canal-Commercial Trust and Savings Bank. It will also have a surplus of \$1,500,000 and undivided profits of \$500,000.

W. R. Irby will become president of the Canal-Commercial Trust and Savings Bank and P. H. Saunders president of the Canal-Commercial National Bank.

NEW BANKING HOME FOR MERCHANTS AND SAVINGS OF JANESVILLE

The Merchants and Savings Bank of Janesville, Wis., has let a contract to Hoggson Brothers, builders, of Chicago and New York, for the construction, decoration, furnishing and equipment of an imposing new individual bank building, which will be modern in all details.

The Merchants and Savings Bank was organized September, 1875, with a capital of \$20,000. To-day its capital, surplus and undivided profits total \$500,000. Its history is one of steady

Why We Can Give You Good Service

The close "personal" contact which we endeavor to maintain with every one of our correspondent banks enables us to give each the most intelligent service possible.

If you are contemplating opening or changing your Chicago account we would be pleased to have you write us.

The National City Bank of Chicago

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, - - - Vice-President
SCHUYLER P. JOHNSON, Assistant Cashier
R. V. KELLEY, - - - Assistant Cashier

Resources Over - - - \$40,000,000

development along conservative lines. Its present officers are: W. S. Jeffris, president; William Bladon, vice-president; S. M. Smith, cashier; E. J. Haumerson and K. B. Jeffris, assistant cashiers.

TRUST COMPANY FUNCTIONS FOR MISSOURI NATIONAL BANKS

By a recent decision of the Attorney-General of Missouri, national banks in that state are placed on a parity with trust companies as regards the exercise of trust functions. The Attorney-General ruled that the National Bank of Commerce in St. Louis should be permitted to deposit \$200,000 in securities with the bank commissioner, and thus be relieved of the necessity of making a bond when qualifying as guardian, curator, executor or administrator.

The bank recently applied for permission to deposit the \$200,000, which is in accord with the privilege accorded national banks under the Missouri law.

The decision affects all of the national banks in Missouri. Under the Federal Reserve Act national banks are permitted to exercise fiduciary powers. Such action has been deferred, pending the Attorney-General's decision in the National Bank of Commerce case.

John G. Lonsdale, president of the National Bank of Commerce, states that he considers the decision one of great importance, and predicted as a result of it more fiduciary activity among national banks.

HARMONIZING DIFFERENCES BETWEEN STATE AND NATIONAL BANKS

Letters from state bankers received by C. B. Hazlewood, vice-president of the Union Trust Company of Chicago and president of the State Bank Section of the American Bankers' Association, express general approval of the plan recently indorsed by the executive council of the association to harmonize the differences that have heretofore existed be-

Silence is Golden——

An hour is just 60 minutes.

If it is made up of 30 minutes quiet and 30 minutes noise, that means 30 minutes wasted.

You may say you are no longer conscious of typewriter noise. But your nerves hear. They register a complaint every time a type-key strikes. That constant hammering must tell in time. The Noiseless gives your nerves a vacation.

*Ask for
Booklet and
Impressive
List of Users*

The NOISELESS TYPEWRITER

The Noiseless Typewriter Company, 253 Broadway, New York

tween national banks and state chartered banking institutions. The plan thus approved includes an amendment to the constitution of the American Bankers' Association providing that in the promotion of legislation of special interest the state or federal legislative committee of any section may proceed independently of the state or federal legislative committee of the association, in which event the expense shall be paid by the section, and the state or federal legislative committee of the association shall take no action except upon the order of the association.

Regarding this new development, Mr. Hazlewood says:

For several years state banks, trust companies and savings banks have felt that National banks predominated in the administration of the American Bankers Association and somewhat of a crisis was reached when the national banks manifested considerable activity in procuring legislation that gave them fiduciary powers.

To meet the situation thus created, as well as to consider other matters pertaining to the state banking, the state bank

section of the American Bankers association was formed a little less than three years ago. There was considerable sentiment among state bankers at that time, however, that the machinery of the American Bankers Association was too cumbersome to obtain desired results within that body, and the result was the organization of the United States Council of State Banking Associations. The existence of two organizations for the accomplishment of substantially the same objects and composed largely of the same membership created an impression in some quarters that state bankers were divided among themselves, and the state bank section since its creation has worked consistently to coordinate state chartered banking institutions and unify their efforts in their common welfare.

In appreciation of the claims of state bankers the American Bankers Association amended its constitution a year ago so as to include in the membership of its Administrative Committee the President of the Trust Company, Savings Bank and State Bank Sections. It is due to the national bankers in the American Bankers Association to recognize the cordial manner in which they cooperated in the plan of representation thus provided.

The process of getting together was further promoted at the recent meeting of the Executive Council of the American

Bankers Association, where a conference was held between representatives of the United States Council of State Banking Associations and representatives of the State Bank, Trust Company and Savings Bank Sections. The sentiment seemed to prevail that the changes already made in the machinery of the American Bankers Association and the additional changes contemplated in the proposed constitutional amendments, would make the American Bankers Association sufficiently broad and liberal to serve the interests of its constituent members with justice and equity to all concerned.

The conference thus held was spontaneous and informal, but the spirit of coöperation manifested inspired the idea that some formal and permanent relationship should be established among the sections representing the state banking institutions. In accordance with this idea the Executive Committees of the Trust Company, Savings Bank and State Bank Sections subsequently met and appointed a joint Conference Committee as follows:

Representing Savings Bank Section, W. A. Sadd, president Chattanooga Savings Bank, Chattanooga, Tennessee; Jas. H. Manning, president National Savings Bank, Albany, New York; F. H. Farrington, vice-president Rutland Savings Bank, (P. O. Brandon), Rutland, Vermont.

Representing Trust Company Section, Willis H. Booth, vice-president Guaranty Trust Company, New York, New York; Frank W. Blair, president Union Trust Company, Detroit, Michigan; A. A. Jackson, vice-president Girard Trust Company, Philadelphia, Pennsylvania.

Representing State Bank Section, John H. Puelicher, vice-president Marshall & Ilsley Bank, Milwaukee, Wisconsin; E. D. Huxford, president Cherokee State Bank, Cherokee, Iowa; Fred Collins, cashier Milan Banking Company, Milan, Tennessee.

The Conference Committee thus appointed subsequently met and organized by electing Mr. Booth chairman and Mr. Puelicher vice-chairman.

A motion was adopted requesting the secretaries of the Trust Company, Savings Bank and State Bank Sections to prepare a statement of pending and proposed legislation affecting state chartered banking institutions. Mr. Booth stated that he would be responsible for the collection of a similar statement from the United States Council of State Banking Institutions.

FEDERAL BILL OF LADING ACT DECLARED CONSTITUTIONAL

The American Bankers' Association announces that the Supreme Court of the United States, on June 2, through Chief Justice White handed down an opinion fully sustaining the validity of



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the Federal Bill of Lading Act. The association was active in promoting the passage of this act, which became a law a few years ago.

A case arose in Cincinnati where a merchant forged certain railroad bills of lading purporting to represent goods shipped to another state, and procured advances thereon from a Cincinnati bank. The forger was indicted for forgery under Section 41 of the Bill of Lading Act, which punishes the forgery of bills of lading, but the United States District Court sustained his demurrer to the indictment on the ground that as there were no goods in existence covered by the purported bills of lading, there was no commerce as a subject of regulation by Congress, and that all the offender was guilty of was the forging of a waste piece of paper, the punish-

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ment of which was beyond the power of Congress under the commerce clause of the Constitution. The Supreme Court of the United States has reversed this decision and upheld the constitutionality of Section 41, as well as of the entire act.

The members of the American Bankers' Association are gratified with the announcement of this decision, for it means that there is now adequate punishment for those who forge bills of lading and procure money thereon from the banks.

NEW STATISTICAL MANAGER, NATIONAL BANK OF THE REPUBLIC

The National Bank of the Republic of Chicago has appointed James S. Baley manager of its new department of analysis and statistics. This department was recently installed for the purpose of extending to the bank's customers a larger service, which will include furnishing statistics on the progress of

business in various sections of the country, analysis of special buying, selling and cost problems, and other helpful counsel and information to meet the specific requirements of firms or individuals.

Mr. Baley comes to his new work from the A. W. Shaw Company, where he supervised special financial investigations for the Shaw Bureau of Business Standards. He was joint author and supervising editor of the Shaw Banking Series and has written extensively on other financial and business subjects.

The new activity evidences the continued growth of this bank.

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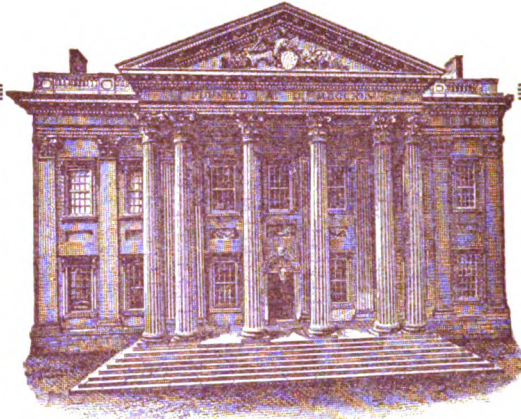
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ment business. It will be located in the Westminster Building, at Monroe and Dearborn streets. The officers announced are: Harry H. Merrick, president, formerly vice-president Central Trust Company of Illinois, Chicago; James C. Johnson, vice-president, formerly vice-president Citizens' National Bank, Evansville, Ind.; John W. Thomas, vice-president, formerly vice-president Central Trust Company of Illinois, Chicago; Raymond R. Phelps, vice-president, formerly credit department First National Bank, Chicago; Charles C. Willson, vice-president and cashier, formerly cashier Constinental and Commercial Trust and Savings Bank, Chicago.

CHICAGO BANK MERGERS

Important developments in banking are taking place at Chicago in the way of bank mergers. A union has been

effected already between the Merchants' Loan and Trust Company and the Illinois Trust and Savings Bank, while efforts are being made to bring the Northern Trust Company and the Corn Exchange National into the combination.

ASSISTANT MANAGER BOND DEPARTMENT, NATIONAL CITY BANK OF CHICAGO

The National City Bank of Chicago announces the election of James B. Christerson as assistant manager of the bond department.

Mr. Christerson, who is thirty years of age, has been with the National City for ten years, during which time he has worked his way through nearly every department in the bank. For the past three years he has been in charge of the foreign exchange department.

At the same time the National City Bank of Chicago announced the resignation of Morris K. Baker as assistant manager of the bond department. Mr. Baker resigned to become associated with the new Guaranty Trust Company of Kansas City as vice-president and director, and will be manager of its bond department as well.

ABOUT THE NATIONAL CITY BANK, CHICAGO

To take care of the steady growth of its business and added departments the National City Bank of Chicago has leased and is remodeling a portion of the banking floor of the Adams Express Building, which adjoins the National City Bank Building at Monroe and Dearborn streets. The transit and bookkeeping departments were transferred to the new quarters on June 15.

NEW BUILDING FOR FIRST NATIONAL OF ST. LOUIS

The First National Bank and the St. Louis Union Trust Co. will locate at the northwest corner of Seventh and Locust streets, in a new building to be devoted exclusively to banking and trust business.

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the main floor of the new building, which will be slightly above the street level, with the savings department and safe deposit on the ground floor, and the St. Louis Union Trust Co., together with the bond department of the First National Bank, will occupy the second floor. The third and fourth floors of the building will be occupied by the working forces of the bank and trust company.

As had been stated before, the trust company is in no way affected by the consolidation of the banks and will conduct its business independently, as heretofore, although, of course, trust business originating with the First National Bank will be handled by the St. Louis Union Trust Company.

As was announced some time ago, F. O. Watts is to be president of the First National Bank and N. A. McMillan, Walker Hill and F. O. Watts, executive managers.

The erection of the new buildings will commence September 15, and plans call for the completion of the building by December 31, 1920. Mauran, Russell & Crowell of St. Louis, together with Cass Gilbert of New York, are the architects.

PRIZES AWARDED EMPLOYEES OF MISSISSIPPI VALLEY TRUST COMPANY

Seven employees of the Mississippi Valley Trust Company of St. Louis were awarded prizes for essays entitled "My Job" at a meeting in the company's offices a short time ago.

The idea of having each employee write a description of his duties and how they fit into the organization of the company originated with Breckinridge Jones, president, and when it commenced the contest was for a single prize of \$25.

Every employee from the youngest to the oldest wrote essays, and when they were turned in the officers of the company found it impossible to recognize only one of them. Consequently, the papers were divided into two classes, one submitted by the older and more experienced employees, the other by the younger people, and three prizes were awarded to each class—\$25 for the best essay, \$15 for the second best, and \$10 for the third best.

In the older employees' class Orville Grove, who has been made assistant real estate officer since the close of the contest, was awarded first prize; Ralph Bugbee of the new business department won second prize, and Louis R. Engel of the financial department, third prize.

In the younger class Miss Katherine Petzold of the new business department won first prize, Raymond Ruhlkoetter of the transit department won second prize, and the third prize was awarded to Ira Stevens of the financial department.

A special prize for distinguished merit was awarded to William K. Moore, the company's sixteen-year-old colored elevator boy, whose essay was the shortest of all the prize-winning papers, but, according to Vice-President

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William G. Lackey, who awarded the prizes, was in some respects the best of them all.

Breckinridge Jones, president of the company, presided at the meeting, and in congratulating the winners said that he will inaugurate a contest next fall wherein a prize will be given to the employee in each department who, in the judgment of his or her associates, shows most efficiency, enthusiasm and vision.

INCREASES DEPOSITS MORE THAN
\$3,000,000

The Scandinavian American Bank of Tacoma, Washington, in the statement dated May, 1919, showed a gain in deposits of more than three and one-quarter million dollars in two years. In considering this increase it must be borne in mind that Tacoma has only a population of 124,000, with 20,000 homes.

Until February, 1917, the Scandinavian American Bank had always enjoyed what might be termed a truly conservative business. The management had kept plodding along in the old-fashioned manner, with a result that they just managed to hold their own; but, had a real live banker started active opposition, the results might not have been long in doubt.

It was at this time that Mr. Jafet Lindeberg, San Francisco capitalist, who, with his associates, J. E. Chilberg, president of the Scandinavian American Bank of Seattle, and Gustaf Lindberg, one of the leading wholesale merchants

of Tacoma, who control the Scandinavian American Bank, decided to offer the vice-presidency and management of the bank to O. S. Larson, who had been



O. S. LARSON

Vice-President Scandinavian American Bank,
Tacoma, Wash.

actively connected with the financial affairs of Mr. Lindeberg for some years.

Mr. Larson, who is exceptionally well posted on financial affairs, was

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born in Norway thirty-eight years ago and came to this country alone as a lad of thirteen. He worked his way through the public schools of Minnesota and graduated from the teachers' course of Willmar Seminary in 1899. He began his banking career with the Chippewa County Bank at Montevideo, Minn., moving to Seattle in 1902, and in 1904 joined the Scandinavian American Bank of that city as general auditor and credit man. In 1908 he went to Nome for Jafet Lindeberg, spending three summers there with the Miners and Merchants Bank. In 1912 he managed the Miners and Merchants Bank at Ketchikan. He has traveled extensively in Europe, and in 1911 spent four months and in 1914 six months with the large banks in London, Paris, Hamburg,

Christiania, Stockholm and Copenhagen. For eight years he has been the personal representative of Jafet Lindeberg and is in direct charge of Mr. Lindeberg's large investments in Seattle, Tacoma and the Northwest.

In 1910 Mr. Larson passed the certified public accountants' examination of the State of Washington and has been for six years a member of the state board of accountancy by appointment of Governor Lister.

As manager of the Scandinavian American Bank Mr. Larson was given free rein to reorganize the existing conditions, a business that he undertook with all the enthusiasm possible to a man of his qualifications. Under his supervision new life was put into the bank's personnel. Both officers and employees alike were taught the great advantage of "personality," and customers immediately showed their appreciation.

In 1917 the Bankers' Trust Company was absorbed by the Scandinavian American Bank, and early this year the capital stock was doubled. The services of a specialist in bank advertising were secured and an extensive campaign, with an appropriation that approached \$20,000, was embarked upon. Recently Mr. Larson introduced a "get together" monthly magazine for the benefit of the employees.

Having been convinced, early in his financial career, that the banker holds the confidence of the people, and especially of his customers, Mr. Larson laid out a special "get together" campaign between himself and the business men,

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- 43 " " Corporations-Trusts, etc.
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in which he was the principal actor. Business men depend upon the counsel of their banker to-day to a greater extent than ever; it was therefore of prime importance that every business man in Tacoma should know that here was a banker whose word or advice could be thoroughly depended upon.

That the results from this "uplift" campaign have amply demonstrated the wisdom of this progressive banking is reflected in the large increase in the bank's business during the time Mr. Larson has been at the head of affairs. Moreover, there are further improvements and alterations for early considerations that bid fair to make the Scandinavian American Bank the leading financial institution in Tacoma.

INVESTMENT HOUSE IN NEW HOME

John E. Price & Co., investment dealers at Seattle, Washington, have moved into new ground-floor quarters at Second avenue and Columbia street. The present organization of John E. Price & Co., in addition to John E. Price, the president, includes Andrew Price, Homer L. Boyd, J. Cebert, Baillargeon, D. M. Lovegren, Andrew F. MacPherson, Warren Zinsmaster, Henry A. Colver and Harry J. Markey.

THE ROYAL BANK OF CANADA

The following staff appointments are announced by the Royal Bank of Canada: B. C. Stone, to be manager of Toronto, Cedarville Branch; R. M. Wilson, manager, of Toronto, Gerrard & Jones branch; A. J. Kelly, manager at Iroquois Falls; J. L. Gauthier, manager of Quebec, St. Bauveur branch; P. J. Clarkin, manager Harbour Buffet.

CANADIAN BANKERS IN CONSOLIDATED RUBBER CO.

Sir Charles B. Gordon, K. B. E., and Lieutenant-Colonel Herbert Molson, M. C., have been elected to the board of directors of the Canadian Consolidated Rubber Company, Limited. Sir Charles B. Gordon, K. B. E., is prominent in

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commercial and financial circles in Montreal and Canada. He is vice-president and director of the Bank of Montreal, director of the Royal Trust Company, president of the Dominion Textile Company, and vice-president of the Montreal Cotton Company and C. Meredith Company. He was deputy chairman of the Imperial Munitions Board, and during 1918 he was the representative of the Imperial Munitions Board at Washington. For many years Sir Charles Gordon has been an active member of the Canadian Manufacturers' Association and was vice-president of the Quebec branch in 1911.

Lieutenant-Colonel Herbert Molson, M. C., is a member of one of the oldest and most distinguished families in Montreal. He is a director of the Bank of Montreal and the Royal Trust Company and is president of the Molson Brewery. Lieutenant-Colonel Molson

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was among the first to offer for overseas service, and after a brilliant military career in France and Flanders, was awarded the Military Cross. He gained his rank while on service in France.

The board of directors of the Canadian Consolidated Rubber Company as now constituted comprises Sir Mortimer

B. Davis, Sir Charles B. Gordon, K. B. E., Lieutenant-Colonel Herbert Molson, M. C., E. W. Nesbitt, M. P., J. B. Waddell, Victor E. Mitchell, K. C., W. A. Eden, R. E. Jamieson, A. D. Thornton, H. Wellein, Colonel Samuel P. Colt, Charles B. Seger, Homer E. Sawyer, J. Newton Gunn and Elisha S. Williams.

EXTENSION OF BRANCHES OF UNION BANK
OF CANADA

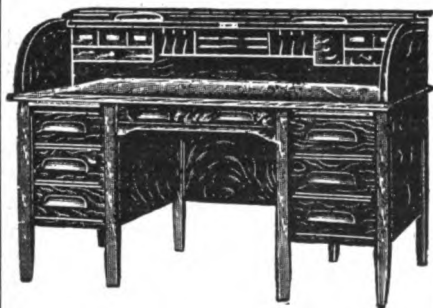
The Union Bank of Canada now has 360 branches in all parts of Canada. Recently, in Montreal, J. S. Hiam, superintendent of franchises, announced that sixty of these branches had been opened since the signing of the armistice. This total includes not only new branches, but branches closed during the war which have been reopened. In the east the bank has opened up extensively in the Maritime Provinces. Branches have been established at Charlottetown, P. E. I.; Truro, N. S., and Sussex, N. B. A new branch will open at Moncton, N. B., early in July, and another at Kantville, N. S., about the same date. New Ontario branches include those at Ridgetown, Rodney and Campbellford.

THE ROYAL BANK OF CANADA IN FRANCE

Announcement is made of the organization of the Royal Bank of Canada (France), owned and managed by the Royal Bank of Canada. A general banking business will be conducted at the office of the bank, 28 Rue du Quatre-Septembre, Paris. William Warren

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Societe Anonyme Alfred Herbert, Paris, France,
Societa Anonima Italiana Alfred Herbert, Milano, Italy,
Graham Brothers, Stockholm, Sweden.

has been appointed manager and N. G. Hart assistant manager.

The Royal Bank of Canada (France) will have at its command all the facilities afforded by the numerous branches of the bank and will be in an exceptional position to extend a complete banking service on the most favorable terms.

CANADIAN LOAN IN NEW YORK

Arrangements were recently concluded whereby a group of New York banks and banking houses, headed by J. P. Morgan & Co., will extend a loan of \$75,000,000 to the Dominion of Canada to be used in refunding that portion of the \$100,000,000 five per cent. two-year Canadian loan which matures on August 1 next.

CUBA'S VICTORY LOAN SUBSCRIPTIONS

According to an announcement received from the Banco Mercantil Americano de Cuba, Cuba's quota of the last Liberty Loan was oversubscribed with a total of \$3,000,500 from 2,588 subscribers.

A list of the subscriptions of the various banks in Havana, including subscriptions of their clients, follows:

National Bank of Cuba....	1026	\$1,617,000
Banco Espanol	312	285,250
Royal Bank of Canada....	354	206,950
N. Gelats & Co.....	93	256,800
American Mercantile Bank.	138	132,300
Waldo & Co.....	8	101,050
National City Bank.....	133	96,150
Pedro Gomez Mena.....	73	98,650
Mendoza & Co.....	36	53,750
National Bank of Cuba...	294	53,650
Trust Company of Cuba...	56	33,550
Commercial Bank	7	22,200
Bank Nova Scotia.....	29	21,450
Am. Foreign Bk. Corp.....	7	13,650
Demetrio Cordova	12	5,750
Liberty Bank	9	2,350

PROSPEROUS CONDITIONS IN CUBA

Cuba is now experiencing a very high degree of prosperity, according to a statement recently made to the

"Wall Street Journal" by J. P. Malvido, manager of the foreign exchange department of the Banco Internacional de Cuba, of Havana, who was recently visiting in New York. Mr. Malvido said:

As a result of the great prosperity brought to Cuba during the past few years, on account of our sugar, there is more money in Cuba than ever before. This additional money has gone mostly to the farmers and the wage earners. For instance, last year there was \$9,000,000 additional money brought into the Island by reason of our export trade and more than half is probably to be found in the pockets of the people. Most of the farmers and laborers are primitive in their knowledge of banks, so most of them keep their money in hiding places. There is a movement on foot to inculcate the spirit of thrift and savings. Our bank is making a special effort to secure savings deposits from the people in all the important towns.

FLIPPANT CONTEMPORARY ON FLOURISHING BANK ROBBERS

A contemporary prints the ensuing ultimatum, supposedly referring to the wide acclaim scientific management and eclecticism are eliciting among bank pirates:

Hereafter, in order to save space, we shall ignore the following classes of bank robberies:

(1) Those within 100 miles of the City Hall.

(2) Those of the same bank within three days.

(3) Those in which the robbers, or a quorum of them, were caught green-handed.

(4) Those in which less than seventeen automobiles figured (in other cases cars will be listed in the order of their appearance).

(5) Those in which the miscreants overlooked less than \$50,000, or any sum arranged in more than four piles.

A list of the unrobbed banks of the preceding twenty-four hours will be published daily as the last item of the weather report.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

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The Problems of Europe

PERHAPS the most striking picture of present European conditions yet given by anybody is to be found in Frank A. Vanderlip's book, "What Happened to Europe." His views, so interestingly expressed, have aroused considerable discussion and some dissent on the ground that too gloomy a view is taken. Quite possibly Mr. Vanderlip has put the case thus strongly for the purpose of attracting the attention which he feels the importance of the matter deserves.

The impression one gains from reading the results of Mr. Vanderlip's five months' observation in Europe is that of grave concern on the part of the author lest a delay in restarting the shattered industries in several of the European countries may lead to serious social disturbances and possibly to the overthrow of existing governmental systems and the substitution of something decidedly radical in their place. In other words, that a disorganization something like that which prevails in Russia may be experienced in other countries of Europe commonly regarded as far removed from such danger.

The wide financial experience of Mr. Vanderlip and the unusual facilities he had for gaining information at first hand render his presentation of the case of exceptional importance, and a summary of his facts and conclusions will throw much-needed light on the European situation.

He begins with a brief survey of the devastation wrought in Belgium and northern France, and says: "If I were writing a book on the war, I would devote a chapter to telling about the systematic destruction of industry for solely commercial purposes; how factories were selected that were competitive to German industry and ruthlessly destroyed, while others which were standing near by and which were non-competitive were left unharmed. In a sense, Germany has won one of her objects. She has destroyed the industry of northern France and much of the industry of Belgium, so that no matter how great or in what form indemnity is secured, these industries can not be replaced before similar German industries, and

the industries of other countries, may have absorbed their markets.”

Some of the difficulties to be encountered in getting industry restarted are thus stated. Passing by the devastated countries, where obviously much time will be required, there are the governmental restrictions of one kind and another, the lack of raw materials, of coal, an unsatisfactory labor situation, disorganized transportation and a serious lack of credit in many of the countries that would otherwise buy the goods once they were made and shipped. How serious is the lack of transportation may be understood from the fact that it is in part chargeable with the death by starvation of hundreds of thousands in Europe in the last twelve months. Mr. Vanderlip states that he has the highest possible authority for the prediction that the food situation will be more serious in the spring and summer of 1920 than it has been this year, and indeed that it will be so serious that, taking into account the breakdown of transportation, it will be impossible to prevent another horror of starvation even if the ports of Europe are amply supplied with food.

The inflation in the currencies of a number of the leading countries of Europe is described in detail under the head, “A Chaos of Currencies.” This rather startling statement is made in regard to the industrial situation in England: “The brutal truth is that England’s labor has been so underpaid during the last generation that it has been unable to keep a roof over its head, and to-day there is urgent need for homes for a million working men’s families. This need is so great that the domestic situation of labor has become a national scandal, recognized by Parliament and employers, and one of the most important national movements in England to-day is connected with the housing problem.”

Mr. Vanderlip says that the differential that England has heretofore had in the last generation compared with America “has been the differential of a wage scale that averaged lower than the point at which the physical efficiency of labor could be maintained.” Higher wages will destroy this differential, but its advantages are expected to be made good by increased efficiency in production.

How much the restoration of prosperous conditions in England depends upon the restarting of European industry is shown by the statement that a responsible cabinet minister told Mr. Vanderlip that unless England’s European markets can be re-established the problem of the Government will be to export five or six million English citizens to the colonies and elsewhere where they will be close to the food supply.

Notwithstanding the difficulties in the British labor situation, Mr. Vanderlip found an existing feeling that these difficulties would be overcome. He also records this impression of the changing attitude of employers toward labor: “It is certain that, broadly speaking, employers are thoroughly awake to the necessity for conces-

sions to labor. There is an awakened consciousness of responsibility for unemployment. The industrial theory that labor is a commodity to be bought when wanted on the best terms that the bargain can be made is disappearing. The idea that there should be a genuine minimum wage, varying with different localities and conditions, but applicable to everyone, is gaining ground. Employers' minds are beginning to wonder if industry has not been shortsighted in leaving labor always in a state of apprehension in regard to the stability of its position and at least to question, if not fully to admit, that industry would gain in efficiency under a system of unemployment insurance. The aspirations of labor for a larger voice in the management of industry is being listened to with attention, and on every hand there is a recognition that in the future labor will have, and in justice should have, a larger division of profits of industry either in the form of profit-sharing, or what seems more practical, for the present at least, maximum wages above minimum standards."

Mr. Vanderlip presents a striking picture of conditions in England, France, Italy, Belgium and Spain. His chapter on "Credit" is particularly instructive. He points out that Europe has a sound basis for all the credits the leading nations can possibly extend. He proposes that American credit should be united in partnership with Europe's understanding and experience in regard to international industrial business.

Temptation exists to make still further quotations from Mr. Vanderlip's remarkably interesting book, but the reader who wishes to be well informed regarding the present outlook in Europe will wish to read the book itself, and that course is most heartily commended.



The Final War

NO wonder that the proposed League of Nations has such valiant champions! They honestly seem to believe that it will prove the instrumentality for ending war forever and ushering in an era of perpetual peace.

This belief was indicated in what President Wilson said to the Senate on July 10:

"The monster that had resorted to arms must be put in chains that could not be broken. The united power of free nations must put a stop to aggression, and the world must be given peace. If there was not the will or the intelligence to accomplish that now, there must be another and a final war and the world must be swept clean of every power that could renew the terror."

The realization of this noble dream might be practicable were

it possible to conceive of all the peoples of the world living in territorial boundaries which they never will seek to change by force; if these peoples have governments which will satisfy them to such an extent that they never would forcibly seek to alter them; if the languages, customs, manners and economic conditions can all be so finely adjusted to the desires of the different peoples that they would not fight throughout all time for their alteration; if the ambition for military glory can be curbed not to break forth again; if the lust for commercial, industrial and financial domination can be perpetually restrained; if nations will stop aggressions of every kind, and if men will no longer fight for the mere love of fighting—then, in that millennial age, may we expect to see the final war.

This same yearning for enduring peace was expressed a short time ago by Henry Ford in testifying in his libel suit against the "Chicago Tribune." Here is a summary of Mr. Ford's views as reported in the newspapers:

Mr. Ford said that he believed the plan for a League of Nations should be adopted in order to end war for all time.

"Unless we have the League we should prepare up to the hilt for war," said Mr. Ford.

"No war threatens now," said Mr. Stevenson.

"We want to end it now for all time."

"You think there would be a great war now unless we have a League of Nations?"

"I think so."

"You think now that preparedness would be an insurance against war, don't you?"

"If it was used immediately to clean up the situation."

"Are you in favor of having a great army now to go over and clean it up?"

"Yes, unless we get a League of Nations."

"So, if we do not get the League, you want this country to go to war again?"

"I want them to clean it up now for all time."

Most of us would be willing to pay the price could there be any assurance of ending war for all time; but with new generations of people and new issues, no such assurance can be had.

Illusory as these dreams of an unbreakable peace are believed to be, they are nevertheless to be applauded as indicating the perennial hopefulness of mankind. Great dreams often have come true, and so may this one. And despite the admitted faults of the League of Nations covenant, the plan for banding together the righteous-minded nations of the world to hold in check the rapacity of those not like-minded, and to insist upon the practice of international justice, is right in principle and should be capable of being worked out in practice.

The League Discussion

PRESIDENT WILSON has placed the Peace Treaty, including the League of Nations covenant, before the Senate, and a discussion of the League proposal is now going on throughout the country. It is arousing very deep feeling.

Objections to the proposed League of Nations chiefly rest on the grounds that it would impair the country's sovereign rights in making war, in providing for the national defense, in interpreting and applying the Monroe Doctrine; and, besides, it is contended that provision should be made whereby withdrawal from the League would be made easier. A good deal of indignation has been aroused also by what is characterized as the bargaining away of the rights of Shantung to Japan in order to secure the allegiance of the latter country to the League of Nations plan. The fight over the ratification of the Peace Treaty centres around these matters. About the general terms of the Peace Treaty there seems no division of opinion and they excite but little interest.

The sentiment making for the ratification of the Peace Treaty as it stands finds reinforcement in the general desire to create some sort of machinery whose object shall be to avoid war, and the almost universal wish for a speedy return to more normal economic conditions. Possibly the proponents of the League of Nations have counted upon these sentiments to aid in putting the League plan through.

The situation in China has been partly of our own making. We withdrew from the Six Power group on the ground that it was unfair to China and that there were too few American banks participating in it. But we did nothing to remedy this alleged state of affairs. We proposed nothing better to take the place of the arrangement which our idealism had destroyed. China, under the necessity of raising outside loans, applied to the only place they could be procured—to Japan—and that country exacted, as she had a right to do, full security. It would seem, therefore, however sound may be our protest from an ethical standpoint against the absorption of Shantung by Japan, we are effectually estopped from trying to escape the inevitable consequence of our own action. China's weakness has, of course, constituted Japan's opportunity. The Chinese people have been torn by internal dissensions, robbed by military bandits, in the grasp of a horde of grafters, and they present a sorry spectacle to the world. Indeed, the condition of China menaces the safety of her neighbor, Japan, even if it does not threaten the peace of the world. We allowed China to drift financially and otherwise, and are now seeing the consequence of the ineptitude of endeavoring to apply idealism to a most practical situation.

In surveying the international mix-up which the proposed League of Nations threatens, one cannot escape the conclusion that the League plan might well have been left out of the Peace Treaty and made the subject of later and special international deliberation.

It is inconceivable that the Senate will ratify the League covenant as it stands, for it invades the exercise of our national sovereignty and commits the United States to a hazardous participation in international squabbles with which we may have no real concern.

Why not submit this innovation in our governmental policy to a vote of the people? The referendum has been frequently invoked for subjects that were more or less trivial in their nature, but here is a proposal of the most vital character on which the people of the United States might well be allowed to express their opinion at the ballot-box.



Tendency Toward Monopoly of Meat Trade

FROM a recent bulletin of the Federal Trade Commission it is learned that the "big five" Chicago meat packers threaten to gain a monopoly of the meat trade and of some other staple food products as well. The report says:

"An approaching packer domination of all important foods in this country and an international control of meat products with foreign companies seems a certainty unless fundamental action is taken to prevent it.

"A fair consideration of the course the five packers have followed and the position they have already reached must lead to the conclusion that they threaten the freedom of the market of the country's food industries and of the by-product industries linked therewith.

"The meat packer control of other foods will not require long in developing."

Much detailed information is given tending to support this general charge.

It would require too much space and would probably be of little value to take up each one of these specific allegations, but it may be of considerable value to discuss the purpose of the report as a whole.

The matter may be regarded in more than one way; in the first place, if we look upon great and successful business enterprise as something to be applauded, the gradual extension of the Chicago packers' activities and the remarkable success they have achieved may be considered as evidence of great skill and enterprise and

of wonderful adaptability in meeting the demand for American food products both at home and abroad; of course, if one takes what seems to be the bureaucratic government view—that big business and phenomenal success constitute in themselves a great menace to the public welfare—then the remarkable success of the packers may well excite concern.

But there are some other considerations which appear equally weighty. Are not the real questions after all these: Are the food producers (especially the growers of stock) better off, the public better served and labor better rewarded than would have been possible under the conditions which prevailed prior to the development of the great packing industries? Upon the answer to the several phases of these questions the validity of the charges made by the Federal Trade Commission depends. Merely to enumerate what the "big five" have done in extending their facilities and enlarging their operations gives no satisfactory reply to these vital questions.

Furthermore, the allegations made by the Federal Trade Commission bring up the whole subject of large business organizations as opposed to the smaller business units of former years. It is inconceivable that the skill and efficiency developed by the meat-packing concerns, and which was impossible under the old methods, should be sacrificed and the country revert to the crude system of handling its meat products in use a half-century ago.

As to the great business organizations themselves, is it not true that their vastness of itself tends toward greater wisdom of management? The managers of large enterprises have the incentive of making successful and honorable business records, and there is ever present in their minds the monitory force of a potential public opinion, with the possibility of price regulation by law acting as a restraint upon an undue desire for profits.

There is danger in unregulated monopoly, but with the corrective forces mentioned and the ever-present economic law that rapacity in trade generally defeats itself, the "big five" would seem to have a sufficient motive for conforming to sound and honorable practices.



Recruiting the Working Forces of the City Banks

TH**ERE** is presented elsewhere in this number of **THE BANKERS MAGAZINE** an article by Irwin G. Jennings, assistant secretary of the Metropolitan Trust Company of New York, on the subject of "Solving the Problem of Supplying Junior Clerks for the Financial Institutions of Our Great Cities." This title implies that at present there exists a lack of available raw material out of which

the future bankers of the country are to be formed. Undoubtedly this lack has received fresh attention owing to the fact that many banks have been short-handed to an extent greater than usual because of the demands made on their employees for military and naval service. When normal conditions are restored the supply of bank men will be more plentiful.

But probably the real point of the matter does not relate so much to the numerical supply as to the quality of the material available for bank work. Naturally, the question arises, why do not the very best young men in the country instinctively turn to the banks for employment when beginning their life careers? The banker as a rule holds a high position in the community. His wealth, influence and social standing all make his situation enviable. The bank clerk, too, is popularly supposed to be one who performs duties which are rather light in character, whose hours are short and whose pay is generous. This popular estimate of the banker and bank employee undergoes considerable qualification in the light of the real facts. It is true that the banker occupies, as a rule, an enviable place in his community, but, like almost everyone else who is exalted above his fellows, he gets his reward partly in the honor which his station confers. The banker, as a matter of fact, is rarely a rich man, though generally in comfortable circumstances.

As to the bank clerk, there is considerable routine and drudgery about his work, it is not always well paid for, and the hours of employment are much longer than the opening and closing time of the bank would indicate.

Admitting the force of all these drawbacks to the profession of banking, however, it possesses many solid attractions. The bank is a great servant of industry and trade and performs a most useful function in promoting individual thrift. The banker is called on to test, in the light of cold judgment, the values of securities and the soundness of credits and of business enterprises. He thus has opportunities for service and for acquiring business information second to no one else; every line of legitimate enterprise comes within his purview. With such opportunities it is the banker's own fault if he does not develop into a most useful citizen, and one who acquires both power and wealth.

Probably one reason why young men do not more eagerly enter upon banking as a career is because the opportunities in any one institution for advancement to an official position are comparatively limited. In recent years this hindrance has been somewhat overcome by the creation of a large number of assistant cashiers, whose duties are more important than the title would imply, especially in the large banks.

Mr. Jennings rightly considers banking of great importance to the community, and his plea that its ranks be filled from a body

of specially-selected young men, preferably from the country, has much in its favor. He proposes that the selection of men for bank work in the larger cities be made by a coöperative effort on the part of the local high school and the local bank; that the young men so chosen be given positions in the city banks, paid a fair salary, and that they be permitted to continue their educational studies until they complete, if desired, the equivalent of a college course. The city banks are to form associations which would assure continuous employment, under proper limitations, to the young men and would have some general oversight of their welfare.

The banking business of the United States needs, as never before, trained and educated men, and the suggestion of Mr. Jennings may afford a practicable means of securing them. Some banks have been doing as individual institutions practically what he believes might more advantageously be done collectively.

It would react favorably upon popular opinion about banking if it could be shown that the bankers of the country are taking a deep interest in the young men, without purely selfish motives, and it ought to be of great value to any community if some of its boys every year, while pursuing their college studies, could receive the sound and varied business training which the offices of the great city banks afford.



Paying Employees by Bank Credits

BANKERS and large employers of labor will watch with much interest the results of a plan put in operation in England by Lord Leverhulme for paying the employees of Lever Bros., Ltd., by means of bank credits. The plan in brief, as described in the Monthly Report of Lloyd's Bank, London, is as follows: The company is to pay over the wages to a bank chosen by the workmen, and it is thought that this will lead a man to draw merely the amount needed at the moment, leaving the balance on deposit. Such a balance is to be supplemented by an addition from the company of five per cent. interest.

Such a course, if generally adopted, would vastly increase the aggregate number of bank depositors and very considerably swell the volume of bank deposits. Needless to say, it would also give the banks a great deal more work to do than they now have. It is at least an open question whether the benefits would be corresponding.

If such a plan were adopted it does not necessarily follow that all the employees of a given factory or of all factories in a given place would go to the bank every pay day to make a withdrawal. If they did, this would make it exceedingly difficult for any bank

to handle the crowds and would result in much confusion. Probably as employees became accustomed to the new method of receiving their pay they would go to the banks as other depositors now do whenever they needed currency. Their trade bills, rent, etc., would be paid by checks.

In the old days of low wages bankers perhaps as a rule considered the workman's pay envelope as containing an amount large enough for a savings bank but hardly sufficient for a bank of deposit and discount. But times have changed. Even work of the commonest kind is now being so liberally paid for that the weekly wages would be regarded in most banks as worth having.

Lord Leverhulme's plan does not, however, contemplate that the deposits shall be made by the employees as individuals, but that the amount shall be deposited by the employer in a lump sum, the employees being credited with the respective amounts due them. After the employees drew currency or checks to meet their requirements considerable sums would probably remain in the banks, thus encouraging saving and increasing the bank's deposit.

The chief objection to the plan lies in the added clerical labor involved in carrying it out. But experience gained in the Liberty Bond campaigns shows that this labor may be quite materially reduced.

To deposit all of an employee's weekly earnings in a savings bank would appear impracticable, for the reason that the bulk of the deposit would certainly be almost immediately withdrawn in currency; but where a bank permits checking against small accounts, these withdrawals would be largely offset by the fact that many of them would represent transfers of credit.

Perhaps the ideal relation between the wage-earner and the bank is that where the wages received are not large enough to warrant a checking account, the amount which can be conveniently spared should be regularly deposited in a savings bank. It is admitted, however, that the proposal to have substantially all employees to receive their wages through the banks has much in its favor, and would hasten that universal employment of banking service which is now gradually taking place.



Monetary Standard Again Under Examination

THAT ancient ghost of financial controversy—the standard of value—again rises to push the financial editor from the stool on which he has been quietly dozing since Bryan, St. John, Leech, Roberts, Bland and Jones ceased their contentions about the respective merits of gold and silver. Bryan claimed there was not

money enough in the world—and there were few automobiles or summer furs in those days and the high cost of living had not yet made its appearance. But South Africa and the Klondyke began to pour out such large quantities of the yellow metal that there was soon such an abundant supply of it that even Bryan quit moaning about the crime against silver, claiming that the prosperity that followed the increased production of gold proved his contention that more metallic money was needed. When Bryan quit talking for silver the gold orators quit talking for gold, and prospects for a quiet time in the realm of monetary discussion appeared good. But this comforting appearance was illusory and short-lived. Soon it began to be claimed that the increased production of gold was itself causing an inflation of prices and a depreciation in the purchasing power of money almost comparable to what would have happened had Mr. Bryan been elected President and had carried out his threat to put the country on a silver basis with as little delay as possible. So much gold was coming from the mines that bankers of great financial authority, professors and political economists warned us that we should be drowned in a flood of gold. In the United States, because of the large supply of the metal, the alarm was especially acute. The remedy most commonly proposed was the demonetization of gold, on the ground that the metal was too plentiful and cheap longer to serve as a reliable standard of value.

Then something happened: it was the breaking out of the war in Europe, followed by a mad and world-wide scramble for gold. We first sent over a gold ship to Europe to protect outstanding American bills and to get our tourists home; then the tide turned; we began to export so heavily to Europe that we drained the European money markets of their gold. This, with the increase in the demand for commodities, tended to raise prices more and more—a tendency which was vastly accelerated by the increase in the paper currency, the dilution of bank reserves and the large public loans made necessary when the United States entered the war. Gold as currency disappeared, and the gold standard became more or less of a polite euphemism.

Then began once more the old contention over the monetary standard. Silver had risen in price so that "bimetallism" no longer wore the attractions of former years; the once beautiful silver maiden, oppressed and bedevilled by the gold monster, had grown prosperous and pudgy, and no Lochinvar came out of the West to snatch her away from the haunts of opulence and pride. But if silver was cheap, other things were high: eggs, butter, coffee, cocktails (of beloved or accursed memory, according to the point of view), gasoline, rubber tires, wheat, potatoes and parsnips. Why should not these answer as the basis of the dollar? Professor Irving

Fisher of Yale University gives the answer. He suggests that we "banish gold entirely from our thoughts and think of a dollar as simply a number of grains of gold bullion in the Treasury vault, the number changing from time to time, but always definite and specific at any time. * * * But it will be asked: What rule or criterion is to guide the Government in making changes in the dollar's weight? A definite and simple criterion for the required adjustment is at hand—the 'index number' of prices."

This "index number" is made up from the prices of commodities, such as those indicated above or otherwise. The "Mining Congress Journal" characterizes this proposal as a dangerous scheme, saying:

"This plan for stabilizing the value of the dollar might be likened to a standardization of the yardstick by making it of elastic rubber so that it might be made to adjust itself to the length of any article which it sought to measure. Plentiful crops or increased efficiency in production by which the supply of those articles, the average price of which is to be the index number, would increase the value of the dollar just as the yardstick of elastic rubber might be made to adjust itself to the length of any article.

"The law of supply and demand would attach itself to both sides of all transactions under the Fisher plan in such a way as to destroy itself. The world has produced many inventors of perpetual motion by which it was proposed to set aside the law of gravity. Professor Fisher's plan seems designed to set aside the law of supply and demand, and to that extent is a most unique proposal. A law which can be set aside is not a law. A law of gravity and the law of supply and demand will surely come back. To make useless mankind's universal yardstick of value—gold—it will be necessary to change, to revolutionize, the viewpoint of the world, civilized and semi-civilized alike. It might be possible to convince an educated community that all exchange can be based on credit, but it will require many generations to convince the world that paper money is always and everywhere of equal value. The world might have agreed upon platinum as the best measure of value, but it did not. The world did agree upon gold as the most stable measure of value and will continue to so consider it without respect to the academic discussions of any or all of the world's theorists."

But the gold miners are unhappy, too, for they contend that the cost of producing the metal has gone way above the mint price, and ask that this be raised. So that between these differing contentions the old ghost of standard of value stalks calmly upon the stage, wholly unmindful of all the din he has been creating in the world for centuries past.

The Federal Reserve Board and Speculation

RECENT flurries in the call loan market have caused the Federal Reserve Board to issue a lengthy statement explaining the relation of the banks and the Federal Reserve system to speculation. In this statement it is said:

“It is not the function of the Treasury nor of the Federal Reserve Banks or the banking institutions of the country to provide cheap money for stock speculation, and the board feels that the reflex action of the rates for call money on stock collateral upon the Government’s financial programme and the requirements of commerce and industry has greatly decreased, and will continue to decrease as it becomes better and better understood that the true functions of the banking institutions of the country and of the Federal Reserve system, acting in their aid, is subject to the temporary requirements of the Government, to finance commerce and industry. Only those banking institutions which adhere to this policy are performing their true function and are being wisely and conservatively handled in the real interest of their stockholders and the public. The demands for credit for stock speculation must yield precedence to these prior demands, and the rates for stock speculation ruling from time to time, however erratic, can have no permanent effect upon the rates for Government and commercial and industrial purposes.”

Whether it is the function of the Federal Reserve Banks to provide cheap money for stock speculation or not, that is what they are doing and what they inevitably must do. Stock speculation goes on chiefly in the larger cities and in New York particularly. By reducing the reserve requirements of the banks, and by providing that all legal reserves must consist of credits at the Federal Reserve Banks, the Federal Reserve system greatly aided stock speculation by providing cheaper bank credits. Furthermore, the rediscounting operations now possible tend in the same direction. Although the paper eligible to rediscount must be based upon other than financial operations—that is, must originate in production and exchange of commodities—this does not materially alter the case, for banks that were accustomed to carry commercial paper in their own portfolios can rediscount it and thereby gain large additional credits which they can use in making loans for stock speculation if they choose.

Wall Street has no cause for complaint against the Federal Reserve system, for it indirectly affords abundant means for stock speculation. With diluted bank reserves, and with a currency issue not yet subject to true commercial redemption, it could hardly be otherwise.

Solving the Problem of Supplying Junior Clerks for the Financial Institutions of Our Great Cities

By IRWIN G. JENNINGS, Assistant Secretary Metropolitan Trust Company, New York

THE PLAN

1. The formation in each of our great cities of an association of banks, trust companies and financial institutions for the purpose of bringing into their employ as junior clerks the young men graduates of small city and village high schools.

2. The administration of the affairs of such association, in general by a board of trustees and in detail by a paid director or secretary.

3. The planning and raising of a budget for financing such organization by contributions from the member banks based upon the estimated number of junior clerks to be furnished by the association.

4. The organization, in selected small cities and villages supporting high schools, of an interest in the purposes of the central association under the leadership of a committee composed of the principal of the high school and one or more bankers of the locality.

5. The selection by the above committee of two or more graduates annually from each of the high schools represented for the purpose of receiving scholarships to be presented by the associated banks.

6. The securing of complete coöperation between the association and approved educational organizations of the city center in the matter of receiving the recipients of the scholarships as students and the terms and conditions of their enrollment.

7. The formulation by the association of rules governing the conditions of the scholarship award and the salary, hours and details of the service required of the clerks.

8. The securing, maintenance and extension by the secretary, of both the city bankers' interest in the movement and that of the local high schools and their students.

9. The reception in the city center, by the secretary, of the new men on their arrival, their proper placement in good homes, in positions in the offices of the associated members and in the classes of the coöperating

educational institutions; the secretary throughout the year acting as advisor and confidant of the boys and exercising a personal and sympathetic supervision over their progress.

10. The inception and carrying out of plans looking to the welfare of the clerks and students and the unification and improvement of their ideals in connection with their new vocation.

11. The establishment of a clearing-house of information and a medium by which deserving clerks may be brought in touch with more ambitious banking positions.

THE ARGUMENT

LET us suppose that you were up in an aeroplane making a survey of the world for the purpose of locating your boy in business. Suppose that, after flying over every part of the earth, you finally found yourself above the greatest business street in the richest city of the best country in the world, and it were possible for you to place your son in an attractive office headed by men acknowledged to be the leading financiers and business men in that country, and on a basis that would promise opportunity for the boy to grow. How much further would you seek?

Coming a little nearer to earth, let us suppose that you were a boy in an inland city or town, with a good high school education or better, who desired to follow a business career, but that openings were limited. Assume that there was an opportunity for you to connect yourself with a reliable business or banking house on or near Wall street, New York city, in the great financial

district. Supposing the majority of your immediate competitors for promotion were boys who had failed to make good in the first year of the high school, or who had decided that they had had enough book knowledge after finishing the grammar grades. Suppose, further, that the opportunity was not only open to you, but that you were encouraged by your employees to spend four or five evenings a week in the lecture and classrooms of the country's leading universities, and that at the end of four or five years of study you would be entitled to a college degree. How would you view your prospects on commencement day with your bachelor's degree in your hand and a dollar in your pocket, both earned by yourself, a good job on which to fall back, and with several influential business friends who were interested enough in your career to push you along?

And now, Mr. President of the Blank National Bank or Trust Company of New York city—the very soul of whose chief clerk is consumed in solving the question of proper sources of reliable new material for his bank's organization, and by handling a large number of young men whose apparent ambition in life is to quit on the hour and to sidestep anything savoring of mental development—suppose that you were able to fill your lower positions with young men of the best American stock, possessing first-class high school records and willing to get down underneath the work of your institution, to do it well, and with an ambition to add to their knowledge as the opportunity came to them. Would not your organization improve in quality?

Just a few words to the governors of the American Institute of Banking and to the trustees of the schools of commerce of New York and Columbia universities. Suppose that for your classes in business and finance you could draw upon a class of well prepared young men, eager to learn, fortified for your lectures with a combination of text-book study and business experience, with prospects of advancement in their work and with the chances in their favor of



Irwin G. Jennings was born in Zanesville, Ohio, and graduated from Marietta College and the Law Department of the Ohio State University. He practiced law in Zanesville, served two terms as Probate and Juvenile Judge of his county and afterwards was United States Commissioner in the Southern District of Ohio. In 1910 he entered the Political Science Department of Columbia University and studied under Professors Beard, Goodnow, Giddings, Seager and Smith. He was later connected with the New York Bureau of Municipal Research where he was assigned to special milk investigations in the city and state and also prepared the original legal brief in the matter of freeing the Coney Island beaches.

After several years as secretary and director of one of New York City's large retail milk companies, whose business was more than doubled during his connection therewith, he came to the Metropolitan Trust Company and is now assistant secretary of that institution. For the past year he has served on the board of trustees of the Trust Company Forum of the New York Chapter, American Institute of Banking. He has been an occasional contributor to the "Educational Review," "Scribner's" and the New York "Times Magazine," and at the recent commencement exercises of Columbia University, was awarded the Degree of Doctor of Philosophy. A recent article by Mr. Jennings discussing vocational guidance in colleges and universities, published in "Scribner's," received country-wide attention.

becoming a credit to their instructors and alma mater. Would this be attractive to you?

In other words, if by a little organization and thought on this subject, the father can be delighted, the boy made enthusiastic, the chief clerk relieved and the trustee gratified, will it not be profitable to reason together for a little while and see what may be done?

A MEDIUM OF CO-OPERATION

Here are people who need each other, who can help each other and who are vainly seeking each other, but there being no existing medium to bring them together, they do not find each other. It is not only a problem for the men and interests immediately concerned, but there is involved in this matter an immense amount of public interest. This is so because an analysis of what is America's most important work will surely establish the fact that the financial and business interests of our great American cities are bound to be indispensable to the efficient administration of our country's tremendous future responsibilities, and it is essential to our nation's credit that these interests perform their mission well. Obviously, therefore, it is not only a question of what may or ought to be done, but America's important work and the people who can do it best must be brought together.

Never, except in time of war, has there been any attempt to marshal America's efficient young men so that our country may receive the benefit of their united effort. Vocational training and direction that is limited to returning soldiers, whether able or disabled, is not enough. It is highly important that something be done for the coming generations of able and efficient young men who are ambitious and properly prepared, that they may be brought in contact with a type of work the most useful within their capabilities.

For the purpose, therefore, of discussing the matter more simply and specifically, let us direct our attention to the situation that exists in the Wall Street district of New York city, always

keeping in mind, however, that the same problem exists to a greater or less extent in the corresponding locality of every large city, and that the same solution is applicable.

The hypothetical paragraphs above do not overstate the situation as it actually exists. By far the greater percentage of the beginners in this important field of activity are woefully short in their educational fundamentals and in their ability or desire to grow mentally. Of these many are misplaced and never can hope to do this important work well, and if perchance some of them do get into positions of influence, there is danger that the policies of such men will be narrow and unprogressive. But, on the other hand, there is now no choice. It is impossible at times to obtain even this kind of help. The officers of our banking institutions realize that something must be done to raise the educational standard and in general seek to solve the problem in two ways, either by stimulating attendance of their employees, of whom many are at present so unprepared as to be unable to appreciate their opportunities, at the classes of the American Institute of Banking and other schools doing kindred work, or to organize the bank's force into educational classes and attempt to do this work under the supervision of their own officers. Neither plan is entirely successful. According to a report quoted in one of our leading financial journals, out of twenty-eight employees of a prominent New York city bank, whose progress was followed faithfully in a chart exhibit, only one pupil lived up to the programme which he mapped out for himself. These twenty-eight were above the average. They at least started to do something. On the other hand, no bank is an educational institution; it is neither equipped nor manned as a school, and it is largely because of the vital necessity of the case that attention is turned to teaching. Much good no doubt is done, but no bank's experience in either of the above methods is really flattering. The trouble lies in the poor quality of the raw material.

On the other hand, in the smaller

towns and cities in practically every part of our country the vocational problem is a vital one. It is much easier for the girls to be placed, either as school teachers or stenographers. But in the case of the boy it is necessary to consider the ultimate and not the immediate prospects of the work into which he is going. Many boys are sent to college with no definite end in view, and often their college career is more or less of a protest. At the end of this time the problem of proper placement is even more acute than before. In their eyes what a wonderful thing it would be if they could come in contact with the great work that is being done in our financial centers. The fact that there were jobs waiting for them, that their welfare while in the city would be studied, that proper homes would be found for them and reasonable supervision provided, together with the fact that they might easily acquire a practical college education, preparing them specifically for their future activities, would make a tremendous appeal to them. A goal would be constantly before them. This does not necessarily mean that cultural studies would be eliminated from the curricula, for it is quite possible that the need would be felt for broadening studies; but, with their minds fixed upon the main purpose, they would doubtless be able to see the reason for and apply themselves better to a fair amount of general training. The question might be asked why the outsider should have any advantage over the New York city boy. This is not necessarily the case, for the well prepared New York boy is soon grabbed up by business houses; but the fact remains that he lives at home, is usually permitted to spend his earnings on himself and has the friends of a lifetime within easy reach. This leads him to other pursuits than evening study. On the other hand, the village boy who leaves home and friends to work out his future on his own resources displays an initiative and assumes a responsibility that will insure his carrying out the programme that is laid down for him. He cannot go back home without accom-

plishing something. His friends would laugh him out of town if he did so. In his new environment he will have at the start but few friends, and if he is paying his expenses out of his earnings he will have little means at his disposal for amusement. These boys, under such circumstances, are bound to make good.

Here, then, is good raw material to draw upon. More than one out of twenty-eight of these fellows will finish the job they start. Their presence will tend to promote the morale of any institution for which they work. They will be on time at their work and conform to the rules laid down. They are essentially courteous. Each month they will add to their equipment. In time they can be developed into bankers and financiers. But, granted that these things are true, how will the New York banker get hold of these boys? In order to start the discussion, how would a plan something like the following work?

A BANKERS' VOCATIONAL ASSOCIATION

Let such New York banks, trust companies and financial houses as are interested in the project form an association which, for want of a better name, may be called the Bankers' Vocational Association, membership in which is open to representatives of the above institutions. Each member shall make contributions to the support of the association based either upon his interest in the movement or, better, upon the estimated number of young men that would be employed by his institution. The affairs of the association should be administered by the customary board of trustees and its details looked after by a vocational director and secretary, who, at the beginning, might be one and the same person. The budget of such an organization, therefore, could be made very modest. The main idea of this organization would be to interest young men graduates of high schools in the inland towns and cities of our country to accept positions as office boys or junior clerks in New York banks and financial houses and to supplement their daily work in such institutions by evening study in improved educational organizations. In

order to do this there should be organized in certain selected cities or villages—the smaller the better—maintaining high schools, a local knowledge and interest in the movement, under the leadership of the principal of the high school and one or more of the bankers of the community. The minimum amount of responsibility required of these gentlemen would be to select by competent means two or more young men in each year's graduating class of the high school who would be awarded the scholarships of the central association. It would be well within the scope of their possibilities for the local units so to organize their work as to stimulate greatly enthusiasm for economic and financial study in their communities. In such cases the amount of good accomplished would be beyond immediate estimate.

The work of selecting the high schools and organizing their interest would be one of the duties of the vocational director or secretary. If the association were properly appraised and supported in New York city there would be no question but that any required number of high schools could be brought into the organization. For a high school to be designated by the associated banks of its metropolis would be worthy of note and the community would consider the recipient of a scholarship as having been most signally honored. After properly organizing the association and awakening interest and co-operation among the New York institutions involved, a vital part of the director's work would be to receive the young men as they arrive in the city, to have proper homes selected for them, to see that they were properly placed in an office of one of the associated members, to get them properly placed in their school work, and throughout the year to act as the adviser and confidant of all the young men under his charge, and to exercise a personal and sympathetic supervision over their progress.

The association itself should prescribe the hours during which these young men should be employed, which ordinarily should be the regular banking hours, but

with a minimum amount of night work, thus giving them the opportunity to attend their lectures and prepare their assignments. A minimum and maximum salary, for the first year at least, should be fixed by the association, which should not vary greatly from the market value of the services required, and which should be approximately the same in the offices of all members, so that there would be no ground for preference at the start by reason of business connection, salary or type of work required. The new boys would thus be on the same basis as other employees, and certainly as much expected of them in every way, with the possible exception of night work.

Boys from seventeen to twenty years of age, the average for high school graduation, are just at the right age for this purpose. Such boys are willing to begin at the bottom and at the minimum salary paid on Wall Street, which is usually more than the wages paid in their own town. The advantages or proximity to higher educational institutions and the opportunities offered by a Wall Street connection would be real and count for much in their eyes. In the Wall Street district of New York there has been some very intelligent individual effort made to attract college students and graduates into bank work. Where the institution is large enough to offer the positions that will be continuously attractive to college graduates, a fair measure of success may attend such work, but the boy just graduated from high school is by far the better subject to work with in this respect, because there is more to offer him and, most important of all, because there is more real need for his services. There are more jobs on the bench open to-day than higher up in the bank's organization, and the need for good material at the start is acute.

Also, the project begun here would be much more economical, because the wages paid for the same type of man material would be smaller and the recipient would be satisfied better than the college man with the ordinary bank's normal promotion policy. Quite im-

portant, also, is the fact that the educational training provided in our plan would be more economical and efficient because the instructors of such educational organizations as the Institute of Banking are specialists in their work, and the curricula could easily be modified on good cause shown. As to the matter of method, the plan above is a better one than could be inaugurated by any individual bank, because the need is a general one, and in order that results might be economically produced for all the banks in the association, the logical requirement would be for a uniform method of handling the problem.

There is no reasonable limit to the possibilities that might grow out of such a project. The idea of a dormitory system for the boys might be attractive to some and the welfare features of the work could be greatly developed. The association might in time become a clearing house of information to both bankers and their employees, whereby more ambitious positions in the bank's organization and the proper men to fill them could be conveniently brought together. It might reasonably be expected that through this means the university ideal in New York's financial district would receive a tremendous impetus. With this in mind, our educational organizations can well afford to co-operate fully with the association. Especially should it be kept in mind that in no way is there any conflict between this plan and the functions of the American Institute of Banking. By such means as is advocated here a higher type of young men would be brought under the influence of the New York chapter in such a way as to make it one of the most powerful and useful educational organizations in the whole country.

Where so great need exists and where the material for filling the need can be so easily and propitiously brought into the situation, will it not be well not only to think about the plan, but also to take steps to bring about its realization? From the mere standpoint of constructive publicity alone, there is no movement that could be inaugurated that would so completely and continuously

show the rest of the country that there is a real human element on Wall Street. Nothing would so thoroughly bring to shame the mouthings against Wall Street of the irresponsible political demagogue as to be called to task in various localities by fathers, the future of whose boys was being so sanely and generously handled under the patronage of the bankers and financiers of that district. Make no mistake, the above plan or something similar to it is practical and can be made to work. It has already worked remarkably well in a number of individual cases, and better results are bound to be obtained if the matter is handled intelligently and according to a well considered plan by an association of such banks and financial institutions as are actually experiencing the need of better sources for office boys and junior clerks. For an average experience read the story of Higgins.

THE STORY OF HIGGINS

Six feet tall in his stockings and with his arms and legs a little too long for his coat and trousers, Higgins began work on Wall Street nine months ago. He had just graduated from the high school of a town in Ohio boasting a population of 600. His father was a farmer, but Higgins did not want to farm. His father finally decided to enter him in a western university, but when the opportunities for combining business experience with educational opportunity in New York were explained to him, he advised his son to accept an offer of a job on the bench of a Wall Street bank at \$40 a month. In the nine months that have elapsed since he started to work Higgins has finished his freshman year in the New York University, paid most of his expenses, made a record as about the best office boy in the concern for which he was working, and has just received notification that his salary will be so increased that he will be able to start the next year with an income fifty per cent. larger than at the beginning of the former year. Since he took hold of his job the only complaint that has ever come from Higgins was that there

was not enough work to keep him busy. Now Higgins wants to bring to New York all the eligible boys in his home

town. And what is more to the point, they want to come. Keep your eye on Higgins.

The Personal Factor in Industry

The Story of a Man Who Used Twentieth Century Methods in the Application of Common Sense

By HARRY T. JONES

GENTLEMEN, before we adjourn there is a matter of vital importance pertaining to the affairs of this company, particularly its future, which I wish to bring to your attention." It was President Ramsey speaking, the occasion being a meeting of the board of directors of the Ajax Car and Foundry Company.

Van Dusen, the banker, breathing out a huge volume of smoke from his cigar, looked through it pensively. Giving an extra blow through his improvised smoke screen, he glanced across the table at Ramsey and said: "What's the matter now? Are we broke, or are 'Hen' Ford's new tin cars crowding our product off the map?" And, exhibiting a none too evident demeanor that the president's forthcoming statement would be unusually interesting to him, he puffed heavily on his cigar, expecting Ramsey to reveal some mere form of red tape which would require his passing attention.

"No," replied the president, "unfortunately, this is a matter where our direct finances are concerned only nominally. Thanks to our good friend, Mr. Van Dusen, the financial management of the company has been quite ably carried on through his wise and timely advice.

"The subject which I have in mind concerns the three thousand employees who make our organization possible and our future attitude toward their wel-

fare. It also concerns their future attitude toward us.

"I might utilize this opportune time to inform you that a committee of our workers have notified us that they desire to meet with me in this office next week, at which time there will be presented a petition for shorter hours, more pay and the unqualified recognition of their union, namely, the Amalgamated Foundry Workers of America, Local No. 237."

President Ramsey's statement brought the attention of the directors from their usually lethargic deliberations to a point where their interest was immediately aroused. Round the table passed ejaculations by the directors condemnatory of unions, the Bolsheviki element, the country's government, its politics and the company's employees in general. A possible strike looming up on the horizon where their capital was invested had stirred these men into more than mental activity. It had brought them into a fever of excitement and heated remarks. And through it all not one of those present discussed the situation from the viewpoint of the worker.

WHAT ARE YOU GOING TO DO ABOUT IT?

Van Dusen had remained silent. When a lull occurred in the hubbub caused by Ramsey's statement the banker addressed himself to the presi-

dent. "What are you going to do about it?"

"That's just the question I've been waiting for," he replied. "What I'm going to do, and the advice which I am hoping for from you gentlemen, will require a deal of hard thinking and wise reasoning. It will need some explanation.

"It puts forth the thought that there should be provided some sort of legal machinery that would insure against strikes, walkouts or lockouts of employees of a plant such as ours, urging that there should be a control of such matters that would protect the vast and important interests of the unoffending public, that invariably suffers when manufacturing systems cease to function wholly or in part.

"It becomes quite evident that our employees will present grievances either real or fancied, perhaps both. It is also quite a needless declaration on my part to observe that we do not want a strike here if we can possibly avoid it. Neither do we desire to be coerced into methods of running our business entirely upon the dictatorial demands of our workers.

"If a strike seems imminent in the works of the Ajax Car and Foundry Company it becomes the personal duty, and I might say the public duty, of this board of directors to help us in thinking out the best possible means to avoid its occurrence, provided there accrues an equal amount of justice to ourselves, our workers, and as to how it will apply to the future of the company.

"I have a suggestion—one which I deem very interesting. It is one that thinking men should give calm and careful consideration to, and upon the conclusion of our thought and study, if we should look favorably upon the idea, we can determine quickly what action we shall take.

"Any movement that would provide a remedy for the situation that is apparently coming to confront us—a way to avert future occurrences of that sort—would have my full and sincere support. Safeguard the rights of employees and the employer all you care to, but bear in

mind the future—which pays the freight in all circumstances—is also entitled to a bit of safeguarding. Anything that will work to prevent suspension of our activities in the future, along with the consequent loss to ourselves and our workers, would be a step in the right direction. It all becomes a matter of what to do and how to do it, in order to bring about the much-to-be-desired condition that would guarantee our future safety.

"In the main, strikes are wasteful and useless. There is, of course, justice on one side and, really or apparently, injustice on the other, always. It is perfectly reasonable to believe that some tribunal can be effectively organized with power to settle such difficulties. Of course there is arbitration, but this occurs to me—how can we effectively discount the possibility of ever having a strike occur in our plant? This is a question to which I have given deep study. And I think that now is the time when that question should be studied by every business man, employer and employee, and the general public.

"In every question that arises between the employer and his employees, the employees should be given a square deal; the employer should be given a square deal, too; but, paramount to both, is the square deal as it governs the future. The suggestion which I have to bring forward at this time is that you empower me to bring Glenn Ogden from Chicago and install him here as general manager of the company."

"Who is this man Ogden; what are his qualifications for the job, and how is he going to circumvent the machinations of the Bolshevik?" exclaimed Johnson, the steel man. "Do you imagine that, should we not accede to the demands of the workers, this Ogden can prevent a strike?"

Van Dusen, apparently unmoved, shot a glance through his smoke screen toward Johnson, then rested his attention on Ramsey, as the president resumed.

"Glenn Ogden is a college man. Played halfback on the football team,

pulled the bow oar in the varsity boat and was captain of the track team. Since leaving college he has been a clean liver, taking good care of himself, and I'll venture the opinion that to-day he can run the hundred in a flat ten seconds."

"Sounds to me," said Johnson, "as if you were recommending a man to take charge of a sporting goods store, where his record might influence people to buy. Where does the fit-in start with reference to his being the general manager of a concern like ours? Do you intend playing him in the rôle of a strike-breaker?"

"Shut up," growled Van Dusen, showing the fact that even a banker sometimes uses plain English. "Give Ramsey a chance to tell us what he knows and feels; then hurl your epithets, questions and objections at him afterward. Go on, Mr. President; we are anxious to hear more of your friend Ogden and your proposition to bring him here."

"Mr. Ogden, since leaving college," continued the president, as if no interruption had occurred, "has made a study of strikes, upheavals, financial problems and other economic occurrences. Some of his solutions have met with such success that more than once the Government has sent for him and employed his special services in the unraveling of its most intricately tangled affairs, both as an adviser and a worker. Some private interests such as ours have used him to very good advantage. It is through my intimate connections, formed at various conventions which I have attended, that Mr. Ogden was brought to my notice. I have met him, and after meeting him wanted to know him better. Following this impulse, I have gotten to know him and his methods almost as well as I know you gentlemen here. One of the latest things which I have learned about him from one of his friends is the fact that while he was a freshman in college he licked half the sophomores single handed during the interclass rush. From that day on, while he was in college, popularity was his middle name.

"Your most natural question will

probably be as to what he knows about work in a plant such as ours. I do not know that he is any better versed in steel work than he is in shipbuilding. Neither do I know that he will evince any capabilities for traction work or carbuilding. But those are not the things that I want him for. I should like to have him here purely in the capacity of a handler of men. He has a wonderful disposition and an amiable smile. His age is thirty-three. You gentlemen no doubt are aware of the feasibility of picking young men for big jobs these days and are familiar with the whys and wherefores of the selections. I am of the opinion that it will benefit the situation greatly by the installation of Ogden as our general manager, and I earnestly urge your action and support in attaining the desired result."

THE BANKER SUPPORTS PROGRESS

After the debate which followed, it was Van Dusen who spoke. The banker had not moved from the position he had taken in his chair since the beginning of the meeting. Neither had he stopped smoking. He was a great listener, perhaps from habit in the position of his daily life. His remark was short and snappy:

"Move Ogden be brought here."

His judgment always carried weight with the others. The motion was carried, and the meeting adjourned. Van Dusen strolled over to the ticker, remarked, "Steel 99," and went out, the others following. Ramsey stepped into his private office and rang for his stenographer. He dictated a wire to Chicago which read:

Mr. Glenn Ogden, 312 N. Randolph St., Chicago, Ills.:

Weather cloudy. Will expect you tomorrow.
RAMSEY.

Van Dusen stepped into President Ramsey's office and greeted him cordially. Van Dusen was a big man in every sense of the word. Some men are big only in one or a few particulars. Actions, thoughts, physique, knowledge and, most of all, inside of him, his heart,

Van Dusen's title to the word "big" was undisputed. He was easily the superior of any man on the board, and they recognized his talents.

"Good morning, 'Wiseacres.'"

"Hello, Van. Perhaps, after all is said and done, you will not care to use that salutation."

Van Dusen pulled on his big cigar until he had it looking like a fire engine. The ashes dropped on his vest, almost into his lower vest pocket, and leaning closer to Ramsey, he said:

"I've just been talking to your new G. M."

"You evidently beat me, Van. I meant to introduce you."

"I found him at work as if he knew the plant backward and forward. I introduced myself."

"What do you think of him?"

"Aces. The best thing I like about him, he snaps out."

"Snaps out? You can't mean that he is not courteous?"

"Nothing of the sort. I mean that he got the drift of my queries quickly. His answer comes back with a punch. Showed that he knows what he's talking about. If he has to explain, he does it after he has answered your question. Makes it short and to the point. Convinces you. Doesn't cringe. He isn't afraid of you, and looks you squarely in the eye. A quick thinker. A man's actions, when he is interviewed, sometimes denotes lots when coupled with his words. When a man is standing on line and the top sergeant is calling the roll, your answer to your name should be given with punch, power and pep behind it, as if you knew that you could execute any order that might be forthcoming. Look, feel and show confidence in yourself, if you know your game, and you'll get on the regular batting order. In other words, 'Snap out.'"

"I thought you would like him. He insists upon a free rein. Says that a manager of a ball team demands absolute control of his players, or all that he will accomplish is a big round cipher."

Van Dusen pulled hard on his cigar.

It had gone out, but the banker seemed not to know it; he got just as much satisfaction as if it had been lighted. One could not but believe that the cigar, lighted or not, helped him in his thinking. Looking straight at Ramsey, he said:

"You have absolute faith in Ogden and think he will put this thing over?"

"Absolutely."

"You understand that if Ogden is a success you will get the credit of an exhibition of wise judgment?"

"Yes."

"And you understand that if Ogden proves a flivver your judgment and executive reputation will be worth about as much as a fragment of a busted Hindenburg line?"

"Right."

"Well, I picked you to guide this company's affairs because I thought you had the stuff in you to do it. So far I have proved, in my own judgment, that I am a good picker. If you, in turn, prove that you are a good picker, in the instance before us, I shall be as mightily pleased as though I had done the job myself."

"That means I have your backing?"

"To the limit."

"Thanks. That's just the way I'm backing Ogden."

The door opened and Mr. Johnson stepped in. After he sat down it was Ramsey who spoke:

"Ogden's plans are equitable. They are reasonable. They are economically sound. They are theoretically correct. They provide the fairest and squarest method yet devised to more properly relate Capital and Labor with the value of service as it is rendered by each."

"His stuff sounds like a dream book to me," said Johnson. "I've just been talking with him. Must be an idealist. What schooling has he had in foundry work? None that I see."

THE VALUE OF A KNOWLEDGE OF MEN

Van Dusen lighted his cigar. Addressing Johnson, he remarked:

"Some day, if you're lucky, you'll get to know *men* like you know steel. I am

not predicting it, but it may happen. When that time comes perhaps you will realize that we are hiring Mr. Ogden as a maker of *men*, not machines. Get your mind off steel long enough to know some *men*. I mean to know them up, down, right, left, inside and outside. On the inside, devote particular attention to the heart and brain. Ramsey, take off the checkrein on Ogden; he'll be running from scratch in this event and will want a free swing to his stride."

It was afternoon of the fourth day that Glenn Ogden had been with the company. It takes longer than that sometimes for some men to find out where to hang their hat and coat. The new G. M., as they called him, could call half the office force by their first names, and had won the entire staff by an exhibition of courteous knowledge that they were human beings like himself. His orders were given with a politeness that made one proud to execute them. If one were to listen to a bevy of feminine stenographers, homeward bound after a hard day's pounding of the keys, almost any executive could get a pretty true line on his popularity, talents and ability, as viewed by those who, by daily contact, are most apt to note his peculiarities. And Ogden could have heard about his efforts thus far:

"He always says 'please,'" said Miss Allison.

"And he knows how to say 'thank you,' too."

"He actually begged my pardon today."

"Gee! I like to get things right for him. He appreciates you."

"He can smile, too, even if you are merely a key-puncher."

"No doubt that he can be firm if you try any funny business."

"You said it."

"I guess he knows what he's doing all right."

It was quite apparent that Glenn Ogden had merely acted the part of a gentleman, treated his neighbor as himself, and, regardless of his surroundings, viewed his fellow man not merely as an automaton, but as a living creature with

red blood in his veins, who could appreciate a pleasant word from a source that in itself denoted sincerity.

Ogden was winning his way, and the day of the meeting, when the workers would approach him, had arrived. President Ramsey, Van Dusen, Johnson and Ogden were seated in the directors' room. Upon the arrival of the workers' committee Ogden greeted them and received them as if they were his particular guests. Nothing effusive, yet when his cheery "Come in, boys!" rang out, it was a surprise which they had not anticipated. Ramsey smiled. Van Dusen smoked. Johnson scowled.

Introductions were not necessary. Ogden had been out to the works and made the acquaintance of the men who were to see him—Walker, Preston, Blanchard, Riley, Douglass and Jacobson, all men who had been with the company for years. Riley was the president of the local, and Ogden told them to be seated.

To be seated!

It seemed incredible. To be allowed to sit in directors' chairs around a glass-topped table, when they thought that they would be expected to stand during the whole length of the interview! To be greeted with a smile! To hear themselves called "boys" by the new G. M.! Ogden was taking them by storm. He acted as chairman during the meeting, and the best asset he had was his smile. He addressed himself to Riley:

"Mr. Riley, is it safe to assume that we all know what this little gathering is about, namely, a petition presented by you and the boys for higher wages, shorter hours and our recognition of your union?" What magic words, "the boys"!

"Yes."

"All right." Ogden glanced around the table. "Mr. Blanchard, will you act as secretary? I'll have Miss Allison take notes for you and type them afterward. You will want them for your record and your report to the boys." Blanchard assumed the seat on Ogden's right, hardly knowing whether he was afoot or horseback.

Who had ever heard of such a thing?

Here were men of the works invading the sanctum of the officers of the company, and no doubt fully expecting to be looked upon and treated as rebels, but who were actually invited to participate in the conduct of the meeting. The surprise even thus far was too great. Ogden had them reeling already, and he had not even started.

"Mr. Riley, may I ask that you state your petition, so that Mr. Blanchard may get it into the record? Just state briefly what the boys want, so that we may be able to get started correctly."

Riley did so. He used good English, even though he was a trifle nervous. In substance his words were to the effect that the committee had been selected by his co-workers to ask the company for shorter hours, namely, an eight-hour day, recognition of their union, and a ten per cent. increase in wages.

"Fine," said Ogden. "Is there any point not covered by Mr. Riley; if there isn't, I will endeavor to state the position of the company."

They agreed that Riley had fully covered the ground.

"Gentlemen," began Ogden, "we'll take the union question first. Unions, when properly managed, are one of the finest protections for the worker in the land. When they are improperly managed or become dictatorial in their methods toward employers, they are one of the rottenest April fool jokes of the century. You boys look upon your union as your fraternity, your club, your guide, or your staff to hold on to in times of stress and trouble. Let's assume that Local No. 237 is well managed and upheld by you as something almost sacred. You are proud to be known as union men. As such it should be your duty to see that only men of proven ability belong to your local. We, in turn, are proud of our business. As the owners of it, it becomes our duty to run it upon the same plan that your union should be run—by employing only those who are the best in their line. We are desirous that you keep your union sweet, keep it clean, keep the disturbing element out, and admit only men whom you are sure will not try to reap a profit

from the company by doing nothing. Give the company a chance to pick up a man who is a star in his line, whenever the opportunity presents itself, and, by Jove! we'll recommend his joining the local. Give us your support to these ideas, boys, and the company recognizes the union on the spot. What do you say? Signify by raising of the hand." It was unanimous. They looked on Ogden in wonderment. He was wearing his smile as he asked for the vote.

"That's good. If I wasn't the G. M. I'd ask to belong to Local No. 237 myself." Turning to the stenographer, Ogden asked: "Miss Allison, is the vote recorded?"

"Yes, sir."

"Right. Then we will take up the question of the increase. Is it agreeable to all?"

Could it be possible that Ogden was asking them if something was *agreeable* or not? He was talking to them as if they were his equals in business, as if they were human; he called them "boys"; they could hardly understand the meaning of it all, yet they realized that the sincerity of Ogden's demeanor was absolutely unquestioned. He continued:

"The question of wages is a serious one, and the thought arises in my mind as to whether you boys have given this part of your programme the due thought and consideration to which it is entitled. I am fully aware that the cost of living has advanced so rapidly that one can hardly keep pace with it and live as one has been accustomed to and enjoy a few simple pleasures of life. I know that it takes all that you boys can scrape together out of your weekly wages to make both of the home ends meet. Food, rent, clothing, and the like have advanced in some cases over 100 per cent. Tough sledding, I'll admit. Yet I am convinced that your demand for a ten per cent. increase is based on a wrong calculation. I think you have made a mistake in asking the company to increase your wages ten per cent. I do not mean this as a reflection on your judgment, but simply that you have

made an error, as we each and all are likely to do in circumstances such as these."

Dubious looks passed around the table. What could the G. M. mean? The thoughts of the men showed in their faces. Had they struck a snag in the question of the wage increase? After the pause in the G. M.'s speech, which he made purposely, he resumed:

"As I say, I think you have made a mistake; yet it is a mistake that can be easily righted. As the general manager of the company it becomes my plain duty to make the right calculations and exercise good judgment, when the welfare of both the company and the men is at stake. So, with that in mind, I take it upon myself to inform you that beginning with next Saturday's pay, your wages will be increased *fifteen* per cent. What you boys did was merely to make an error of five per cent. in your calculations as to how best to meet world conditions as they are to-day."

The denouement was complete. Ogden meant that it should be. The men did not know what to do or what to say. Riley was the first to recover.

"Thank you, Mr. Ogden. We hardly know how to grasp or realize our good fortune."

"Well, take your time, boys," said Ogden.

In the vernacular, he had them "hanging on the ropes and groggy." And it included Johnson, the steel magnate and director of the Ajax Car and Foundry Company. Only *his* surprise was caused by Ogden's methods. What was good fortune to the men seemed as misfortune in management to him. He glowered at Ogden, but he was not alert enough to say anything. President Ramsey still wore his smile. Van Dusen lighted a fresh cigar. And Ogden, showing his generalship again, took the

opportunity to deliver his final blow, on the question of shorter hours. The psychological moment was *now*, when his utterances would do the most good and would be taken by the men in the good faith that he intended them to be.

"In view of what we have accomplished," said the G. M., "I hardly think that the question of shorter hours needs any discussion. Let's work the usual nine hours as we have always done. What do you say, boys?" Quite needless to remark, the men agreed and voiced their approval.

The meeting at an end, the men filed out. Ogden shook hands with them all. His parting remark, addressed to Riley, was:

"Don't forget to post the notices of your local on the company's bulletin boards. I'm interested and want to be well informed. Perhaps you'll let me in as a member some day." And as Riley went out he signified his intention of bringing back his report to the men the next day. When the men had left, it was Johnson, the steel man, who spoke:

"There is one thing which you forgot to do, Mr. Ogden."

"What is that?"

"Why didn't you hand the plant and equipment over to them, and propose to run it on a commission basis?"

"Well, Mr. Johnson, when boys get big enough we put them in long pants. When the men become sufficiently schooled in the art of production we will have one of their representatives sitting alongside of you on the board of directors." If Johnson had not been a strong man he would have fainted dead away.

"Well," said the director, "you've placed the company on scratch and given the men a handicap of a thousand miles."

(To be continued.)



The Proposed Licensing of the Meat Packing Industry

By THOMAS E. WILSON, President Wilson & Co.

THE Kendrick and Kenyon bills, now pending in Congress, while directly affecting the packing industry, contain such threats of serious injury to other industries and to American business in general that I think the people of the country should be thoroughly informed as to their objects and the effects they will have if enacted into law.

The bills provide in substance for the placing of the packing and other industries under Federal license; to require the packers to dispose of all of their interests in various stock yards of the country; to place all the private cars of the packers subject to control of the railroads that they may be diverted to transport other lines of perishable products; providing, also, for the appointment of receivers for any concern whose license may be suspended or revoked, for any infraction of any rules and regulations made by the Secretary of Agriculture.

UNNECESSARY AND DESTRUCTIVE REGULATION

To my mind, all these regulations are unnecessary and destructive to the business interests of this country.

The provision requiring a license for American business in time of peace is not only a dangerous precedent, but is contrary to American ideals, and is paternalistic, communistic, and necessarily means less efficiency, added cost and is a long step towards government ownership.

If the license law can be justified for the packers, the commission men, dairy products, poultry and cheese

manufacturers, it will only be a question of a very short time until it will be extended to cover practically all other lines of business and lead practically to government ownership or control of private business. I have but to call attention to the experience which the government has had in operating the railroads, telegraph and telephone lines to emphasize the effect of such control. To plunge the business of this country into politics, to be controlled by immature and inexperienced officials, subject to political influences, will reduce efficiency in operation, and will result in added cost to be paid in the end either by the producer or consumer, and possibly both.

EFFICIENCY AND FAIRNESS OF THE PACKERS

The American public are interested to know whether the packer conducts his business, first, with efficiency; second, at a minimum profit; and, third, with fairness towards his competitors. If so, there can be no possible grounds for complaint and no necessity for such legislation. In the first place, the efficiency of the packer is conceded by those who have had occasion to investigate his methods. This is a point of first magnitude, for if efficiency is lowered then the producer must get less, or the consumer will have to pay more. If this vital industry is to be put at the mercy of one man or one bureau at Washington, and such man or bureau can issue new "rules and regulations" every day, and these rules and regulations are to be construed and carried out by political appointees, gen-

erally men of theory and inexperience in this complex business, the present high standard of efficiency must necessarily be lowered.

THE PACKERS' PROFITS

The Food Administration, having before it the investigations made by the Federal Trade Commission, has confirmed the profits of the packers to be the small fraction of one cent per pound on meat. The Federal Trade Commission, after an investigation of more than two years, has never given out any exact figures on the question of profit. We are warranted in concluding that they would have refuted the statement of profit by the packers had they found the facts to be otherwise. The packers' profits have been very carefully checked, not only by the Federal Trade Commission, the Food Commission, but by disinterested chartered accountants of the various companies, and are furthermore subject to check by the Revenue Department under the Income Tax Act.

In addition to all of this, the profits of the packers must be returned under oath, and it is inconceivable that officers of these companies would make an incorrect statement. The gross amount of the profits earned depends upon the volume of the business done.

The Food Administration authorized the packers to make nine per cent. profit on the capital invested in products controlled by the Food Administration for the year ending October, 1918. The fact was that the packers were only able to make 5.6 per cent. This fact should refute the charges of the Federal Trade Commission, that the combination among packers to control the price of their products on the capital invested was more than \$700,000,000. The profits on the controlled article amounted to about \$40,000,000, which was all the packers were able to make. If there had been any combination whereby they could have controlled the prices under the limits authorized by the Food Administration, they could have made \$25,000,000 more.

It is an indisputable fact that the profits of the packers are so small on each pound of meat sold as not to affect in any appreciable degree the cost to the consumer, being the small fraction of one cent per pound.

PROBLEM OF THE HIGH COST OF LIVING

The great problem confronting us to-day is the high cost of living, but the people cannot expect to get cheap meat when the packers must pay the highest prices for the live animal in the history of the industry, and the highest scale of wages for labor in their experience; but comparisons with other lines will show that there have been higher advances in prices of other commodities than in the price of meats.

COMPETITION STILL ACTIVE

The third proposition is the question of fair competition. The Federal Trade Commission in its investigation communicated in writing with every small packer in the country asking for instances of unfair competition on the part of the so-called "big five." These communications were followed up with personal interviews, but the small packers, many of whom testified before the Congressional committees at the hearing in Illinois, stated that the big packers were not guilty of unfair competition or illegal practices, and the indisputable fact remains that there are more small packers in business to-day, with greater business on their part, than ever before.

LARGE PACKING CONCERNS DESIRABLE

To my mind these three points—efficiency, profits and fair treatment to competitors—are the three vital controlling points in the consideration of this question. It is necessary to the welfare of the producer as well as the consumer that there should be packing concerns strong enough financially and large enough to absorb all surplus live stock coming into the market every day and to pay the cash to the producer in periods of depression as well as of pros-

perity. A great many people have not fully considered the importance of this fact. They must also be strong financially if they are to go out and secure markets of the world to create a demand for surplus American products, which must be done if there is increased production and an increased supply of labor to be employed.

PRESENT AGITATION HURTFUL TO AMERICAN MEAT TRADE ABROAD

The agitation in this country is being seized upon in foreign countries, particularly in England, to destroy American trade in meat products in those countries, and England in particular is utilizing it to build up a live stock interest for her colonies, and through English capital the meat business of South America, as against American meats.

In order to protect the interests of this great industry, practically all the packers, large and small, numbering nearly two hundred, have organized the Institute of American Meat Packers, which, among other things, has for its purpose wide publicity of the business, improvement of methods, and efficiency; study of the arts and sciences of the industries, and opposition to the present legislation, and the promotion and fostering of domestic and foreign trade.

PACKERS WELCOME PUBLICITY REGARDING THEIR TRANSACTIONS

The packers are not opposed to full light and publicity upon all of their transactions. The Federal Trade Commission now has complete and ample power to keep the people advised as to the facts relating to the packers, so that if there is any virtue in publicity laws there are ample laws on the books to safeguard that point. The Federal

Trade Commission has also full and ample power to investigate and prohibit all improper and unfair practices in the trade on the part of the packers.

THE ATTEMPT TO CONTROL ENTIRE FOOD PRODUCTS

The Federal Trade Commission has charged that the packers seek to control the entire food products of this country as well as abroad, citing the fact that the packers have added certain canned vegetable and grocery lines to their manufacturing and distributing business. This action on the part of the packers was deemed advisable in order to keep the forces in their branch houses constantly employed, and to reduce the overhead expense of their operation. The fears expressed are groundless. The entire volume of such business done by the large packers does not exceed \$100,000,000 per annum, which is only three per cent. of the total volume of the packers' business, while the total volume transacted by the four thousand wholesale grocers of this country amounts to more than \$4,000,000,000 per annum.

These figures, coupled with the further fact that the number of wholesale grocers is constantly and rapidly increasing, should at least demonstrate that there is no danger of the packers securing a monopoly of the food business of this country, even if they had the disposition to do so. At any rate, there certainly is no immediate demand in this period of reconstruction and general unrest for such radical legislation as the license law which will necessarily be a precedent for all other kinds of business in this country. Such legislation is un-American. will destroy individual initiative and the freedom of action of individuals, which is the foundation of American greatness.



Barriers in the Way of Progress

By FRANCIS H. SISSON, Vice-President Guaranty Trust Company,
New York

BARRIERS of all sorts seem to block the path of progress. Prophets of despair are crying "woe," and the faint-hearted take counsel of fear. Yet there are those of us who cling to the legend that the shield still has two sides, and are disposed to consider as calmly as may be the important factors which enter into the situation, in the inborn hope that good may come.

INDUSTRIAL BARRIERS

The obstacles which confront us must be removed if we are to take the place in world leadership awaiting us. Among the most important of these are the barriers to a better understanding and working basis between labor and capital. President Wilson did not unduly emphasize the importance of the problem when, in his message to Congress, he declared, "The question which stands at the front of all others in every country amidst the present great awakening is the question of labor."

No fair-minded man can take exception to the sympathetic attitude expressed by the President concerning the desirability of improving labor conditions, nor can any generous spirit challenge the suggestion to make the men and women who perform its daily labor happier in their industrial and social lives.

But labor must be on guard against a grave danger, from which no one but labor itself can save it. I mean the peril of being misled by false friends, by impractical and unsound thinkers, who seek to exert an influence that is unwarranted by their experience, or rather lack of experience, and to lead

labor into the morass of untried, impractical, and unsafe experiments, which cannot solve labor's problems, and serve only to erect greater barriers between employees and employers, as well as to injure the interests of society generally. Labor should be deaf to the parlor exponent of dangerous socialistic theories and avoid as a pestilence the agitator who comes to them in the guise of their own kind, but who would wreck the very house that labor is building to protect itself from the elements of industrial strife.

It may be that we shall have to institute in this country something comparable to the industrial councils in England—national, district, and plant organizations for the various industries, in which employers and employees are represented and which can act with authority and in orderly fashion for their respective industries. The degree of protection against certain objectionable competitive practices within their own groups, which this type of organization offers employers, will probably prove one of its principal benefits.

CORDIAL COÖPERATION NECESSARY

But whether this or some other plan is adopted, labor will doubtless insist increasingly upon the right of collective bargaining, and in the long run those employers will fare best who are disposed to take labor by the hand rather than by the throat. Likewise those laborers will gain most and permanently who deserve to be taken by the hand.

But collective bargaining is not a panacea and alone cannot safeguard all the interest involved in the wage system. Back of all the machinery for col-

lective bargaining, if it is to function well, must be the spirit as well as the form of coöperation. Benevolent employers, sincerely desirous of giving their employees generous treatment, have time and again failed to win their employees' confidence or loyalty. If such well-intentioned efforts can fail completely and so frequently, may it not be that neither side of the labor controversy really understands the other? Mutual understanding affords the only basis for coöperation in productive enterprise.

Admittedly labor is not always sufficiently interested in the quantity and quality of production—which constitute the source of wages and the only continuing wage fund. For this attitude labor is not solely to be blamed. The advantages which may revert to the workers as consumers generally are too remote to elicit any special concern in individual efficiency in production. Profit-sharing schemes and the like are often suspected because arbitrarily controlled from above. Scientific management, so-called, whatever may be its potential merits, has had few if any real trials, for it can have a fair test only when more cordial relations exist between labor and capital than are usually to be found to-day. Such means alone, then, do not promise general recognition of the basic partnership of capital and labor in production at its best. Is there no way out? Must we charge the whole difficulty to the shortcomings of human nature?

SOME POSSIBLE AIDS

The first essential is an understanding of the magnitude of the undertaking. To secure in the average worker genuine interest in his product when, as is so often the case, he is subjected to the deadening monotony of the routine of machine production, is a formidable task. And he would be a bold reformer who could confidently set forth in detail a plan fitted to every exigency in the adjustment of industrial relations.

Something has been gained, we may be sure, in the recent spread of the idea

that the management of men is a function that not every man with money and a factory under his control can exercise; that it requires special ability and consequently special training. The employment managers to-day—and their numbers have multiplied rapidly—represent a departure in industrial engineering which merits encouragement. When there are more and better qualified man-



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agers of personnel we shall be farther advanced toward an acceptable adjustment of industrial relations.

But in the final analysis lasting progress in this direction must rest upon a spirit of coöperation, which finds expression in a genuinely democratic control of the conditions of employment. This does not mean that the direction of enterprise can be handed over bodily to a committee of workers lacking special ability and training for managerial tasks. It does mean that neither those who receive nor those who pay wages have an exclusive right to determine the whole range of conditions under which the work of the world shall be done. In present day corporate activity in business the actual managers represent other

people who supply in whole or, usually, in part the capital employed. Since the managers direct the human as well as the material factors in production, it might perhaps be well to allow the workers some direct participation in the choice of managers or a voice in management.

THE BARRIER BETWEEN GOVERNMENT AND BUSINESS

Another serious barrier to our national progress and prosperity which must be overcome if we are to fulfill our destiny is that which intervenes between the Government and business interests. We must have Government coöperation with and support for American investors in foreign securities; likewise we must have such coöperation and support for American business, instead, as heretofore, a spirit of antagonism, suppression and obstruction. Business does not need or want paternalistic aid. All that it desire is that for which it toiled and fought in the interests of its country and humanity during the world war—freedom—freedom to develop the productivity so urgently needed the world over, and which is the only solution to the high cost of living, for the prevailing prices of wages and materials cannot be appreciably reduced now without disastrous results to industry.

But the full development of that productivity will not be possible unless we permit business to function without blighting restraints. It must not be burdened with taxes which penalize production and discourage expansion, although business does not shirk its fair share of war costs. It must not have its feet bound, after the ancient fashion of the Chinese, and be expected to make seven-league strides. In other words, it must not be hampered and harassed by such antiquated statutes on land as the Sherman Law and upon the sea by such as the La Follette Seamen's Act, nor must it be regulated by political, personal, class, or sectional prejudice or interest.

THE BARRIER OF PESSIMISM

Finally we must not permit a barrier of pessimism to obscure our world-wide vision. As labor should close its ears to false friends, so business should refuse to hearken to the prophets of ill, who either are unfamiliar with or ignore the history of mankind and the fundamental facts of human nature. We are eminently unjust to those who fought our fight for democracy for more than three years when we underrate their assets—not their material assets so much as their intangible assets of mind, of courage, of spirit. And furthermore the psychological reactions of such a mistake militate against the rendition of the full assistance which we are capable of extending to our less fortunate Allies and friends overseas.

Unquestionably the situation in Europe is chaotic at the present time. Nothing else could be expected after four and a half years of the most destructive warfare in all history. Financial, industrial, commercial, and political disorders are to be found on all sides. The destruction of wealth and the inflation that have followed are serious, but it is equally true that the natural resiliency of human nature is bound to bring a return to the normal in the course of time, and that the recuperative power of men and nations is certain to be felt speedily after the peace treaty is signed.

Men and nations are for the most part honest, industrious, lovers of order, and ambitious to progress. These motive impulses are certain to prevail and ultimately dominate during the readjustment process. As surely as the war was won by the United States and the Allies, there will come out of the existing chaos a gradual rehabilitation in which we can and must play an important part, both to our own profit and to the great benefit of others. But we must not allow our eyes to be blinded to or our minds confused about the real truth of the situation.

No one can predict the future, of course, but we can discount it to some extent at least by basing our conclu-

sions upon the logic of the situation and an analysis of human experience and human nature, which should be conducive to healthy optimism, rather than to unjustified pessimism. Every great war has been followed by a period of painful reconstruction, but out of every war a new world has risen and human progress been furthered.

Let us look backward as well as forward, and recall the terrible ordeal which our Allies withstood successfully when their backs were against the wall, and then let us be ashamed not to have implicit faith in their abilities and capabilities to accomplish the tasks of reconstruction—if we will but do one tithe of what they did to help make our priceless freedom secure for us.

I can not view the long future with alarm. I am confident that we will solve the problems which have grown out of the war as successfully as we met those created by the crisis through which we have just passed—provided only we stand together and our Government stands behind business generally, instead of obstructing it. That is one of the most important responsibilities of victory devolving upon us.

Our State Department should outline a fixed foreign policy, a policy which will endure from Administration to Administration. With Congress rests the responsibility of freeing business from the chains of unfair and blighting re-

strictions—chains more deadly than enemy bayonets—and of legislating constructively to solve the great economic problems it faces in the fields of taxation, transportation, tariff and finance.

When the responsibility imposed upon us by victory shall have been discharged, then, but not until then, the United States will fulfill its manifest destiny and render the world-wide economic and practical humanitarian service of which we are so abundantly capable and to which we aspire with the same splendid idealism that led us into this greatest of all wars to make the world safe for democracy.

But our first and greatest responsibility is to make democracy genuine for the world. And we can best accomplish that by establishing firmly the political ideal in human relations which was dreamed of by the Fathers in founding a Government under which no distinction of class, or section, or creed should ever prevail; which was created to foster a citizenship reflecting unhyphenated Americanism; which was to make possible a land of equal rights for all and of special privileges for none; and which to-day should unite us into a people solemnly resolved that its sons who sleep in foreign fields shall not have died in vain, that liberty shall not be made a mockery, and that human progress shall not be stayed by the forces of destruction.



AMERICAN bankers have an opportunity in the field of world-banking brilliant beyond any conception which they have heretofore had. If they will rise above the provincialism in which they have been trained, and still hold firmly to the principles of sound commercial banking, the role which they will play in the future world of finance has no limit that I can see.

FRANK A. VANDERLIP.

Banking and Commercial Law

The following decisions are selected from the most important of the current decisions, handed down by State and Federal Courts, passing upon questions of the law of banking or negotiable instruments. The word "opinion," where used, indicates that the matter following is the opinion written by the court, in whole or in part.

Payment of a Check May Be Stopped at Any Time Before it is Actually Paid or Certified

Hunt v. Security State Bank, Supreme Court of Oregon, 179 Pac. Rep. 248.

THE plaintiff was a depositor in the defendant bank. He told the president of the bank not to pay a certain check, which he had drawn. The circumstances were rather unusual, and the president, not being sure what course to take, paid the check. The depositor sued the bank for the amount of the check and it was held that he was entitled to recover.

It seems that the check, which called for the payment of \$90, came in through an out of town bank. The president had stamped the check "paid" and had placed it on a spindle. Before he had charged it to the depositor's account or remitted to the forwarding bank the depositor came in and asked for a statement of his account. The president promptly prepared the statement and, on looking it over, the depositor found that the \$90 check had not been charged up. He spoke to the president about it and the latter told him that the check had just come in and showed it to him. The depositor then told the president not to pay the check, but to send it back. This left the president in a quandary. He did not like to return the check with the "paid" stamp on it and the mutilation caused by the spindle. Perhaps he thought the forwarding bank would be in a position to compel payment. And he did not like to ignore the depositor's request to stop payment. But he had

to do one or the other, and he finally decided to pay the check. In doing this he made a mistake, for the reason that stamping the check and placing it on the spindle constituted neither a payment nor a certification, and the law is that the drawer of a check may stop its payment at any time before it has been paid or certified. Accordingly, the bank had to make good the amount to the depositor.

OPINION

Department 2.

Appeal from Circuit Court, Marion County; Geo. G. Bingham, Judge.

Action by John P. Hunt against the Security State Bank. Judgment for plaintiff, and defendant appeals. Affirmed.

The defendant, the Security State Bank, is a corporation engaged in the banking business in Woodburn, Or. The plaintiff, John P. Hunt, opened a general deposit account in the bank; and afterwards, on January 24, 1917, he drew a check directing the bank to pay \$90 to the order of E. Burdick, and delivered the check to the payee in Salem. On January 27, 1917, at about 8:30 a. m., the defendant received, through the mail, from the United States National Bank of Portland, a "cash letter" and ten checks drawn on the Woodburn bank. The "cash letter" is dated January 26, 1917. It contains an itemized statement of the amounts of the accompanying checks, shows that the total amount of the checks is \$671.95, and directs the Security State Bank to remit to the United States National Bank "in Portland Exchange." The Burdick check was among the 10 checks received with the "cash letter."

When the Burdick check reached the plaintiff it bore on its back the indorsements of E. Burdick, Ashley & Rumelin, Bankers, and the United States National Bank. Immediately upon receipt of the "cash letter" and the 10 checks E. H. Hoff, the president of the Security State Bank, "footed the checks on the adding machine to see they would total right with the cash letter, then examined the checks as to their signatures, and as to whether each account had sufficient funds to meet it"; and then each check, including the Burdick check, was marked, "Paid, Security State Bank, Jan. 27, 1917," with the bank's "Paid" stamp; and finally each check was "placed upon a three-cornered spindle that has a three-cornered cutting edge, and are there mutilated." Whenever the Woodburn bank received a check through the mail, and ascertained that there were not sufficient funds to pay it, or if the signature was not regular, the bank never marked the paper "Paid," but the check was always returned to the forwarding bank. The steps taken by the defendant with reference to the "cash letter" and checks received from the Portland bank followed the same course which the bank had always taken when it received checks through the mail from outside banks. Speaking of the practice of the bank when it cashed a check over the counter, E. H. Hoff stated that the check was stamped "Paid," and then placed on the spindle. E. H. Hoff testified that all checks, including both those which were cashed over the counter and also those received through the mail, when stamped "Paid" and placed upon the spindle, were "from that time on" used as "charge slips." It was the custom of the bank, according to the testimony of Hoff, to leave the checks on the spindle until the afternoon, at which time the bookkeeper took the checks and sorted "them in alphabetical order," and, using them as "charge slips," entered the amounts of the checks on the books of the bank against the accounts of the makers. The entries were usually made in the afternoon, but sometimes, when the work was "not caught up," the entries were made

in the books the next morning. The "actual act of charging" the Burdick check on the books of the bank did not occur until some time in the afternoon of January 27th.

At about 9:15 on the morning of January 27, 1917, but after the Burdick check had been stamped "Paid" and placed upon the spindle, Hunt appeared at the bank, and asked for a statement of his account "up to date." The statement was at once prepared and delivered to Hunt. This document is in evidence, and shows upon its face that it is a "statement of your account to Jan. 27, 1917"; and at the bottom of the statement we read as follows: "Balance Jan. 26, 173.23." The Burdick check is not mentioned in this statement. Upon receiving the statement of his account Hunt proceeded to examine it, and he says that, when he "saw that the E. Burdick check wasn't charged" to his account, he told Hoff that he "had a check out for ninety dollars in favor of E. Burdick," and that he "desired to stop payment on the check." Hunt testified that Hoff then said, "The E. Burdick check has just arrived; I have it here right in my hand"; and, according to Hunt's testimony, Hoff "reached to his left and picked off the spindle the check and handed it to me. It was the E. Burdick check." Hunt was then asked to relate the conversation which ensued between him and Hoff, and his answers, together with subsequent questions and answers, are here set down:

"A. Why, I said, 'You haven't my account charged with the check, not in this, and I am glad I got here before the account was charged, as I want payment stopped on it.'

"Q. What did he say? A. He hesitated—seemed nonplussed as to whether he could stop payment or not through the fact, he says, 'We have marked it "Paid,"' or 'stamped it "Paid."'

"Q. What else was said? A. Well, I told him he should send the check back—or rather he asked me what he should do in regard to it. I told him I wasn't up on banking terms, but would judge he would be capable of making some interlineation, if any was necessary,

through the mark 'Paid,' and return the check.

"Q. What, if any, conversation did you have with him in reference to whether or not a remittance had been made? A. Well, he said no remittance had been made, and the account had not been charged."

The defendant denies that Hunt countermanded payment of the check; but we shall assume that the verdict of the jury necessarily implies a finding that Hunt directed the bank not to pay the check. At about 3 o'clock in the afternoon of January 27, 1917, the defendant drew a draft directing the Scandinavian American Bank of Portland to pay to the United States National Bank of that city the sum of \$671.95, the amount of the 10 checks, including the Burdick check, which had been received with the "cash letter." This draft was mailed that afternoon to the United States National Bank, and was subsequently paid by the drawee bank.

In March, 1917, the plaintiff received from the defendant a statement, together with canceled checks mentioned in the statement, showing the condition of his account to March 2, 1917. The statement contained a charge of \$90 under date of "Jan. 27," and the Burdick check was among the canceled checks. In the language of Hunt, "I didn't acknowledge the correctness of this statement, and I returned him (Hoff) the ninety-dollar check then and there." Subsequently, on April 21, 1917, the plaintiff drew a check on the defendant for \$90 payable to "self," but the bank refused to pay the check, and wrote on it the words "Account closed." The plaintiff then commenced this action to recover the sum of \$90, which he claims the bank wrongfully charged against his account. A trial resulted in a verdict and judgment for the plaintiff for \$90. The defendant appealed.

H. Overton, of Woodburn, and Roy F. Shields, of Salem (H. Overton, of Woodburn, and Smith & Shields, of Salem, on the brief), for appellant.

W. C. Winslow, of Salem, for respondent.

HARRIS, J. (after stating the facts

as above). The defendant vigorously contends that it was entitled to a directed verdict. This contention proceeds upon the theory that the act of stamping the check "paid," followed by the act of placing it upon the spindle, where all "paid" checks were kept until entries were made upon the books, after having first ascertained that there were sufficient funds to the credit of the drawer, and that the signature was genuine, operated as a charge against the drawer, and as a credit to the holder of the check, and amounted to payment. The plaintiff insists that the acts of the defendant did not effect a transfer of credit from Hunt to the United States National Bank of Portland, the holder.

The relation existing between a bank and its depositor is that of debtor and creditor; a check is simply an order signed by the creditor (depositor) directing the debtor (bank) to pay money to a named person; an uncertified check of itself does not operate as a legal or as an equitable assignment of any part of the funds in the bank, and, unless it accepts the check, the bank is not liable to the holder; and consequently the drawer of the check can, if he chooses, countermand the check or first order, and the bank will be obliged to obey the second or countermanding order, unless the bank has paid, or has become obligated to pay, the check.

If what the bank did prior to Hunt's conversation with Hoff amounted to payment, then Hunt had lost the right to countermand payment of the check.

During the investigation we must not lose sight of the fact that payment and acceptance are essentially different. Payment is the natural, expected and intended end of a check. Acceptance strengthens the vitality of a check, and serves to prolong, rather than to terminate, the life of it. *Elyria Savings & Banking Co. v. Walker Bin Co.*, 92 Ohio St. 406, 111 N. E. 147, L. R. A. 1916D, 433, Ann Cas. 1917D, 1055; *Guthrie National Bank v. Gill*, 6 Okl. 560, 54 Pac. 434. We must remember, too, that the case now under consideration is not like those where the holder enters a bank with a check, presents it, and is given credit to the amount as a

deposit; nor is this case like those where the holder mails a check to the drawee bank, and the latter, in obedience to instructions, charges the account of the drawer, and credits the account of the holder with the amount of the check, for in all those cases payment is made just as completely as it is when the bank actually pays the money over the counter to the holder, and he at once returns it to and deposits it with the bank. *Consolidated National Bank v. First National Bank*, 129 App. Div. 538, 114 N. Y. Supp. 308; *National Bank v. Burkhardt*, 100 U. S. 686, 689, 25 L. Ed. 766; *American National Bank v. Miller*, 229 U. S. 517, 520, 33 Sup. Ct. 883, 57 L. Ed. 1310; *Albers v. Commercial Bank*, 85 Mo., 173, 55 Am. Rep. 355; 2 *Michie on Banks and Banking*, 1140, 1414, 1415. The instructions to the defendant were to "remit in Portland exchange." The Woodburn bank did not draw or mail its draft for the purpose of remitting to the United States National Bank of Portland until after Hunt countermanded payment of the Burdick check, and therefore we need not decide whether payment was completed when the draft was deposited in the post office or when received by the Portland bank.

When Hunt ordered the defendant not to pay the check the bank had done nothing more than to satisfy itself that the check was genuine, and that there was sufficient funds to pay it, and to stamp it "Paid," and to place it upon the spindle. All this was merely preparing to pay; it was simply a step towards payment; it was not payment. No entry was made on the books. The drawer was not charged; the holder was not credited. It may be assumed that the bank intended to make appropriate entries on its book and to remit; but we are confronted with a situation where the bank had not yet executed its intention. An intention to pay is not payment. What the bank did was done in contemplation of payment; but payment was not completed.

The plaintiff cannot recover if what was done by the defendant resulted in an acceptance of the check.

The acceptance of a bill of exchange

is usually evidenced by writing the word "accepted" on the face of the bill, and the certification of a check is usually effected by writing or stamping the word "good" or "certified"; but the law does not require any particular form of word or words to constitute an acceptance, and any words or expressions intended to be an acceptance by the bank will be sufficient. 8 C. J. 303; 3 R. C. L. 1304; 5 R. C. L. 520; *Selover on Negotiable Instruments* (2d Ed.) 134; *First National Bank v. Commercial Savings Bank*, 74 Kan. 606, 87 Pac. 746, 8 L. R. A. (N. S.) 1148, 118 Am. St. Rep. 340, 11 Ann. Cas. 281; 7 C. J. 705; *Magee on Banks & Banking* (2d Ed.) 319. It was held in *Plaza Farmers' Union Warehouse & Elevator Co. v. Ryan*, 78 Wash. 124, 138 Pac. 651, that the written signification of assent, required by the Negotiable Instruments Law, "means an express assent or the use of words necessarily implying an assent." See, also, 8 C. J. 307.

The word "Paid" was stamped upon the check by the defendant. When determining whether this constituted an acceptance within the meaning of the law, we must not forget the essential difference between payment and acceptance. Payment ends the life of a check. Acceptance reinvigorates it. The word "Paid" tends to indicate, if it evidences anything, extinction rather than rejuvenation of the check. To the extent that it speaks at all, the word "Paid" tells of what has been done rather than of what will be done. In *Guthrie National Bank v. Gill*, 6 Okl. 560, 565, 54 Pac. 434, 436, it was decided that the word "Paid" stamped upon a draft "had no tendency to establish an acceptance," because it did not evidence "an agreement or promise to do something." To the same effect is *Elyria Savings & Banking Co. v. Walker Bin Co.*, 92 Ohio St. 406, 111 N. E. 147, L. R. A. 1916D, 433, Ann. Cas. 1917D, 1055, 1056. See, also, 2 *Michie on Banks and Banking*, 1129. Stamping the word "Paid" did not of itself produce an acceptance of the check.

There is yet another reason for concluding that the acts of the bank did not work an acceptance of the check so as

to make the drawee liable to the holder. Section 6023, L. O. L., declares that "in this act, unless the context otherwise requires, 'acceptance' means an acceptance completed by delivery or notification." Even though it be assumed that writing the word "Paid" on a check evidences a promise to pay, and therefore indicates an acceptance, nevertheless the acceptance was not completed by delivery or notification. It was held in *First National Bank of Murfreesboro v. First National Bank of Nashville*, 127 Tenn. 205, 216, 154 S. W. 965, 968, that "there can be no acceptance upon the part of the drawee, receiving remittances from a distance, and acting in the dual capacity of collecting agent of the holder and as agent of the drawer to pay, until and unless the transaction is completed by a delivery to the remitting bank in due course, or a notification to some one entitled to be notified." See, also, *Guthrie National Bank v. Gill*, 6 Okl. 560, 565, 54 Pac. 434; 2 *Michie on Banks and Banking*, 1129.

In section 6022, L. O. L., it is said that "the bank is not liable to the holder unless and until it accepts or certifies to the check." Hunt countermanded payment of the check before the bank had either paid or accepted it, and the judgment appealed from must therefore be affirmed.



Check Payable to Corporation is not to be Deposited in Individual Account of Officer

Buena Vista Oil Company v. Park Bank of Los Angeles, District Court of Appeals of California, 180 Pac. Rep. 12.

When a bank permits an officer of a corporation to deposit in his individual account a check, payable to the order of the corporation, it assumes the risk of the officer's authority. If it turns out that the officer acted without authority and the officer used the proceeds of the check for himself, then the bank will be obliged to make good the amount to the corporation.

This case brings out the point nicely and shows how it cost the bank \$2,100 for permitting such a transaction to occur. The check involved called for the payment of \$5,000, and the only reason it did not cost the bank more was that the officer had appropriated but \$2,100 when the fraud was discovered.

The simplicity of this method of defalcation recommends it to corporate officials who are in need of funds and are not averse to using their company's money. And presumably the defaulting officer is generally able to give a plausible explanation, if one is called for, why the check is deposited to his credit and not to that of the corporation. Nevertheless, as stated by the Court: "It would appear that any prudent and intelligent person would have been placed upon notice by the very presentation of the check in controversy for deposit, as it possessed within itself, as we view it, elements of suspicion and irregularity."

When a situation of this kind presents itself there is but one thing for the receiving teller to do, and that is to explain to the would-be depositor that deposits of that kind are contrary to the rules of the bank. If the bank has no rule covering such a case, then it should lose no time in making one.

OPINION

Appeal from Superior Court, Los Angeles County; Robert M. Clark, Judge.

Action by the Buena Vista Oil Company against the Park Bank of Los Angeles. From judgment for plaintiff, and from an order denying new trial, defendant appeals. Affirmed.

THOMAS, J. In this action plaintiff, as successor in interest of American Midway Oil Company, seeks to recover of defendant the sum of \$5,000. The facts upon which this claim is based are substantially as follows: On or about July 11, 1911, one A. L. Kemper, the secretary of the American Midway Oil Company at Los Angeles, appropriated a check for \$5,000, made and forwarded by the Esperanza Consolidated Oil Company at its office in San Francisco to said American Midway Oil Company—and which will be referred to herein—

after as plaintiff—at Los Angeles. Such check was drawn to the order of the plaintiff. It was sent by mail inclosed in an envelope addressed to plaintiff. A. L. Kemper, in the office of plaintiff, opened the letter, extracted the check, and by the use of a rubber stamp indorsed upon the back of such check the words: "American Midway Oil Company,, Sec'y." In the space following the word "Company" Kemper wrote his own name, and thereunder indorsed the words, "A. L. Kemper, Secretary." He deposited the check, thus indorsed, with the defendant, and the said defendant entered same to Kemper's account, as by him instructed. On the 18th of July, 1911, Kemper withdrew \$1,800, and on the 31st of the same month \$300 more, of the proceeds of said \$5,000 check collected by the defendant bank by check so drawn upon the defendant, and signed as aforesaid. This money was appropriated by Kemper to his own use. The balance of the \$5,000 is still retained by defendant. The defendant contends that Kemper was secretary and general manager of said plaintiff from September, 1910, to September 30, 1911, and that the said sum of \$2,100 so drawn by Kemper was due him as salary as such secretary and general manager. Plaintiff did not discover the loss of the \$5,000 check until the latter part of August, 1911, whereupon demand was made upon defendant for the proceeds thereof. On October 3, 1911, two checks, one for \$4,000 and one for \$1,000, were drawn against said fund in defendant's bank by plaintiff, and, upon payment being refused, such checks were duly protested. Thereupon plaintiff brought this suit. Judgment went for plaintiff for \$5,000, with interest and costs, from which, and from an order denying its motion for a new trial, defendant appeals.

The complaint declared specifically upon the contention aforesaid, and in four separate causes of action asserted claim for money had and received by and for money loaned to defendant for plaintiff's use. The answer, and the several amendments thereto, after ad-

mitting the receipt of the proceeds of said check, in substance interposed the following defenses to plaintiff's said causes of action: (1) That the check in question was not deposited with defendant, nor were any moneys received thereon at the time said check was deposited, the property of plaintiff; but that prior to the receipt of such check by defendant it had been indorsed in blank by plaintiff, and thereafter, and prior to such receipt, became the property of A. L. Kemper, secretary; that defendant made collection of said check for the account of said Kemper, and, as already hereinbefore set forth, placed said sum to the credit of such account. (2) That plaintiff is estopped from bringing its action. Subsequent to the trial and prior to the judgment, and to comply with the proof and theory of the case, plaintiff, by leave of the court, filed the following amendment to the complaint:

"The plaintiff, by leave of the court, first had and obtained, amends its complaint filed herein in the following respects: By striking out all of paragraph V of the first cause of action in said complaint contained, and inserting in lieu thereof the following: "That thereafter and on or about the 12th day of July, 1911, said check of \$5,000.00 was removed from the office of the plaintiff, in the city of Los Angeles, by A. L. Kemper, secretly and without the knowledge, consent or authority of plaintiff, and was by said A. L. Kemper, without the knowledge, consent or authority of this plaintiff, indorsed as follows: "American Midway Oil Company, A. L. Kemper, Sec'y." That thereafter and on or about said 12th day of July, 1911, said Kemper secretly, and without the knowledge, consent or authority of this plaintiff, delivered said check to the defendant. That the defendant paid no money or other consideration for said check, or the proceeds represented thereby, and parted with nothing of value therefor. That subsequently and prior to the 1st day of August, 1911, there was paid to said defendant by the payee bank in said check named, to and

for the use of the plaintiff the sum of \$5,000.00, represented by said check."

The court found against the defendant upon the material issues. Defendant, by certain specifications, attacks many of said findings as being without "sufficient" evidence to support them.

From a careful perusal and consideration of the evidence before us, we are of the opinion that the record contains evidence tending to prove every issue. There was conflict in the evidence, and we will not disturb the findings of the trial court upon such testimony. *Porter v. Johnson*, 172 Cal. 456, 156 Pac. 1022. Notwithstanding the many specifications for insufficiency of evidence, defendant's opening brief complains of but one finding. It therefore follows that the remaining specifications may be deemed abandoned. *Shepherd v. Turner*, 129 Cal. 530, 62 Pac. 106; *Duncan v. Ramish*, 142 Cal. 686, 76 Pac. 661. The controversy, therefore, so far as we are concerned, centers upon the question: What was the duty of the defendant bank when the check was presented by Kemper? The question of agency is not here involved. It does not appear from the evidence that there was any delegation of authority, or any "holding out," or any transaction of like character with "any one," or any dealings of any kind with the defendant, to the knowledge of plaintiff. As is so well said by respondents:

"The latter (defendant) had its selected depositaries. Its by-laws devised, and its directors enforced, a plan for the safeguarding of its funds. The signatures of two of its officers were required to withdraw its funds from such depositaries. Kemper was not one of such officers, nor was the defendant one of such depositaries. The petty cash account is without influence or relevancy in this controversy. Such account was originally kept in the name of L. T. Wells individually. It was continued by means of Wells' individual check to the date of the \$5,000 transaction, in the name of A. L. Kemper, secretary. The account was a small one, not exceeding \$100 at any time. That checks were drawn against such petty cash ac-

count, first by Wells, and later by Kemper, to pay for stamps and other like office expenditures of plaintiff, is without significance. The account so maintained was under the sole control of the individual in whose name it was opened. Deposits to the credit thereof were properly made, because the checks in every case were drawn to the order of, and were indorsed by, the person named in such account. Its name did not appear thereon, nor did it have any interest therein, to the knowledge of defendant. The officers of the latter testified that they did not know, until after the \$5,000 transaction, that plaintiff claimed any moneys in their institution. The proof leaves Kemper bare of all power to dispose of the funds of plaintiff. It demonstrates that there was not the slightest basis for defendant's claim of justification, because of Kemper's agency. It forces defendant to the contention that, notwithstanding the utter failure to produce any testimony tending to support its claim, nevertheless the law imposes no penalty upon it. Accordingly, the question for determination may be restated as follows: May a bank, without previous dealings with a corporation, and unacquainted with its officers or their powers, accept a check, by its terms payable to the order of such corporation, bearing the indorsement only of the payee's name by its secretary, collect the amount of such check, place it to the credit of the person presenting it, refrain from making any inquiries as to the authority of such person, permit him to withdraw such proceeds, and escape liability to the payee, in the face of the uncontradicted evidence that such person as secretary had no authority to act, and that the moneys so withdrawn were devoted to his personal use?"

The answer, of course, must be in the negative. The right of said Midway Oil Company to the check in question had not been assigned or transferred by any one authorized so to do.

Viewing this case in the light of all the evidence and surrounding circumstances, it is clear that Kemper had no authority, express or implied, to sign

said check; nor did he have any authority by virtue of his office as secretary. *Palo Alto, etc., Ass'n v. First National Bank*, 33 Cal. App. 214, 164 Pac. 1124; *Blood v. Marcuse*, 38 Cal. 590, 99 Am. Dec. 435; *Alta, etc., v. Alta, etc.*, 78 Cal. 629, 21 Pac. 373; *Asher v. Sutton*, 31 Kan. 290, 1 Pac. 535. In the absence of such authority, a secretary cannot transfer his principal's property; his authority will not be presumed, but on the contrary must be affirmatively shown to exist. *Palo Alto, etc., v. Bank*, supra; *Read v. Buffum*, 79 Cal. 77, 21 Pac. 555, 12 Am. St. Rep. 131; *California, etc., v. Sciaroni*, 139 Cal. 277, 72 Pac. 990. It would appear that any prudent and intelligent person would have been placed on notice by the very presentation of the check in controversy for deposit, as it possessed within itself, as we view it, elements of suspicion and irregularity. Being chargeable with knowledge that the power of such secretary will not be presumed, but must be shown, it was the duty of the bank, before dealing with such check, to establish the evidence of the secretary's power. Defendant contends that it would place a burden upon bank tellers "if they were compelled to exercise judicial functions and ascertain the ownership of funds represented by thousands of checks which were deposited under similar circumstances, before placing the same to the credit of the last indorser. Further, how much patronage would a bank have if it were to challenge the honesty of the man making the deposit?" To our mind it is not a question of the bank's challenging the honesty of any one, but the performance of a duty impressed upon it by law. "Desire for 'patronage,' while commendable, should not be encouraged by the practice of unbusinesslike and irregular transactions"—as respondent so well puts it. From the evidence here it appears that defendant, without making any inquiry whatever—and Kemper was careful not to offer any information—accepted the check for collection, forwarded it to the drawee bank for payment, received the amount, and still, without making any effort to comply

with its duty of inquiry, and upon Kemper's instruction, placed the amount to the credit of Kemper, as secretary, and thereafter permitted him to make withdrawals therefrom. The very name of the payee, and the attempted indorsement, cast a "shadow" upon the check, which could have been removed by the performance by the bank of its plain duty under the law—that of inquiry. *Ward v. City Trust Co.*, 192 N. Y. 61, 84 N. E. 585; *Levy v. Irvine*, 134 Cal. 664, 66 Pac. 593.

The language of the court in the case of *Fresno Canal, etc., v. Rowell*, 80 Cal. 114, 22 Pac. 53, 13 Am. St. Rep. 112, when it is said:

"The defendant cannot be allowed to shut his eyes and say he did not see, when by opening them he might have seen."

—is very apropos here. There can be no merit in defendant's contention that it was justified in refusing compliance with plaintiff's demand for payment to it of said money because the check had been generally indorsed. As we have already seen, such was not the case. Because of the unauthorized indorsement of the check by Kemper, plaintiff's title to the proceeds of said check did not pass to defendant when the latter collected the amount thereof from the drawer's bank; but, instead, it became liable to plaintiff for that much money had and received to and for the use of plaintiff. *Palo Alto, etc., v. Bank*, supra; *Knoxville Water Co. v. Bank*, 123 Tenn. 364, 131 S. W. 447; *Ward v. City Trust Co.*, supra. As we view the evidence, and construe the law applicable to this case, there was not the slightest excuse for the act of the defendant bank in so accepting said check. As we have seen, there was no previous dealings because of which it might be misled. Kemper said nothing; no inquiry was made of him. Without any fault upon the part of plaintiff its property was taken and attempted to be disposed of by one having no authority so to do. Had the defendant bank performed its plain duty here, it would have been saved from its present predicament, and Kemper would have been

thwarted in his unlawful scheme. The whole theory of defendant here, and the very foundation of its argument, is based upon the assumption that Kemper was, at the time the check was received, secretary and general manager of plaintiff. This was not the case. He was secretary, but he was not the general manager, and had not been for many months. He never did have authority to do what he attempted to do here, as the evidence in this case, not only abundantly, but conclusively, shows. Our question is therefore answered by the statement that the bank should have made inquiry.

For the reasons above stated, and many others that occur to us not necessary to mention, we are of the opinion that the evidence amply supports the findings complained of by appellant here. No other point in the record before us merits attention.

Judgment and order affirmed.



Purchase of Stock by Bank

Commercial Bank & Trust Company, Supreme Court of Colorado, 180 Pac. Rep. 982.

The defendant, being anxious to purchase shares of stock of a certain corporation, authorized the cashier of the plaintiff bank to get it for him. The cashier told the defendant that the stock would cost him \$3,000. The defendant gave his note for that amount to the bank. The cashier, however, purchased the stock for \$1,500 and the balance of the proceeds of the \$3,000 note was credited to the cashier's personal account in the bank. When the defendant found out what had happened he refused to pay the note. In an action on the note by the bank it was held that it could recover only the sum of \$1,347.03.

OPINION

Error to District Court, Larimer County; Robert G. Strong, Judge.

Action by the Commercial Bank & Trust Company against Tom Beach.

Judgment for plaintiff in a less sum than prayed for, and plaintiff brings error. Judgment affirmed.

BAILEY, J. Plaintiff in error, plaintiff below, The Commercial Bank & Trust Company, brought suit to recover upon a promissory note for \$3,000.00, signed by defendant in error, defendant below, Tom Beach. The note sued upon was the last of a series of renewal notes, each of which was for the same amount, and apparently covered the same transaction. Defendant interposed a plea of partial failure of consideration. Trial was to a jury with a verdict for \$1,347.03, with judgment for the plaintiff, who being dissatisfied with the amount of the award, brings the record here for review.

The essential facts relative to the transaction are as follows: Beach was desirous of obtaining certain shares of stock in a corporation known as The Kansas City Feed Company, Limited, and requested Nelson, cashier of The Commercial Bank & Trust Company, to secure, through his bank, such stock, for him. Nelson undertook the employment, but whether as an individual or on behalf of the bank is in dispute. Beach testified that he directed the bank, through Nelson, to buy the stock at the lowest price; that later Nelson notified him it could not be purchased for less than \$3,000.00; that he then signed a note for \$3,000.00, payable to the bank, and delivered it to Nelson with the understanding that only so much of the proceeds thereof as was necessary to secure the stock would be used, the surplus of such proceeds, if any, to be credited to his account. From other testimony it conclusively appears that Nelson bought the stock for \$1,500.00, and that the balance of the proceeds from the note was passed to the personal credit of Nelson at the bank. Beach further testified that he made repeated attempts to obtain a statement covering the transaction, but could get no details. He claims that later he discovered that the stock had been in fact bought by the bank, through Nelson as its cashier, for the sum stated above.

It is not controverted that the transaction was carried out by Nelson practically as above outlined. It is urged, however, that the fraud, if any, was the individual fraud of Nelson; that the bank neither authorized nor ratified it, and that the profits therefrom, whatever they may have been, were taken by Nelson. It is further contended that the bank was without authority to act in the purchase of the stock; that it did not in fact make the purchase, and had it done so that the transaction would have been illegal. In an attempt to establish the fact that the bank had the power to act in the matter defendant introduced over objection a paragraph of the articles of incorporation of the bank, providing that it might carry on an agency and trust business. The admission of this evidence is assigned as error, for the reason that the Bank Act (Laws 1911, p. 172) prohibits banks from purchasing stocks of other corporations.

This argument is to all intents and purposes a plea of *ultra vires*. It can have no weight, however, when it is noted that the bank was also a trust company with full power and authority to undertake and carry out precisely such a transaction as the one under consideration. In answer to this it is urged that the mere fact that Nelson was the cashier of the bank raises no presumption that he was also its trust officer.

There is competent evidence in the case that Nelson acted for the bank in some capacity. The relation of maker and payee of a promissory note arose between the parties as a result of the acts of the cashier. His acts were strictly within his authority, and the bank had certain benefits from the transaction and seeks to retain them. The agreement, according to the testimony of Beach, was that the bank should purchase the stock, and that acting through the cashier it did purchase it. The bank provided the funds for that purpose, upon a note given by Beach to it, and by its cashier disbursed the funds improperly and wrongfully. It now retains benefits from the transaction, has collected and seeks to retain all the interest paid by Beach before he

discovered the fraud, and apparently sanctions and approves the acts of its cashier. Under such circumstances to hold that the bank was not a party to the transaction and not liable for the damage done the defendant would be a travesty upon justice. The bank, through its cashier, was the prime mover in the matter. The correspondence shows that Nelson carried on the negotiations as the cashier of the bank in the purchase of the stock, and not individually. The testimony upon this question, if accepted by the jury as true, which seems to have been the fact, was sufficient to warrant and uphold the verdict. Upon the whole record it seems plain that the bank should not now be allowed to repudiate the transaction on the ground of lack of power in itself, or insufficient authority in the cashier. As was said in *First National Bank v. Wich*, 62 Colo. 119, at page 122, 160 Pac. 1036, at page 1037:

"The cashier of a bank has greater inherent powers than any other officer of the corporation, and is generally the active financial agent and manager of the bank. He is endowed with full power to transact all usual and general business of the bank, and it would be manifestly unjust to permit a bank to take advantage of the fraud of one whom it holds out to the public as its trusted and responsible agent and spokesman of the corporation. Common honesty precludes sanction of such conduct."

Moreover, the bank put it in the power of the cashier to carry out this deal, and if he committed a wrong and damaged the defendant by improper methods, purporting to act in his official capacity, the bank should bear the loss, rather than an innocent outsider, who undoubtedly had faith in Nelson because of his relations to the bank. That institution has its remedy against Nelson and should look to him for the damage, if any, which it has sustained on account of his wrongful acts, made possible through its own conduct.

The assignments of error relative to the instructions given and refused ap-

pear to be highly technical and hypercritical, and lack substantial merit. We think the record shows that the law governing the case was fully, clearly and concisely given to the jury. Neither are the errors assigned based upon the admission of alleged hearsay and other improper testimony well taken, as the testimony of this character was admitted for the sole purpose of showing what information had been received by Beach which moved him to act, and the jury was so advised, and not for the purpose of establishing the truth of such information. For this purpose, and thus limited as it was, its admission was not error.

The questions involved are almost wholly ones of fact. The testimony having been submitted to the jury, under proper instructions as to the law, for its findings of fact, and it having found the facts, in all particulars, in favor of the defendant, the judgment upon the verdict should not be disturbed.

Judgment affirmed.



Bank a Holder in Due Course

Farmers' & Merchants' Bank v. Quasebarth,
Supreme Court of Kansas,
179 Pac. Rep. 300.

When a bank purchases a promissory note and credits the proceeds to the account of the payee, it does not thereupon become a holder in due course. But it does become a holder in due course as soon as the proceeds have been checked out. And it is then entitled to enforce the note against the maker, even though it was obtained from him by fraud.

OPINION

Appeal from District Court, Edwards County.

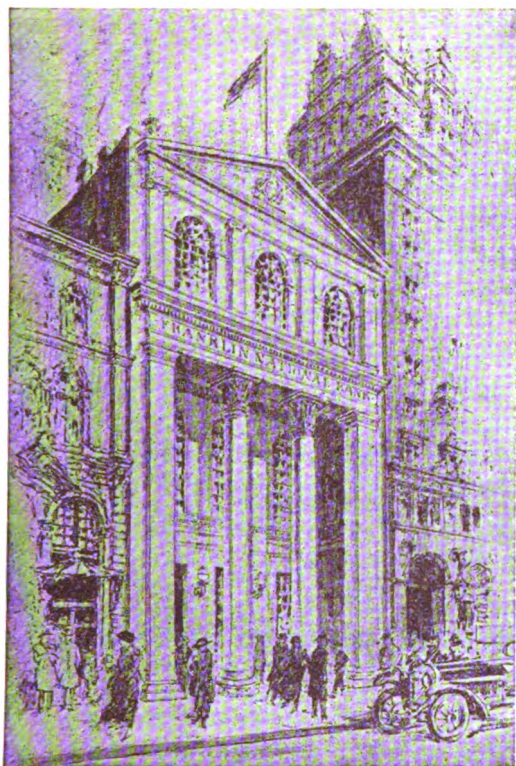
Action by the Farmers' & Merchants' Bank against Alice Quasebarth. Judgment for plaintiff, and defendant appeals. Affirmed.

JOHNSTON, C. J. Action by the

Farmers' & Merchants' Bank to recover on a negotiable promissory note for \$625, executed by the defendant, Alice Quasebarth, in favor of the Kansas Life Insurance Company, maturing October 1, 1916, and which was transferred to the plaintiff. The defendant claimed that the note was obtained by fraudulent representations of the insurance company, and that the plaintiff had knowledge of the fraud when it purchased the note. The issues were determined in favor of the plaintiff, and defendant appeals.

The note in suit was executed on February 19, 1916, and was transferred to the plaintiff without recourse, on the same day, more than seven months before it became due. It appears that the insurance company had opened an account with the bank on February 15, 1916, a few days before the purchase of the note, and when the note was received the purchase price was entered by the bank to the credit of the company. At the time of the purchase the insurance company had a balance in the bank to the amount of \$1,550, and before March 25, 1916, more than the amount of that deposit had been checked out by the insurance company.

The bank had no notice of any false representations or of any defenses to the note when it was purchased, nor until after its maturity the following October. Some days after it matured the defendant notified the bank that she had a defense, and desired the bank to take the amount of the note out of the deposits of the insurance company then in the bank. The court rightly decided that the bank, having purchased the note without notice of any infirmities or knowledge of any defenses to it prior to its maturity, and having paid for it in February, 1916, should be regarded as a purchaser for value. It is conceded by the defendant that, if the plaintiff had actually paid for the note when it was purchased, it would have been entitled to be regarded as an innocent purchaser, but it is insisted that, as it only credited the insurance company with the proceeds of the note, it became a mere debtor of the insurance company,



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The Franklin National
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surplus and profits of four
and a half million dollars,
and total resources of over
seventy million dollars,—
a record of growth, sub-
stantial and unequalled.

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and that, as there were funds of the insurance company in its hands belonging to the company on and after October 1, 1916, and after it had learned of the fraud, it cannot be regarded as an innocent purchaser.

It is true, as contended, that the entry of credit made when the note was purchased only made the bank a debtor to the insurance company, and the deposit of the proceeds of the note only increased the indebtedness of the bank to the insurance company to the extent of the credit entered. This credit did not amount to a payment of the note, nor make the bank a purchaser for value. However, when the amount credited to the company was checked out, and the credit thus given became exhausted, the note was paid for, and from that time the bank, if it had no previous notice of the infirmities of the paper or defenses to it, became a purchaser for value entitled to the protection accorded an innocent holder. *Fox v. Bank*, 30 Kan. 441, 1 Pac. 789; *Dreilling v. Bank*, 43 Kan. 197, 23 Pac. 94, 19 Am. St. Rep. 126.

When the note was purchased and added to the checking account which had been opened by the company with the bank a few days before, the balance was \$1,550. On March 25th, the company had checked out \$1,811.62, which was considerably more than the amount on deposit when the purchase was made. Under the rule of the cited cases, the avails of the purchased note having been drawn out, the indebtedness of the bank to the insurance company arising from the purchase of the note had been discharged. At that time, as we have seen, the bank had no knowledge of the defense to the note, nor for more than seven months afterward, and therefore it must be regarded as a bona fide purchaser for value. The fact that the insurance company subsequently added other deposits to its checking account, and that sometimes there was a balance in favor of the company (as there appears to have been about the time the note became due), does not affect the attitude of the bank as a bona fide holder, nor deprive it of

the right and the protection acquired when payment of the deposit was made through the checking out of the deposit on March 25, 1916. *Fox v. Bank of Kansas City*, supra.

In *Fredonia Nat. Bank v. Tommei*, 131 Mich. 674, 92 N. W. 348, it is said:

"A bank which discounts a promissory note, crediting the proceeds to the indorser's account, which becomes exhausted before the maturity of the note, is a purchaser for value, notwithstanding the indorser subsequently has deposits equal to the amount of the note."

See, also, *Mann v. Nat. Bank*, 34 Kan. 746, 10 Pac. 150; *Bank v. Arndt*, 132 Wis. 383, 112 N. W. 451, 12 L. R. A. (N. S.) 82; 3 R. C. L. p. 1056.

We see no reason to depart from the rule of the *Fox* and *Dreilling* Cases, and, applying it to the facts of this case, it must be held that the plaintiff becomes entitled to the status of a purchaser for value, not when the note against defendant matured, but when the bank's debt to the purchaser had been paid by checking out the fund arising from the entry of the credit. This was done so long before any knowledge of defense to the note came to the bank that there is no good reason for dispute as to when the bank became a purchaser. When the \$1,550 balance was checked out on February 25th, the bank became purchaser for value as completely as it would have done had it paid the money across the counter when the note was purchased.

Judgment affirmed.



Attempting to Pass a Forged Instrument

McConnell v. State, Court of Criminal Appeals of Texas, 212 S. W. Rep. 498.

The defendant went into a bank with a fraudulent check, which he presented to the paying teller. The teller did not pay the check, but went to another part of the bank, where he telephoned for an officer. When he returned to his window the defendant had disappeared. It

was held that the defendant was guilty of the crime of attempting to pass a forged instrument.

OPINION

Appeal from Criminal District Court, Dallas County; C. A. Pippen, Judge.

Walter McConnell was convicted of passing a forged instrument, and he appeals. Reversed and remanded.

LATTIMORE, J. Appellant was convicted in the criminal district court of Dallas county of passing a forged instrument and his punishment fixed at two years' confinement in the penitentiary.

From the record it is reasonably certain that appellant took a false check to the American Exchange National Bank of Dallas and handed it to R. C. Ferris, paying teller. Nothing was said by either party. Mr. Ferris did not accept the check as true and pay any money thereon, but stepped into another part of the bank and phoned for an officer. When he got back to his own window, appellant was gone. This was the transaction. This evidence makes out a case, if any, of attempting to pass such forged instrument. *Houston v. State*, 59 Tex. Cr. R. 505, 128 S. W. 618.

The alleged forged check was not introduced in evidence. This is reversible error. *Muniz v. State*, 59 Tex. Cr. R. 365, 128 S. W. 1104; *Dovalina v. State*, 14 Tex. App. 312; *Bobbitt v. State*, 59 Tex. Cr. R. 314, 128, S. W. 1104.

The Assistant Attorney General

moved to strike out the statement of facts. Same is a literal reproduction of the answers of the various witnesses, and is not in strict accord with the narrative form contemplated by the statute, but we have considered the same.

For the error indicated, the judgment is reversed, and the cause remanded for another trial.

ON MOTION FOR REHEARING

This case was reversed because the statement of facts failed to show that the alleged forged check was introduced in evidence, and is before us at the time upon the state's motion for rehearing.

Appellant was convicted of attempting to pass as true a forged check. The judgment entered in the trial court showed appellant to be adjudged guilty of passing such instrument. We did not notice on the original hearing that there was a variance between the verdict and judgment. This, however, is immaterial. Affidavits are now filed in support of the state's motion for rehearing to the effect that the instrument upon which the prosecution was based was in fact introduced in evidence. The statement of facts which appears in the record was agreed to by both parties and approved by the trial court. The uniform holding of this court has been that, after the expiration of the time for filing, neither the trial court nor any one else may add to, amend, or change such statement of facts. *Belcher v. State*, 35 Tex. Cr. R. 169, 32 S. W. 770; *Gherke v. State*, 59 Tex. Cr. 508, 128 S. W. 380.

THE progress of the masses of the people is not dependent upon the forbearance, the benevolence or the considerate favor of those who are above them on the social or economic scale; they come up because there are resistless and everlasting forces that tend to secure equality among men. Belief in this is simply belief that there is a moral order in the universe. If you understand these laws you know that while there may be individual cases of injustice, there is a moral law of gravitation which eventually brings things right. There is an integrity at the heart of things to which the universe is true.

GEORGE E. ROBERTS.

Finances of the United States at the Close of the Fiscal Year

IN a recent letter addressed to the chairman of the Ways and Means Committee of the House of Representatives, the Secretary of the Treasury presented the accompanying summary of the public finances at the close of the fiscal year ending June 30, 1919:

I take pleasure in handing you herewith for your information and that of the Committee on Ways and Means the following statements:

A. Preliminary financial statement of the United States Government for the period from April 6, 1917, to June 30, 1919.

B. Preliminary statement of the public debt on June 30, 1919.

C. Statement showing classified receipts, exclusive of the principal of the public debt, by months from April 6, 1917, to June 30, 1919, as published in daily Treasury statements.

D. Statement showing classified disbursement, exclusive of the principal of the public debt; by months from April 6, 1917, to June 30, 1919, as published in daily Treasury statements.

Expenditures in the month of June just ended amounted in round figures to \$809,000,000, or less than for any month since September, 1917.

Expenditures for the fiscal year just ended amounted to \$18,514,000,000.

Expenditures for the war period amounted to \$32,427,000,000 and of these more than \$9,384,000,000 or about twenty-nine per cent. were met out of tax receipts and other revenues than borrowed money, although payment of nearly half of the income and profits taxes for the fiscal year, 1919, has not yet been made, such payment being deferred until the fiscal year, 1920.

In this calculation no deduction is made of expenditures for loans to the Allies, which on June 30 amounted to \$9,102,000,000, or for other investments, such as ships, stocks of the War Finance Corporation, bonds of the Federal Land Banks, etc.

AMOUNT EXPENDED IN WAR

If we assume that the expenditures of the Government on a peace basis would have been at the rate of \$1,000,000,000 a year, or for the period under discussion of nearly twenty-seven months would have equalled \$2,250,000,000, then we may estimate the

gross cost of the war to June 30, 1919, at \$30,177,000,000.

The gross public debt (without any deduction for loans to the Allies or other investments) amounted on June 30, 1919, to \$25,484,000,000. Of this sum only \$3,634,000 was in the form of Treasury Certificates or floating debt. Of such certificates more than \$608,000,000 matured or were reduced on July 1, 1919, and were paid out of the net balance in the general fund on June 30, 1919, which amounted to \$1,251,000,000. Deducting the certificates last referred to, the floating debt on June 30, 1919, was little more than \$3,000,000,000, which is roughly the estimated amount of the deferred installments of the income and profits taxes for the fiscal year 1919 and of the deferred installments of the Victory Loan subscriptions.

In the announcement given to the press on April 14, 1919, of the terms of the Victory Liberty Loan, I made the following statement with reference to financing the future requirements of the Government:

This will be the last Liberty loan. Although as the remaining war bills are presented further borrowing must be done, I anticipate that the requirements of the Government, in excess of the amount of taxes and other incomes can, in view of the decreasing scale of expenditure, be readily financed by the issue of Treasury certificates from time to time as heretofore, which may be ultimately refunded by the issue of notes or bonds without the aid of another great popular campaign such as has characterized the Liberty loans.

I confirm the statement above quoted. The decision then taken has been fully sustained by the experience of the last three months.

The successful flotation of the Victory Loan and the adjustment of the amount and terms of the issue have resulted, as I hoped they would, in a strong market at about par for these notes, without the necessity of Government support, and in an improving market for the bonds of the second, third and fourth Liberty Loans, evidenced not only by the firm market quotations, but by strong undercurrents of investment buying, which give reason for the hope that, with the continuance of favorable general conditions, there will be consistent appreciation in the market prices of these bonds.

I do not now think it will be wise to make

any further issues of long-term bonds before the maturity of redemption of the Victory notes, when there will have been such an interval in Government offerings of all kinds as must inevitably result in marked improvement of the market prices of the existing issues, with corresponding decreases in the interest bases at which they are selling, and consequent assurance that the Government will be able to finance itself for a longer period upon better terms.

PLANS TO MEET NEEDS OF 1920

It is not possible at this time, when appropriations for the coming year are under consideration by the Congress, when contract claims by and against the United States are still in process of settlement, when demobilization is still incomplete, when the extent of the liability on the wheat guaranty is unascertained, and when the business upon which the income and profits tax receipts in the first half of the calendar year 1920 are to be based is still only half transacted, to make a formal estimate of the receipts and expenditures of the United States during the fiscal year 1920.

But so large a part of the war expenditures has been paid or provided for out of taxes and the issues of bonds or notes already sold, and so small a part is unfunded, that I confidently expect that the Government will be able not only to meet its further temporary requirements for the decreasing scale of expenditure by the sale of Treasury Certificates of Indebtedness bearing interest at the rate of four and one-half per cent., in moderate amounts, at convenient intervals, when market conditions are favorable, and upon terms advantageous to the Government.

It will not be desirable to fund all the certificates of indebtedness, for the issue of certificates of indebtedness in anticipation of income and profits tax installments not only furnishes a means of financing the requirements of the Government temporarily on easy terms, but constitutes an almost necessary financial expedient to enable the taxpayer to save and to prepare gradually for the great tax payments, and to relieve banking machinery of the Government of the great strain which would be imposed upon it if these tax installments had to be paid on a single day without such preparation.

URGES ECONOMY BY THE NATION

I need scarcely say to you that the realization of these sanguine expectations is contingent upon the practice of the most rigid economy by the Government and the continuance of ample revenues from taxation. Such a course, accompanied by the practice of sober economy and wise investment by our people, and strict avoidance of waste and speculation, will make it possible for the American people to respond to the

demands to be made upon them privately for capital and credit by the nations and peoples of Europe—demands which are reinforced by the strongest and most vital ties of sympathy for the Allies who fought and won the war with us, as well as by the most obvious dictates of self-interest.

I am writing a similar letter to the Hon. Boies Penrose, chairman of the Committee on Finance.

It has seemed to me only proper at the end of the last fiscal year of the war period to lay these facts and opinions before the Committee on Ways and Means, and the Finance Committee, which bears so large a measure of responsibility for the war loan legislation; and to make them public also, since they vitally concern the millions of Americans whose purchases of Government securities, and tax payments, made this record of war finance possible.

CARTER GLANZ.

RECEIPTS AND EXPENDITURES

Here are the totals of receipts and disbursements for the period from April 6, 1917, to June 30, 1919, on the basis of daily Treasury statements:

RECEIPTS	
Net balance in the general fund April 5, 1917.....	\$92,317,710.27
Receipts, exclusive of principal of public debt, April 6, 1917, to June 30, 1919....	9,384,278,708.22
Public debt receipts, April 6, 1917, to June 30, 1919....	48,385,572,063.47
Total	\$57,862,168,481.96

DISBURSEMENTS	
Disbursements, exclusive of principal of public debt, April 6, 1917, to June 30, 1919	\$32,427,469,054.72
Public debt disbursements, April 6, 1917, to June 30, 1919	24,183,034,599.70
Net balance in the general fund June 30, 1919.....	1,251,664,827.54
Total	\$57,862,168,481.96

These tables are presented by the Treasury Department under the heading, "Public debt and expenditures":

Total disbursements for war period	\$32,427,469,054.72
Total receipts for war period, exclusive of principal public debt	9,384,278,708.22
Excess of disbursements over receipts for war period....	23,043,190,346.50
Total gross debt June 30, 1919	25,484,506,160.05
Total gross debt Apr. 5, 1917	1,281,968,696.28
Gross debt increase for war period	24,202,537,463.77
Net balance in the general fund June 30, 1919.....	1,251,664,827.54
Net balance in the general fund April 5, 1917.....	92,317,710.27
Net increase in balance in general fund	1,159,347,117.27
Net debt increase for war period	23,043,190,346.50

RECEIPTS OUTSIDE WAR LOANS

There is presented also a statement showing receipts in detail of the United States Government exclusive of the principal of the public debt, by months, from April 6, 1917, to June

30, 1919. The recapitulation is as follows:

Customs—	
April 6, 1917, to June 30, 1917	\$65,210,500.96
Fiscal year 1918	179,998,383.49
Fiscal year, 1919	184,457,867.39
Total since April 6, 1917 to June 30, 1919	\$429,666,751.84

INCOME AND PROFITS TAX

April 6, 1917, to June 30, 1917	\$146,533,426.49
Fiscal year, 1918	2,314,006,291.84
Fiscal year, 1919	3,018,783,687.29

Total \$5,479,323,405.62

Miscellaneous internal revenue—

April 6, 1917, to June 30, 1917	\$322,764,537.75
Fiscal year, 1918	872,028,020.27
Fiscal year, 1919	1,296,501,291.67

Total \$2,491,293,849.69

Miscellaneous revenue—

April 6, 1917, to June 30, 1917	\$31,286,970.82
Fiscal year, 1918	202,513,814.82
Fiscal year, 1919	646,139,700.05

Total \$969,940,485.69

Panama Canal—

April 6, 1917, to June 30, 1917	\$1,643,271.07
Fiscal year, 1918	6,036,354.28
Fiscal year, 1919	6,374,590.03

Total \$14,054,215.38

The total of all these receipts combined are as follows:

April 6, 1917, to April 30, 1917	567,438,707.09
Fiscal year, 1918	3,684,582,864.70
Fiscal year, 1919	5,152,257,136.43

Grand total \$9,384,278,708.22

TABLE OF DISBURSEMENTS

Another table presents the classified disbursements of the United States Government, exclusive of the principal of the public debt, from April 6, 1917, to June 30, 1919. The recapitulation follows:

ORDINARY

April 6, 1917, to June 30, 1917	\$317,118,665.99
Fiscal year, 1918	7,874,386,324.91
Fiscal year, 1919	14,935,848,739.62

Total \$23,127,353,730.52

FOREIGN LOANS

April 6, 1917, to June 30, 1917	\$885,000,000.00
Fiscal year, 1918	4,738,029,750.00
Fiscal year, 1919	3,479,255,265.56
Total	\$9,102,285,015.56

OTHER SPECIAL

April 6, 1917, to June 30, 1917	\$13,767,962.56
Fiscal year, 1918	84,286,396.23
Fiscal year, 1919	99,775,949.85

Total \$197,830,308.64

The total of these disbursements combined is as follows:

April 6, 1917, to June 30, 1917	\$1,215,886,628.55
Fiscal year, 1918	12,696,702,471.14
Fiscal year, 1919	18,514,879,955.03

Grand total \$32,427,469,054.72

PUBLIC DEBT AND LIBERTY LOANS

Here is the preliminary statement of the public debt of the United States Government June 30, 1919:

Bonds—

Consols of 1930	\$599,724,050.00
Loan of 1925	118,489,900.00
Panamas of 1916-36	48,954,180.00
Panamas of 1918-38	28,947,400.00
Panamas of 1961	50,000,000.00
Conversion bonds	28,894,500.00
Postal savings bonds	11,349,960.00

Total \$883,359,990.00

First Liberty Loan	\$1,984,796,780.00
Second Liberty Loan	3,566,464,969.00
Third Liberty Loan	3,958,560,357.50
Fourth Liberty Loan	6,794,504,557.00

Total \$16,304,326,613.50

Total bonds \$17,187,686,603.50

Notes—

Victory Liberty Loan	\$3,467,840,956.77
Treasury certificates—	
Loan and tax	\$3,273,000,000.00
Pittman Act	178,723,000.00
Special issues	182,494,490.00

Total \$3,634,217,490.00

War Savings Certificates (net cash receipts)	956,023,121.45
Old debt on which interest has ceased	2,355,250.26
Non-interest bearing debt	236,382,738.07
Total gross debt	\$25,484,506,160.05



I BELIEVE that we always progress,
and that at the end of the day we are
usually ahead.
JOHN BURROUGHS.

The Failure of Public Ownership

THOSE who favor socialism or public ownership of industry may find food for thought in the following extracts from an article by F. G. R. Gordon in a recent number of "The National Civic Federation Review." Mr. Gordon is combating the views put forth by Harry W. Laidler in a booklet entitled "Public Ownership Throughout the World." Mr. Gordon says:

Government ownership—or to be more correct, state and municipal socialism—is characterized everywhere by poor service, low wages, high rates and large annual deficits. This is true because what is everybody's business is nobody's business and, therefore, the only business of any government official in the conduct of industry is to draw as much pay and perform as little work as possible. Thus we find that in a democracy like New Zealand, or the Australian states, it requires three men to perform one man's labor, and this has resulted in the highest debts and the highest cost for government in all the world. Let us take a few items that Dr. Laidler makes prominent:

MAIL SERVICE

Socialists generally point to the United States mail service as a fine illustration of the "success" of socialized industry. Our post office is the worst managed big business in this nation. It has a billion complaints a year, and not the slightest attention is paid to most of them. The "know-it-all" clerk you will find in the post office, and not in the private owned railway, telegraph or telephone companies. From 1865 to 1915 our socialistic post office lost more than \$700,000,000 directly and indirectly, or an average of \$14,000,000 a year. But from 1900 to 1915 the losses averaged more than \$18,000,000 a year.

Recent government reports from Australia show that the post office, telephone and telegraph are all going from bad to worse and that the deficits are increasing while the service is degenerating.

In connection with our own post office, it may be well to mention the fact that it pays nothing for the space it occupies in the public buildings, nor does it pay the salary of the Postmaster General and his staff, or the auditor and his staff, hundreds of highly paid officials who draw their salaries from the Treasury Department. Thus we see

that the Post Office Department *grafts* upon the Treasury Department more THAN A MILLION DOLLARS A MONTH. By ignoring these facts and the other overhead costs, the state socialists make it appear that the post office pays. *It never paid and it never will pay under Government operation.*

TELEPHONES

Everyone who uses the telephone or the telegraph in Europe, Australia or elsewhere complains of the "wretched service." And yet there is not a great government telephone system in all the world that is able to make both ends meet. Under normal conditions the British telephone system has from \$3,000,000 to \$4,000,000 annual deficits. For many years Germany has owned and operated the telephone. She invested \$700,000,000 in the system. Wages there have averaged only one-third of what they are in

Germany, before the war, had an operating income of \$28,000,000. But she had to pay \$24,000,000 annual interest charges; she lost \$12,000,000 a year from displacement of taxes and other overhead charges made an annual loss of \$5,000,000 and more.

France is not much better off. She loses several millions each year, gives execrable service and the rates are actually higher than in this country. Wages on the socialized telephones of Europe average from \$2.60 per week in Belgium to \$5.20 in Switzerland, and every socialized telephone in Europe is losing money. Before the war the Paris rate was \$77.20 a year. More than 90 per cent. of the telephone users in the United States pay less than the average in Paris rate, yet wages in this country, in 1914, averaged a little more than 400 per cent. higher than the rate in France.

This nation has three-fourths of all the telephones in the world. Chicago has more telephones than all of France. Even in Japan, where wages average \$76 a year, the cost for telephone service under the blight of public ownership is higher than in Massachusetts. Great Britain and Ireland have only 650,000 telephones, but we are increasing the number of telephones in this country by 700,000 a year!

TELEGRAPH

The United Kingdom socialized its telegraph system in 1870, and from that date to the beginning of the Great War lost more than \$200,000,000. It is not the masses in any nation that use the telegraph, for we

find that ninety-six per cent. of all the messages that go over the wires of Great Britain are sent by only four per cent. of the people.

While the wages of the telegraphers in Europe average only one-third that of American operators, the telegraph rates are practically the same. In America we have excellent service. In Europe it takes on the average four times as long to send a telegraph or a telephone message as in this country and, if time is worth anything, our rates are less than half the rates in Europe. New Zealand lost before the war an average of \$313,000 a year on its wire system and Australia lost almost \$800,000 annually. Since the war the losses have increased enormously.

RAILROADS

Mr. Laidler makes a general statement as to the railways, and it is most unfortunate for him that he picks the Italian railways as an illustration of "going over" to socialism. In 1905 the Italian Government socialized 8,386 miles of railroads. Under private ownership these lines paid small dividends; paid millions in taxes to help support the government and gave good service. Under public ownership the Government, up to the breaking out of the war, had added 50,188 hands to the payroll without adding a single mile of new line. The railways have become politicalized from end to end.

While the wages average about one dollar a day, the freight rate is twice as high as in this country, and the annual average losses from 1905 to 1914 were from \$35,000,000 to \$42,000,000, to say nothing of the \$10,000,000 or \$12,000,000 lost in taxes. Since the war the losses have increased tremendously, and the Government had to vote \$360,000,000 recently to rehabilitate the whole system. The Italian railways under Government ownership are capitalized at more than \$198,000 a mile, as compared with only \$66,000 in this country, yet our socialists are yelling about "watered stocks"!

The Austrian railroads are even worse than those of Italy and the losses are greater. The freight rates on the socialized railroads of Europe average from ninety to 300 per cent. higher than in this country, though the wages are less than half those paid here.

PRIVATE OWNERSHIP

Under private ownership we enjoyed the cheapest freight rates in the world, and the best service. We obtain nearly \$160,000,000 a year in railroad taxes. In 1914 our privately owned railroads carried a ton of freight one mile for .72 cents. The rate in Germany was 1.37 cents; in France, 1.33

cents; in Denmark, 2.33 cents, or more than three times as high as our rate, yet, on 1,216 miles of state-owned railways, Denmark lost, in 1914, about \$1,300,000. In Austria the socialistic rate is 1.50 or more than twice as high as here, and the socialized railways lost more than \$50,000,000 a year before the war. To-day they are bankrupt.

AUSTRALIAN SOCIALISM

Australia and New Zealand have plunged into state socialism more extensively than any other nations, and as a result they have become the champion debt-ridden states of the world. On January 1, 1914, the public state and federal debts of those countries amounted to \$1,936,000,000. On that date the combined debt of our forty-eight states and of the Federal Government amounted to \$1,313,000,000, round numbers. This was an average debt of \$65 for every family in America, but in New Zealand and Australia it was an average debt of \$1,555 or *twenty-four times greater than in this nation.*

For the year ending June 30, 1914, New Zealand, with 1,152,000 population, actually raised and expended for the year \$57,550,000. As New York State has nine times the population of New Zealand, she would have expended \$517,000,000 for one year's expenses had she plunged into state socialism to the same extent that New Zealand has! Like that prospect?

Australia, with less than half the population of New York, taxes the farmers' land \$19,000,000 a year. Imagine the farmers of New York paying \$36,000,000 a year just for a land tax. The entire expenses of Australia in a year for state government averages more than £43,000,000, or over \$200,000,000, with one-half the population of New York.

And this is what state socialism has done in the most democratic countries on earth.

MUNICIPAL OWNERSHIP

Mr. Laidler brags about the fact that there are 1,562 socialized electric lighting plants in the United States. The privately owned plants numbered 3,659, and they have an output of kilowatt hours, according to the United States census of 1912, of 10,995,436,276, while the socialized plants had only 537,526,730. The census also shows that the gross revenue per kilowatt hour was: Private plants, 2.54 cents; socialistic plants, 4.32 cents.

This shows that the municipal owned plants charged *seventy per cent.* higher rates than the private plants. And the private plants *pay taxes*, while the municipal plants escape all taxation.



Some Duties and Opportunities of Savings Banks

By JOHN J. PULLEYN, President Emigrant Industrial Savings Bank, New York

[From an address delivered on the occasion of the seventieth anniversary dinner of the Society for Savings, Cleveland, Ohio.]

MANY of the mutual savings banks have been in a state of abject lethargy, their business has been the routine business of the simple operation of the simplest banking function. Ordinarily if the president of a mutual savings bank dies of old age, the oldest member of the board of trustees is made the president. To them it is simply a position of honor in compensation for the nominal service rendered, generally over a long period of years. Many savings banks have been making progress on a hobby horse, the kind of progress that simply wears out the carpet and makes no advancement.

The justification for the mutual savings institution as such is not only the deposit function, which they perform admirably, but more in the utmost public service that it is qualified to render. Our institutions are unique in their capabilities. They are the only banking institutions in America that are owned by the people. Seventy-two per cent. of the population of the State of Massachusetts have savings accounts in 196 savings banks of that state, and sixty per cent. of the population of the six New England States have deposits in the savings banks of New England, while thirty-five per cent. of the people of the State of New York have savings accounts in 141 savings banks.

It is not the conservatism of the managers of savings banks that is to be commended upon, for that is commendable, but it is more the lack of ability to discriminate between conservatism in the

investment of funds of depositors, and the development of the institution to the point of adequately satisfying the financial wants of people of small means. Witness the work of ex-Premier Luzzati in the Cassi di Risparmio, a mutual institution in Milan and in Florence. The men directing such institutions (who correspond to the trustees of the American mutual savings bank) are real public benefactors through the instrumentality of the Cassi di Risparmio. Their interest in the institution is a vital one. Every official as well as every employee is alive to the social value of the institution as such.

There is a similar savings bank in Copenhagen, Denmark. The only difference is that it is a capital stock institution, the stock being owned by thousands of depositors. It is not built according to the building and loan principle.

WAR ACTIVITIES OF SAVINGS BANKS

The war has demonstrated the value of the mutual savings bank in this country. Not only have they invested largely of their own funds, but they have sold bonds and taken subscriptions to a vast amount in aid of Government finance.

Many of the banks have created new departments for this work and are continuing to help depositors retain their bonds by loaning them money on security of their bonds.

Generally the savings bank has entered into every war campaign. Their

employees have been at the service of government agencies. Such service rendered has demonstrated the feasibility of other functions for the savings banks to perform to make them of greater benefit to their several communities. The commendable work of the Society for Savings in the inauguration of a home economics department and an agricultural department unfolds a field of service which the mutual savings bank is capable of going into that will further justify its reputation as one of the greatest institutional benefactors in the United States.

What other institution is there which so admirably fits into the new social era? Social reforms are inevitable. The difficulty to be experienced will be in keeping away from public ownership and socialism. This difficulty will be overcome by the coöperative effort of the people themselves through the coöperative or mutual organizations, such as the mutual savings bank.

While I do not believe that there will be many more mutual savings banks organized, yet in my opinion the existing savings banks will develop branches in order to furnish adequate facilities to the public for the savings of money. The savings bank can be made the greatest force for the Americanization of our seventeen million or more foreign born that there are in the country. A fundamental way of Americanizing the foreign born is through securing their financial interest and placing at their disposal a service department from which they can at all times secure information for the betterment of their financial affairs.

SALE OF INVESTMENT SECURITIES

At present, through the limitation placed on the amount of savings each institution is permitted to take from any one depositor, it is necessary for us to turn our own depositors away from the bank after they have, through consistent and regular saving of small amounts, reached the limit the law allows.

Why cannot state, county, and municipal bonds, as well as foreign govern-

ment bonds, be sold in the same way as Liberty Bonds were sold during the war, and thus be able to continue to render service to our depositors, even though they have reached the limit of deposit?

The checking account for the householder of small means is a constructive method of encouraging thrift. It is an opportunity for the institution to better the methods for the care of household and private affairs. It will develop prosperity. How many people there are in our institutions who die and leave upward of a thousand dollars, and whose estates, although small, are most unsatisfactorily handled! Here is yet another field in which our institutions may make good.

The Provident Loan Society of New York has more than 300,000 borrowers, where, through the creation of a debt and the gradual payment of it, people are brought to higher standards of living and to thrift. Why cannot this, too, be made a function of the mutual savings bank?

BETTER UNDERSTANDING OF THE SAVINGS BANK'S USEFULNESS

And, lastly, there is lack of appreciation on the part of many people as well as the public as a whole, of how wonderful this mutual savings institution is, of what its potentialities may be, and from carefully written articles through the public press and through periodicals we may possibly bring the public to a more accurate understanding of our purposes. It is due to the public to understand it, and it will be brought about through organization and leadership. Some of the greatest leaders of America are trustees or executives of mutual savings banks, and through proper organization the mutual savings bank will be made one of the foremost institutions of America.

At the last annual meeting of the Savings Bank Association of the State of New York the constitution of the association was amended adequately to provide for an organization which will sustain leadership. This eventually can be made of nation-wide strength through

the collective interest of all mutual savings banks throughout the country.

The future of our institutions looms large before us. It is for us to bring them to a state of crystallization, to make them felt from coast to coast, to make them a power in Congress, to make them a factor in each of the fifteen legislatures of the states where mutual sav-

ings banks are located, to make them a greater influence amongst our depositors, to make them reach every last person in the communities we serve, and to build a financial giant whose fundamental purpose is not profits for relatively few stockholders, but financial, social, and economic benefit to depositors and the public.

A Good Thrift Talk

By JOHN POOLE, President Federal National Bank,
Washington, D. C.

I WANT to make a few observations on the general subject of "Thrift."

The great conflict which has recently come to a close has taught us many things. We have become educated in matters of health, religion, generosity, conservation and thrift. The masses have been urged to give to innumerable war relief agencies and charities. Millions and millions have been prevailed upon to save out of their earnings and lend their savings to the Government. If the lessons have been well learned, our country will be saved from the disgraceful condition of the past, when, according to carefully compiled insurance statistics, we find a large number of people of sixty years and older dependent upon relatives, friends or charity for the necessities of life.

Sometimes these people are called "financial cripples," and from that scrapheap they call out to us, "Save during your earning years."

James J. Hill, the great railroad magnate, once said:

If you want to know whether you are going to be a success or failure in life you can easily find out. Just ask yourself this question: "Can you save money?" If not, drop out. You will fail as sure as you live. You may not think so, but you will. The "seed of success" is not in you.

Nothing gives a person the right di-

rection of life more effectively than saving money. When one learns how to save regularly he has found the key to success. Being free from financial worries, one's entire thought may be devoted to the development of higher efficiency in his work.

REAL MEANING OF THRIFT

We must not think of thrift as being close or stingy. It means nothing of the kind. It means the scientific management of one's time, money and affairs, which improves the quality of the individual because they develop system, order, and give force, energy and industry as well. The virtue of saving lies in the fact that thrifty men think, plan and look forward. They are progressive, and become a valuable asset to the community and to the country.

Thrift evidences superiority in many ways. It denotes self-control, self-reliance, prudence and foresight, and finally brings independence. The practice of saving money gives an upward tendency to life, improves the quality of the individual, and has a healthful reaction upon all the other faculties.

We are devoting lots of time and thought to the "boy" problem, for the purpose of improving our citizenship. It seems to me that one of the most im-

portant factors in the successful and thorough development of the boy into safe and splendid manhood is to teach him the value of saving money. I want my boy to have every opportunity that other boys have. I want to teach him to earn, teach him to save, and make him ready to seize *the* opportunity when it comes. I want to develop in him habits of thrift and business instinct. If this is *your* ambition for *your* boy, then "go to it." Don't pass it by.

Tell him a few plain stories about how money works. Tell him that a dollar deposited every month in a savings bank at an ordinary rate of interest will grow so large through the process of compounding interest that at the end of twenty-one years he could draw out all the money he saved and put into the bank, and without making any further deposits he could continue to draw out a dollar a month as long as he lives.

As another illustration of the power of money, tell him that a hundred dollars deposited at six per cent. compound interest would, in two hundred years, amount to more than one hundred million dollars. He won't have any ambition to create a fund of this sort, but it will show him what money can do and how it can accumulate.

When a person spends money for something he really doesn't need, the money is gone forever; but when one invests money he still retains all that he has saved and, furthermore, an earning power is added, so that he then has two forces at work from both of which an income is derived. One is man-power, his own personal effort—the other is money-power, the return from invested savings.

BANKERS SHOULD HELP IN DEVELOPING THRIFT

And so, as bankers, I feel it is incumbent upon us to help the people of our respective communities to get the right start in life. Encourage them to save at least a portion of their earnings, and then a little more, explaining to them that thrift is the foundation of success in business, of contentment in the home and standing in society.

An Optimistic Banker

By DAVID R. FORGAN,
President National City Bank, Chicago.

I AM an optimistic banker because I like the banking profession. After forty-two years of it I still consider it the most responsible and honorable calling within commercial lines. While many great fortunes have been honorably made by bankers, you and I know that the ordinary business of commercial banking, contrary to general opinion, is not an easy or fast way to accumulate wealth. Bankers, as a rule, are not rich men, and those who are have generally made their riches outside of their banking efforts. The chief glory of the profession, to my mind, is that the banker is usually the respected citizen of his community in whom the public places more confidence than they do in anyone else. In one department of the business—savings—the banker collects the hard-earned money of the poor and loans it to the rich. That is a sacred trust. He is also the financial doctor and father-confessor of his customers who seek his counsel in all kinds of business enterprise. He generally stands for progress and integrity in business, civic and social affairs; but he knows, if anyone knows, that success in business is not the *summum bonum* of life. His familiarity with money, and with those who acquire money, teaches him that its possession is not by any means synonymous with happiness; so, while he is devoted to business, he is not usually enslaved by it. He is captain of his own soul, and keeps it above business—free from sordidness and meanness. He knows that a man's life consisteth not in the abundance of the things which he possesseth, and he cares for the more excellent things of the spirit.

"The grace of friendship, mind and heart
Linked with their fellow heart and mind,
The gains of science, gifts of art,
The sense of oneness with our kind.
A thirst to know and understand,
A large and liberal discontent—
These are the gifts in life's rich hand,
The things that are more excellent."

Liberty Bonds and Federal Farm Loan Act

By L. T. McFADDEN, Member Banking and Currency Committee,
House of Representatives

I PROTEST against the economic crimes that are committed in the name of the Federal Farm Loan Act. The farmers and other taxpayers of the United States will be opposed to the tax exemption of Federal Land Bank bonds when they know the truth.

Loans are limited by law to \$10,000. No pretense, or only a pretense, is made as to observing this limitation. Within a few months after the law went into operation the Federal Farm Loan Board published a ruling permitting a man to deed an undivided half interest of his farm to his wife and then permitting them to jointly borrow \$20,000 by giving two notes and one mortgage. Such a loan is reported as two loans. By taking in more relatives or friends, land owners now borrow as high as thirty and forty thousand dollars. Usually quit claim deeds are used and the nominal consideration is one dollar, and the land is redeemed to the original owner as soon as the loan is obtained.

The law was enacted to aid men of moderate means, to reduce tenantry, to increase production, and to render assistance to men who cultivate their own farms. I was a member of the committee which framed the law, and know what I am talking about.

These banks have not produced the results expected. They cost the national Treasury over \$500,000 last year, besides the losses from exemption of their bonds from taxation.

Loans are now made to landowners who rent their farms through agents. They call the lease a contract of employment, but the wages of the employee are a share of the crop, and there is no

provision for paying him any wages if the crop fails. The contract is a subterfuge. I have seen two photographs of a peat bog in Iowa on which loans of over \$40,000 were made to a firm of speculators, by using six deeds that did not pretend to represent actual sales, as no revenue stamps were affixed. These photographs show big holes now filled with water that were burned into the peat in a dry time. What do you think of that as productive farm land cultivated by the owner? It does not produce grass for either hay or pasture.

These are only a few of the abuses that have grown up under this system. I realize that due allowance must be made for mistakes when a hastily organized political machine tries to loan money through about four thousand local associations largely controlled by the borrowers. But the literature sent out by the bureau at Washington shows that such practices are encouraged from headquarters. Read the "Borrowers' Bulletin" for April-May, 1919, and previous issues, and no further evidence will be wanted.

The Federal Land Banks are working to get out as big a volume of loans as possible, regardless of the letter or spirit of the law. In order to deceive many farm borrowers into going in debt for easy money, they advertise that on a thirty-five-year loan the interest rate is only three and six-tenths per cent. on the money borrowed.

FAVORITISM OF THE ACT

Our enormous war debt, the grinding burden of heavy taxes and the market price of Liberty Bonds are great prob-

lems that now slap every citizen in the face. When one taxpayer evades paying taxes he robs all other taxpayers by that evasion. The most important effect of the Federal Farm Loan Act now is that it helps a few taxpayers rob other taxpayers.

Liberty bonds are now below par, some of them down nearly to 94. The Federal Farm Loan Board, through its agents, now advertises \$54,000,000 of its bonds at 100½. Liberty Bonds are not entirely free from taxation. Land bank bonds are tax free. Liberty Bonds were bought by patriots to help the nation. Land bank bonds are bought by investors to evade taxation. Joint stock land bank bonds are now selling at 102. They are entirely tax free. They are issued by privately owned banks to furnish money to be used by real estate dealers and farmers for private personal business. There is a big demand for these bonds, because the owners do not

have to pay war taxes on them. There are twenty-one joint stock land banks; nine of these have been chartered since the first of April of this year. The twenty-one joint stock land banks and the twelve Federal Land Banks are thirty-three factories to which rich investors can deliver their taxable securities and have them made over into tax free land bank bonds. In the rush to avoid war taxes two hundred such institutions are likely to be doing business before the end of this year. There are applications now on file for about one hundred more joint stock land banks.

Competition of these tax free securities can have no other effect but to depress the price of Liberty Bonds.

Congress owes its first duty to owners of Liberty Bonds.

The bonds of Federal Land Banks and of joint stock land banks should be subject to taxation the same as other commercial securities.

History Has a Word for Us

[From a speech in the United States Senate
By HON. LAWRENCE Y. SHERMAN of Illinois]

I AM not of that happy variety that care nothing for history. I am compelled by my habits of thought to admit its value in the affairs of men. It has become the fashion now to deride and ignore its salutary lessons. The historian is the newspaper man of the centuries. We are living in a new era. It is said the old régime has passed away and a new order is upon us. It is assumed that human nature, the elemental laws that govern both in and about us, the ambitions, and passions of our species are no longer existent. Unhappily for this mirage of skygazers, no changes have occurred in the elemental nature of

ourselves, both for good and evil, and in the laws of the physical world. So long as our Creator leaves us under these mundane limitations and disabilities we must studiously heed the voice of human experience. Yesterday is the schoolmaster of to-day, and both to-day and yesterday often point with unerring accuracy to the affairs of to-morrow. Of the great powers of the earth this Republic is yet a veritable infant. We are in the kindergarten stage of our development in the family of nations—143 years old on the fourth day of next July.

When the Chaldeans, who began his-

tory, who traced the laws of nature by their shepherds in the hills of Asia, expired before the conquering legions of the Assyrians, that nation with its Babylonian successor had survived 1,100 years against its public enemies. When the Assyrians perished, beginning with the destruction of the hosts of Sennacherib, Assyria had held the reins of power for 1,000 years. The Medes and the Babylonians and the Persians came in turn, the Phœnicians, the Greeks, and the Romans. To-day England, of modern nations, has the longest continued uninterrupted reign of civilized dominion there is left of modern nations on the earth. She is 1,000 years old since the days of King Alfred, and we are 143 years old, and are going about in the plenitude of our pride, prating of what we will do in the world of nations. We, I repeat, are in the kindergarten stage of our development, and all that gives us stability apart from the American character we are forgetting we have borrowed from Holland and from Great Britain, from our ancestors across the sea, modified it and put it into practice here, adapted it to our wants—our ancestors showed genius in the adaptation and framing from the material of the ages—and still we think we can control and mold laws more unchangeable than those of the Medes and the Persians. Let us rather, in humiliation and meekness of soul, gaze upon the mighty wrecks where the doomed and pillared capitals of empire lie in the obscuring mold of centuries, and are forgotten except by the student and the statesman who reflect upon the melancholy end of those who perished long before we assumed to govern the world. We can no more ignore proper precautions with impunity and survive than the forgotten races of history whose temples and altars are covered with the drifting dust of centuries. Our paper charters and laws signify nothing against the willful impulses or disposition to error among the living of any given generation. The League of Nations will be no stronger than the self-restraint and the sense of justice of the individual member na-

tions. The influences collected in or set in operation by that charter for good or evil must be interpreted and weighed in their probable abuses or perversions.



Steel "Pill-Box" Guards Chicago Bank

OWING to the numerous bank robberies throughout the country, officials of the Pullman Trust and Savings Bank of Chicago have had built in the bank building a steel "pill-box" which mounts several high-powered



Photo by International Film Service

A bank guard on duty in the "pill-box"

rifles and shotguns and in which guards are on duty day and night.

The "pill-box" is built half inside and half outside the building so that the occupant, through slits provided for the rifles, can have a clean aim at robbers either within or without the bank.

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Economic Conditions in France

THE NEW LOAN OF THE CITY OF PARIS

THE consolidation of the war debt of the City of Paris will be effected by the exchange of municipal Bonds and quinquennial Obligations of 1917 against the new obligations which the city is now issuing in amount of 1,500 millions of francs. The new obligations are of 500 francs and will produce five per cent.; that is, twenty-five francs half payable every semester. Issued at 480 francs, they will bring thus 5.20 per cent. Moreover, they will participate in six lottery drawings every year.

THE TRANSFORMATION OF WAR INDUSTRIES

The transformation of war industries into normal industries has been taking place gradually since the signing of the armistice. Among the difficulties involved in this transformation is the question of employment. More than in any other country this question is acute in France, for the reason that this country has reached the maximum stage of war production in comparison with its population.

In November, 1918, there were 952 industrial establishments dedicated to the fabrication of war products, employing 261,924 men and 109,775 women. In April, 1919, the same number of establishments employed 194,648 men and 48,768 women for the fabrication of peace articles. The aviation plants have discharged the greatest number of workers. A great number of war factories have reduced the work time to seven hours or even less in order to avoid unemployment.

The Government has asked all the employers to take back the demobilized men and to give them the positions which they held before their mobilization. When this was impossible, the

employer had to pay a certain indemnity to the demobilized. This measure has greatly contributed to the settlement dealing with the problem of the unemployed.

FOR THE PROTECTION OF SMALL CONCERNS

Mr. Clémentel, the French Minister of Commerce, has signed a bill which will open a credit of 100 millions of francs for the purpose of giving loans to small manufacturers and traders who have been demobilized. This credit will be allocated under form of advances without interest to the popular banks established in 1917. The amount of every individual loan can not exceed 20,000 francs, and the duration of the loans to be reimbursed should not exceed twelve years. The interest of the loan will not be above three per cent. or less than two per cent. This measure on the part of the French Government is expected to bring great results. It will contribute to the restoration of small industry, by bringing the demobilized to their former businesses.

COMPTOIR NATIONAL D'ESCOMPTE

The general assembly of the stockholders of the Comptoir National d'Escompte held lately in Paris decided on the repartition of 35 francs of interest for each share. The total benefit of the bank amounted to 15,797,464 fr., 71, in 1918.

In spite of the unusual conditions of the war, the Comptoir National d'Escompte has realized progress in all its branches in France, the colonies, and abroad. Besides its participation in all the financial operations of the French Government, the bank has taken an active share in various private enterprises. It has thus opened several branches for the placement of obligations of industrial companies.

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CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$50,000,000

Economic Conditions in Italy

ECONOMIC RELATIONS BETWEEN ITALY AND THE UNITED STATES

THE development of economic relations between Italy and the United States is of paramount importance for the economic life of Italy after the war. This opinion is voiced by all prominent business men of Italy at the present time. The following facts in relation to this matter are extracted from the "Revue Financière et Economique d'Italie."

Although before the war the economic relations between the two countries were already developed, yet a good portion of Italy's imported goods came from Germany and Austria. What Italy needs mostly at the present time can be supplied by the United States: Coal, iron, lumber, and machinery.

In order to promote the development of economic relations between the two countries, an American navigation company has obtained the right of building a dock in the port of Naples. This gratuitous facility will be granted to any American enterprise of navigation which intends to establish a direct line of communication with Italy.

THE BANCO DI ROMA ABROAD

The Banco di Roma has concluded an accord with the two English banks,

"Cox & Co." and "C. J. Hambro & Son" of London, regarding financial collaboration in Europe. Several commercial and maritime conventions have been established, thanks to this accord. The Banco di Roma endeavors at present to complete its system of branches along the Mediterranean Sea, its principal field of activities. Its purpose is to promote as much as possible the development and influence of Italian commerce in the neighboring countries.

ITALIAN SAVINGS BANKS

The augmentation of deposits in the Italian savings banks has been in continual progress during the war. The deposits amounted to 12,232 millions of lire on June 30, 1918, while on June 30, 1914, they amounted only to 7,595 millions of lire.

Another sign of national thrift is the fact that the savings collected by popular and cooperative banks during the war show an equal progress. These savings amounted to 2,048 millions of lire on June 30, 1918, against 1,314 millions of lire on June 30, 1914.

THE BANCA COMMERCIALE ITALIANA

The net benefits of the Banca Commerciale amount to 35,432,169 lire for the year 1918. The assembly of the

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stockholders has decided to fix the dividend at ten per cent. or 50 lire per share. This repartition absorbs 20,800,000 lire. The extraordinary reserve has received 2 millions of lire, the fund of insurance for the personnel 1 million of lire, the council of administration 1,687,852 lire, and the special reserve of amortizement 10 millions of lire.

The assembly of the stockholders has also voted the augmentation of capital from 208 to 250 millions of lire, by issuing 104,000 shares of 500 lire. These titles are reserved to the actual stockholders in proportion of one new share to four old ones and at the price of 750 lire. For the period of 1919 the new shares will receive an interest of six per cent. on the capital deposited.



Economic Conditions in Belgium

ENGLISH CREDITS TO BELGIUM

IT IS announced that a group made up of several important English banks has concluded an accord with a group of Belgian banks for the opening of a credit of four millions of pounds sterling, that is, one hundred millions of francs, for the payment of English products bought by Belgium. There have been created titles for three

months, capable of being renewed three times, which would extend the duration of the credit to one year.

This operation has in view the prevention of a high rise of exchange, which would necessarily take place if Belgium were obliged to send immediately the funds necessary for the purchase of merchandise. Besides this, such a financial understanding will fos-

Extending Foreign Credits

Long-term credits granted by foreign competitors has been one of the greatest obstacles American business has had to encounter in developing the foreign markets. The use of acceptances effectually solves the difficulty. By giving acceptances against your shipments, and furnishing credit and trade information, the American Foreign Banking Corporation can help materially in extending your markets.

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(9th March, 1918)

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R. ICHINOMIYA, Agent

ter the economic relations between the two countries and it will ward off the danger of a German economic penetration into Belgium.

ESTIMATION OF WAR DAMAGES

According to an official estimation, Germany owes Belgium about 35 billions of francs for the total reparation of the war damages. This total amount comprises: property of the state (railroads destroyed, posts and telegraphs, public buildings, etc.), estimated at 5 billions 535 millions of francs; finances of the Belgian State (war expenditures and public debt), in amount of 10 billions 118 millions of francs; destruction of enterprises in construction in amount of 797 millions of francs; war contributions imposed by Germany during the occupation of the country, 2 billions 700 millions of francs; war contributions imposed upon various towns, 1 billion 860 millions of francs; the ruin of industry (destruction, requisitions, lack of exploitations, etc.), 8 billions 28 millions of francs.

In this last figure the destruction and requisitions are estimated at 5 billions 754 millions fr., of which 658 millions is for the mines, 335 millions for the plants, 496 millions for the metallurgy, of zinc and copper, 1 billion 107 millions for the iron industry, 1 billion 627 millions for the construction of machinery, bridges, and railroad stock. The remaining amount represents the ruin of the chemical industry, the industry of leather, etc.

The damages suffered by agriculture are estimated at 1 billion 602 millions of francs. Finally, the damages suffered by private property are estimated at 3 billions 150 millions of francs, comprising the destruction of 85,000 houses and the plunder of furniture and merchandise.

FOR THE PROMOTION OF FOREIGN TRADE

A corporation has been established at Brussels for the promotion of Belgium's foreign trade. The new institution has a purely national scope, namely, to en-



MERCANTILE BANK OF THE AMERICAS

An American Bank for Foreign Trade

**Statement of Condition at the Close
of Business July 15, 1919**

AFFILIATED BANKS

COLOMBIA

Banco Mercantil
Americano de Colombia
Bogota, Barranquilla,
Cartagena, Medellin, Mani-
zales, Girardot, Cali, Honda,
Armenia

PERU

Banco Mercantil
Americano del Peru
Lima, Arequipa, Chiclayo,
Callao, Trujillo

VENEZUELA

Banco Mercantil
Americano de Caracas
Caracas, La Guayra

BRAZIL

American Mercantile
Bank of Brazil
Para, Pernambuco,
Parahyba

NICARAGUA

National Bank of
Nicaragua
Managua, Bluefields, Leon,
Granada

CUBA

Banco Mercantil
Americano de Cuba
Habana

HONDURAS

Banco Atlantida
La Ceiba, Tegucigalpa,
San Pedro Sula, Puerto
Cortez

ASSETS

Cash on hand and deposits in Federal Reserve Bank and other Banks in the United States	\$1,498,729.05	
United States Bonds and Cer- tificates	3,335,150.00	
Prime Bankers Acceptances....	2,216,992.60	
Commercial Bills of Exchange..	385,510.06	
		\$7,436,381.71
Loans and Advances:		
<i>Secured—</i>		
Due from Foreign Branches and Agencies	\$20,984,944.49	
Due from Customers.....	4,476,557.32	
<i>Unsecured—</i>		
Due from Foreign Branches and Agencies	749,455.76	
Due from Customers.....	337,493.93	
		26,548,451.50
Customers' Liability Account Letters of Credit		2,983,241.60
Stock of Affiliated Institutions.....		4,557,900.00
Furniture and Fixtures.....		1.00
Interest Paid in Advance.....		157,575.59
		7,276,506.02
Total		\$41,683,551.40

LIABILITIES

Current Accounts:		
Due to Foreign Branches and Agencies	\$3,236,803.15	
Due to Customers.....	5,378,398.11	
		\$8,615,201.26
Acceptances Outstanding		15,594,515.61
Contingent Liability under Credits issued by other Banks and Bankers.....		4,650,000.00
Letters of Credit Issued.....		2,983,241.60
United States Government Bonds Borrowed		2,400,000.00
Unearned Interest Received.....		164,086.91
Capital Stock	\$5,000,000.00	
Surplus	1,775,000.00	
Undivided Profits (after pay- ment on July 1, 1919, of divi- dend at 8% per annum).....	501,506.02	
		7,276,506.02
Total		\$41,683,551.40

NEW YORK
44 PINE ST.

PARIS
11 Bis Boulevard
Hausmann

BARCELONA
Rambla de los
Estudios—Canuda 2

large as much as possible the field of export for Belgian industry. The capital is fixed at 8 millions of francs, represented by 8,000 shares of 1,000 fr.

The enterprise is contemplated for thirty years and will cover all branches of business pertaining to export and import. The name of the company is "Belgimex" (Compagnie belge d'importation et d'exportation).

ECONOMIC RELATIONS WITH FRANCE

Mr. de Margerie, the new French Minister at Brussels, has declared that France and Belgium are animated by the same spirit of reconstruction and economic resurrection. All the articles that the one nation produces and the other needs should be exchanged more freely than ever before. A new customs tariff will be established between the two countries in order to facilitate the development of and interchange of goods. Moreover, French capitalists will be encouraged to invest largely in Belgium. The new economic policy between the governments of the two countries is a positive guaranty for French business men. French manufacturers will receive the same treatment as the Belgian citizens. On the other hand, France will act toward Belgium on the same principle of reciprocity and mutual interest.

BRITISH HELP TO BELGIUM

Mr. Herbert Samuel, president of the Anglo-Belgian Union and British Special Commissioner in Belgium, has made the following statement with regard to the help which Great Britain is extending to Belgium.

The restrictions on import and export existing during the war have been partially relieved. The United Kingdom will help the reconstruction of Belgian industry as soon as possible. A contract is on the point of being concluded with the representatives of Belgian industrialists, whereby the latter would be placed on the same footing as British manufacturers insofar as concerns the

Larger Resources Larger Facilities

It is with pleasure that we announce that the New Orleans National Bank has merged with the Hibernia Bank & Trust Company.

The capital of the enlarged institution is \$2,000,000, surplus \$2,500,000, deposits \$42,000,000, total resources \$50,000,000.

The office of the New Orleans National Bank becomes the Camp Street Branch of the Hibernia Bank & Trust Company, and is in charge of the same officers as heretofore.

With our enlarged capital and surplus, and with greater resources, we are better equipped than ever to competently and satisfactorily handle the Southern business of banks and bankers and trust companies. Your account is cordially invited.

Hibernia Bank & Trust Co.
New Orleans

supply of zinc industry with raw materials of Australian origin.

British exports to Belgium show a steady progress. In January, 1919, £310,000 worth of merchandise was exported to Belgium. In April, 1919, the export trade to the same country reached the figure £4,378,000.

During the month following the armistice the British Treasury had opened a credit of nine millions pounds in favor of Belgium for the purchase by the Belgian Government in the United Kingdom of manufactured products and raw materials. This credit has, however, not been entirely used.

THE BELGIAN EXCHANGE

In spite of the credits opened by a group of English and American banks to Belgium, the Belgian exchange is still

under unfavorable conditions. It stands at 80 francs to the pound sterling, which means that Belgian currency is at a discount of nineteen per cent. In other words, it costs Belgium nineteen per cent. more to buy goods abroad than she would have to pay if her exchange stood at the par of 25.20 fr. to the pound.

This fact has a decisive influence upon the recovery of Belgium's trade. The opinion voiced by some English and American bankers for a plan for an Anglo-American financing of those Allies who are in a weak financial situation appears to be the solution for the Belgian exchange.



Economic Conditions in Switzerland

THE WAR TAX

A GENERAL war tax of 600 million francs has been voted by the various cantons of the Swiss Confederation. The tax hits incomes above 4,000 francs with a progressive rate till twenty per cent. is reached, and above 10,000 francs with a progressive rate till twenty-five per cent. is reached. The war tax will be maintained till the liquidation of half of the war debt of Switzerland, which reaches one billion of francs, is effected.

THE FRANCO-SWISS CONVENTION

The Federal Council of Switzerland has ratified the economic convention with France. The conditions of this convention are the following: France will furnish Switzerland with 60,000 tons of coal from the Sarre Basin, iron and steel in indefinite quantity, benzine, potash salts and other minor materials. On the other hand, Switzerland will deliver to France 25,000 head of cattle and authorizes the opening of a credit of 32,328,000 francs.

Besides this, the following financial accord has been reached between the governments of the two republics: 1, The delay of reimbursement of the credit of 37,500,000 fr. granted by Switzerland in September, 1917, which expires soon, will be prolonged if the French Government desires so; 2, the Swiss Government will authorize a Swiss financial group to buy Swiss titles belonging to the French Treasury, in nominal value of about 157 million

francs; 3, Switzerland accepts the proposal that the Société Financière Suisse of Lucerne open a credit of 32,328,000 francs to the French Government. The convention is valid till December 31, 1919, and it may eventually be extended.

SWITZERLAND'S INTEREST IN THE PEACE TREATY

No other point in the peace terms imposed by the Allies on Germany satisfies Switzerland's interests so much as that regarding the internationalization of the Rhine. This measure will enable Switzerland for the first time in her history to communicate freely with the sea. The creation of an international commission for the control of navigation, in which Swiss delegates are admitted as members, is regarded by the Swiss people as the beginning of a new era in the economic life of the country. Thus Switzerland will be able to ship her goods by water by way of an independent route.

German-Austria's independence is also regarded by the Swiss people as a measure in harmony with Switzerland's economic interests. If Austria had merged into Germany, then the Swiss export facilities would have been limited by the very fact that it would have been dependent upon the decision of a country that has proved to be so often reckless toward the interests of a small country. Moreover, the western powers would have avoided, on political

Foreign Exchange Department

Letters of Credit Negotiated

Arrangements can be made for the importation of merchandise through the use of dollar acceptances

Capital \$3,000,000

Surplus \$1,000,000

OFFICES

Market and Fulton
81-83 Fulton St.
New York

Aetna
92 West Broadway
New York

Flatbush
339 Flatbush Ave.
Brooklyn

Eighth Street
Broadway & 8th St.
New York

Long Island City
Bridge Plaza
Long Island City

New Utrecht
New Utrecht Ave. & 64th St.
Brooklyn

Sherman
Fifth Ave. & 32nd St.
New York

Brooklyn
350 Fulton St.
Brooklyn

Irving Trust Company

Frederic G. Lee, President

Woolworth Building, New York

grounds, the transit of their goods to Eastern European markets through Swiss territory adjacent to Germany,

which fact would have considerably affected the receipts of the Swiss railroads.



Meeting the Credit Needs of Europe

By JAMES S. ALEXANDER,

President National Bank of Commerce in New York

PLANS for the protection of the American public in lending its money to Europe for rehabilitation are outlined in a statement made by James S. Alexander, president of the National Bank of Commerce in New York, who declares his confidence that, both financially and in respect to products, America can meet Europe's needs. He adds, however, that "there are grave times ahead" unless a comprehensive scheme is adopted for organizing American credit for the purpose. He advocates the allocation of American sup-

plies and the coordination of the demand for them arising from the various European countries. Mr. Alexander is a member of the recently organized committee of bankers, formed to work out ways and means to refinance Europe. His statement, published in the August issue of "Commerce Monthly," issued by the National Bank of Commerce in New York, is in part as follows:

PROTECTION FOR AMERICAN INVESTORS

Adequate protection for the American investing public in placing its money at the

disposal of Europe for rehabilitation purposes is an essential factor in our continued efficient coöperation with the war-stricken nations. The paramount business problem before America now is the efficient organization of her credit resources for the purpose of financing Europe's purchases of materials for consumption and reconstruction pending her economic recovery. Both credits and commodities must be supplied chiefly by America, and when we consider the amount of credit that must be found to meet Eu-



JAMES S. ALEXANDER

President National Bank of Commerce in New York

rope's exigencies for the rest of this year alone, it is apparent that extensive public coöperation will be required.

EUROPE'S NEEDS

Stated in broad terms, the situation is that Europe must have from the United States immense quantities of materials to rebuild and refit for a normally productive economic life. Europe's international banking situation is such that she cannot pay as she goes. Neither is her present productivity such as to enable her to pay for what she buys with what she produces—that is, to balance her imports by her exports in normal trade exchanges.

As a result, Europe's currently accumulating debt to America, evidenced by our ab-

normal monthly favorable balance of trade and the excessive exchange rates against Europe, is piling up her unbalanced obligations to us to such an extent that a special means of financing her continuing purchases here must be developed. She must go on for some time to come buying on credit from us as she has in the past. But her government credits here are almost exhausted; and it would be impossible to supply credits for the amounts required by unorganized private methods.

The United States has the necessary supplies to meet the needs of Europe. Nature has responded to our increased agricultural efforts with crops of great bounty, and the nation's industries are expanded and geared up to a degree of productivity never before attained. Nowhere else in the world can adequate supplies be found for Europe's needs, and it is also true that the only available source of long time credits sufficient to finance her necessitous purchases is likewise the people of the United States itself. As a nation, therefore, we must both sell goods to Europe and we must supply her with the credit to make these purchases.

PROBLEM ONE FOR PRIVATE ENTERPRISE

Great as this problem is, its solution should not be undertaken by governmental means. It should be carried out with private capital, not government funds. Nevertheless, the necessary measures should be organized and administered on a semi-public basis and along lines that will have the support and the approval of the Government of the United States. The actual power and authority, however, of whatever plan is adopted must come from widespread public coöperation rather than from government auspices.

I say that there should be this removal from political control because of my faith in the ability of American business men of many and various interests to work together for a great common end when conditions require it. If there is not this working together, existing unsettled business conditions in Europe will grow worse and will inevitably extend to the United States as well. Therefore, from the selfish point of view of American interest, if from no other, this organization in our dealings with Europe is necessary in order to conserve America's markets and avert possible industrial depression.

Our industries are committed to an output greater in many respects than our own domestic trade alone will consume. Unless Europe is enabled to purchase the surpluses, we will be left with them on our hands, and we will have the picture on one hand of Europe suffering physically for need of them, and, on the other, of American industries incurring great losses simply because they were unable to get their goods to market.

PARK-UNION FOREIGN BANKING CORPORATION

56 Wall Street, New York

Fully Paid Capital and Surplus, \$2,250,000

WITH OUR OWN BRANCH OFFICES IN SAN FRANCISCO, SEATTLE, Yokohama and Shanghai, and direct connections in the Dutch East Indies and Central and South America, we are in a position to extend to exporters and importers exceptional facilities for the transaction and extension of their foreign business.

Shipments financed, acceptances given, letters of credit and bills of exchange issued.

Our officers will be glad to advise with anyone interested in foreign trade

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Charles A. Holder

OFFICERS

Charles A. Holder, President T. Fred Aspden, Vice-President
E. B. MacKenzie, Secretary and Treasurer

METHODS OF MARKETING AMERICAN GOODS

There may be mentioned two general methods to be followed in marketing these American goods. One would be the unrestricted, competitive method of normal times, where each individual industry and business man had to fight for his markets, and the strongest won. The other method is that of organization, where the total market for the United States, in respect to all nations and all commodities, would be submitted to analysis and allocation for the common good. I feel definitely that this second method must be followed under existing circumstances for at least a short period of years, until such time as world-wide conditions work themselves back more nearly to normal.

WHY ORGANIZED CONTROL OF CREDIT IS NECESSARY

Granting that Europe is to carry on her purchases with us on a credit basis, let us consider exactly what this means. The peoples of Europe represent different degrees of credit risks. It would be safer to lend money in some countries than in others. Therefore, if there were not an organized control of American credit the stronger countries would be able to crowd the weaker countries out of our money markets, or else the weaker would be forced to pay exorbitant rates.

They might be able to do this for a time, but they would have to conduct their business with us on such a ruinous basis that, in the long run, it would undoubtedly mean financial disaster to them and, by that very fact, financial loss to American investors who would be placed in the position of having loaned their money to bankrupt nations. From the point of view of American self-interest, therefore, and ignoring all claims of humanity, there must be an equalizing of credit opportunity as between the strong nations and the weak.

Again, the commodities which Europe must come to America to get are many: food products, industrial metals, textiles, etc. Some are more profitable to produce and sell than others. Some would enjoy a greater immediate demand than others. The stronger commodities would naturally tend, therefore, to crowd our weaker commodities out of the market, although these less profitable commodities might, on the one hand, be essential to the lives of Europe's millions, and, on the other, might represent the livelihood and investments of millions of Americans. Unless, therefore, there is a correlation of purchases from this country, we are liable to see serious displacements in our business structure—that is, great prosperity in some lines, great depressions in others. That would mean in the long run, due to the close interrelation existing among

all lines of industry, a depression ultimately of the whole business structure and possibly a collapse, the weaker elements pulling down the stronger.

Finally, unless there is some sort of organized control, American business will be thrown into the position of having to do business directly and individually with the concerns of Europe. Here, again, many concerns are much stronger than others. The strong concerns would be able to command first preference in their claims for American credit, but after their needs had been taken care of, there would be many others clamoring for assistance, and they would get it. Their collateral would represent second-rate security and command increasingly higher rates—rates that would undoubtedly attract American money, increasing the amount of our unsound investments. To my mind this would be a grave danger and one from which the American public should be protected by the organized investment judgment of the country.

This mere statement of the various aspects of the situation is indicative of the unsound conditions into which the world might be drawn, and demonstrates that this transitional period from the chaos of war to the orderly processes of peace must be handled in a broad-minded, coöperative way. We owe it to our own people to interpose between them and unsafe European investments some instrumentality that would obviate, as far as possible, the foregoing dangers.

A POOL OF EUROPE'S NEEDS AND A POOL OF AMERICA'S RESOURCES

To serve these purposes a pool of Europe's needs should be met by a pool of America's resources—that is, America's resources should be applied to Europe's needs through a great, centralized credit organization, with extensive powers of coördination. This may sound like an ideal plan stated in sweeping terms, but I think its details can be worked out in practical, concrete form.

There seems to be no existing machinery adequate to do so. Therefore, a special instrumentality must be set up, along lines recently suggested in behalf of American bankers' groups, probably in the form of a great credit corporation with capital enough to handle transactions of the size that would be involved—that is, transactions representing not merely the business of individual concerns, but the combined requirements of nations.

A necessary step would seem to be that surveys be made of the commodity needs of the nations of Europe—that is, an estimate of how much copper, steel, cotton, wheat and other supplies would be required for Belgium and also for the other needful countries.

The supplies available in America are great, but they are not so great as to meet unlimited and unbalanced demands. There-

fore, there should be a judicious rationing of our commodities among the nations requiring them, in accordance with their needs. America's export markets should be as broad as Europe's requirements, thus serving, on one hand, not only the greatest good for humanity, but on the other conserving and developing America's business on sound lines, making sure that we shall sell, first, only where real needs exist, and, secondly, only where we shall be sure ultimately of getting our pay.

ESTABLISHMENT OF ADEQUATE CREDITS

In addition to this rationing and allocation of commodities there is the question of establishing adequate credits in this country to be considered. The necessary credits will be great, so that they must be carried to the investing public of the whole country in the form of bonds or debentures.

Because of the deferred maturities of these debentures the banks should not be expected to absorb them. There will have to be an appeal to the general public both on the grounds of a safe and lucrative investment and for the sake of humanity. These are the immediate aspects of the matter; but back of it all we must not forget that it will be, in the last analysis, a means of conserving and maintaining the business prosperity and integrity of the whole nation in the long run, and to protect our own people from unsound investments in European securities.

The security behind these debentures should make them almost equal to Government bonds in the point of safety, but we must not overlook the fact, also, that America must respond to the sale of these debentures in a spirit of humanity. Business and humanity are two great social forces which must work together in the present problem.

As to the security behind the debentures, they must be based on everything in the way of collateral that Europe is able to offer. The individual European buyer must be prepared to give a general mortgage upon his entire assets. His loan should be further endorsed by a consortium of banks in his own country, reinforced, where possible, by government guarantees. Thus every debenture sold to an American investor would have behind it equal security, consisting of the pool of all the collateral supplied by Europe. There, in other words, would be no direct loans against the collateral of weak concerns or nations individually by the American investor; neither would the strong be allowed to monopolize the benefits.

In pledging their entire assets in the pool, the individual borrowers must foresee all legitimate needs to avoid the grave embarrassment of having to ask for additional credits after all assets have previously been pledged. This consideration will make imperative an economic survey of the requirements of Europe. Whether we consider

Union Service Girdles the World

From Shanghai, the commercial heart of China, to London, the market place of the world, stretch the ramifications of the service of the Union Bank of Canada. Through its New York and London Agencies and the branches of Park Union Foreign Banking Corporation in the Far East, direct access is afforded its 360 branches in Canada to the markets of the northern hemisphere.

This world-wide service is always at the disposal of American importers and exporters doing business with Canada. They will find the New York Agency of the Union Bank of Canada equipped to facilitate the transaction of business with all parts of the world.

Union Bank of Canada

Head Office
Winnipeg

New York Agency, 49 Wall St.
W. J. Dawson, F. L. Appleby, W. M. Forrest,
Agents

Capital & Surplus
\$8,600,000

Europe as a whole, or the nations of Europe as a whole, or the individual industries, sufficient credits must be extended to meet their full requirements. We must loan sufficient to restore Europe to a normal condition of economic life and, therefore, the full needs of Europe must be ascertained and met.

These credits should be made available not to the nations of Europe as such, but to the specific interests within the nations, properly coordinated—that is, to industries, manufactures, transportation lines and even to municipalities requiring funds for reconstruction, so that they may be able to restore their business activities.

In effect, the plan outlined would serve to place in the hands of American investors securities of standardized certain value, based solidly on the total collateral of the borrowing nations. Without this organization, American investors would have thrust upon them many issues of varying values, some based on the best collateral, some based on collateral of very uncertain value. I believe that unless some broad-minded scheme of this sort is adopted to avert this latter unsound condition, there are grave times ahead.



Mexican International Corporation

INTEREST in Mexico as a field of future development and financing is evidenced in the announcement of the organization of the Mexican International Corporation by a group which includes officers of important American banking and business houses.

This corporation has been organized

under the laws of the State of Delaware, and offices will be maintained both in New York and in Mexico City. Its purposes are set forth as: (1) The investigation of existing enterprises to determine their physical and financial condition, management, and future prospects, and the development therefrom of

The Union Bank of Manchester, Limited

Head Office
17 York St., Manchester, Eng.

Liverpool Office
45 Castle St., Liverpool, Eng.

and branches covering the whole of the district tributary to these two cities, and also WEST YORKSHIRE; including LEEDS, SHEFFIELD, BRADFORD, SALFORD, BIRKENHEAD, OLDHAM, BOLTON, BURY, ROCHDALE, STOCKPORT, HALIFAX (ENG.), HUDDERSFIELD, etc., etc.

	(\$5=£)
Nominal Capital	\$12,500,000
Paid-up Capital	3,750,000
Reserve Capital	3,750,000
Subscribed Capital	7,500,000
Reserves	2,718,350
Surplus over Liabilities	10,218,350

Bankers in the United States and Canada are invited to make use of the Bank's services for all kinds of banking business in the district where the Bank operates, and in Great Britain generally. Collections promptly dealt with, and proceeds remitted by draft or cable transfer on New York, or as desired. Favorable terms.

North American Mails are usually delivered in Manchester and Liverpool earlier than in London.

plans for refinancing and extension which will procure for the corporation an interest in the enterprise; (2) the investigation of proposed enterprises to determine their merit, probable cost, and future prospects, and the development therefrom of plans for the financing, construction, management, and ultimate disposition of the enterprise; (3) the investment in, underwriting, and organization of underwriting syndicates for the development and operation of such enterprises in Mexico as may be approved by the corporation. Should developments indicate the necessity therefore, the corporation will establish a service department to furnish information and service of a character in keeping with its purposes.

The officers of the corporation will be: President, Thomas H. Gillespie, president of T. A. Gillespie Company; vice-presidents, George J. McCarty, president of the Mercantile Banking Company, Ltd., of Mexico City, and H. S. Brown. Mr. McCarty will be in

charge of the corporation's offices and organization in Mexico City. He has resided in Mexico for more than twenty years, and in the conduct of his business has acquired a personal knowledge of existing Mexican enterprises, their past history and present condition. Mr. Brown will be in charge of the corporation's offices and organization in New York. He has had seventeen years' experience in financial work in New York City and has spent considerable time in Mexico. During the war he was chief of the Finance Division of the Bureau of Aircraft Production in Washington, and after the signing of the armistice became an assistant to the United States Liquidation Commission in Paris.

The board of directors of the corporation will be composed of Harvey D. Gibson, president of the Liberty National Bank, New York; Thomas H. Gillespie, George J. McCarty, Grayson M. P. Murphy, vice-president of the Guaranty Trust Company of New York; James H. Perkins, vice-president

London and River Plate Bank, Limited.

HEAD OFFICE: 7 PRINCES STREET, E. C. 2, LONDON.

Agency: MANCHESTER, 86 Cross Street

Paris Branch: 16 Rue Halevy.

Antwerp Branch: 22 Place de Meir

Lisbon Branch: Rua Aurea

	(\$5=£1.)
CAPITAL (Authorized) - - - - -	\$20,000,000
SUBSCRIBED CAPITAL - - - - -	15,000,000
PAID-UP CAPITAL - - - - -	9,000,000
RESERVE FUND - - - - -	10,500,000

DIRECTORS.

E. BOSS DUFFIELD, Esq.
RICHARD FOSTER, Esq.
POLLETT HOLT, Esq., M. Inst. C.E.
KENNETH MATHIESON, Esq.

J. W. BEAUMONT PEASE, Esq.
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LLOYDS BANK, LTD.: LONDON COUNTY WESTMINSTER AND PARR'S BANK, LTD.

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BRAZIL:—Para, Pernambuco, Rio de Janeiro, Santos, Sao Paulo, Bahia, Curitiba, Victoria, also an agency at Manaus. **URUGUAY**:—Montevideo, Montevideo Sub-Agency, Paysandu and Salto.
ARGENTINA:—Buenos Aires, Rosario de Santa Fe, Mendoza, Bahia Blanca, Concordia, Tucuman, Cordoba, Parana. Also in Buenos Aires:—Barracas al Norte, Once, Boca, Calle Santa Fe 2122 and Calle B. de Irigoyen 1138. **CHILE**:—Valparaiso, Santiago.

Correspondents in all other places of importance in these South American Countries.

Documentary Bills Bought, Advanced Upon or Received for Collection.
Drafts and Cable Transfers Sold on all Branches and Agencies.

Commercial and Travelers Letters of Credit Issued.

New York Agency, 51 Wall Street, WM. B. ROBBINS, AGENT.

of the National City Bank, New York; William C. Potter, of Guggenheim Brothers; Charles S. Sargent, Jr., of Kidder, Peabody and Company; Eugene V. R. Thayer, president of Chase National Bank, New York, and H. S. Brown.

The capital stock of the corporation will be divided into two classes. There will be 10,000 shares of preferred, seven per cent. cumulative stock of the par value of \$100 and 25,000 shares of common stock with a par value of \$5. Both classes of the stock will be subscribed for in cash at par, twenty-five per cent. of the subscription being immediately payable and the remaining seventy-five per cent. being payable in whole or in part at such time as the directors may determine. Subscribers to the preferred stock will have the right to subscribe to an equal number of shares of the common stock.

In announcing the organization of the corporation, Harvey D. Gibson and Grayson M. P. Murphy, the syndicate

managers, made the following statement:

For the United States the course of Mexican affairs is particularly vital, and if properly followed should offer unusual opportunities. Not only is Mexico so located as to afford a natural field for investment and development by our people, but she has unexploited natural resources, the mere scratching of which would provide the means to clear off all her national debt and place her on a sound financial basis. With a soil capable of producing all the cereal crops and ninety per cent. of all the known fruits of the world, with vast tracts of timber, including many varieties of precious hardwoods and dyewoods, with a wide range of climate, with every known mineral, and with oil fields which exported more than sixty-three million barrels in 1918, Mexico needs only a return to normal conditions and the introduction of modern methods and modern machinery to bring her quickly into the front rank of the producing world.



Union de Banques Suisses

THE condensed statement of the Union de Banques Suisses (head office, Zurich) for December 31, 1918.



The National Bank of the REPUBLIC OF CHICAGO

**OFFERS exceptional service in exceptional times,
and invites the accounts of responsible people
requiring Chicago facilities.**

Capital

and

Surplus

\$3,000,000

OFFICERS

John A. Lynch - - - President	Wm. B. Lavinia - - Asst. Cashier
Wm. T. Fenton, 1st Vice-Pres. & Mgr.	Thomas D. Allin - - Asst. Cashier
Robt. M. McKinney - 2nd Vice-Pres.	Louis J. Meahl - - Asst. Cashier
Watkin W. Kneath, - 3rd Vice-Pres.	Wm. C. Freeman - - Asst. Cashier
Oscar H. Swan - - - Cashier	Chas. S. Macferran - Asst. Cashier
Walter L. Johnson - - -	

showed that the capital fully paid was 50,000,000 francs against 40,000,000 francs December 31, 1917. In the same time the reserves rose from 11,300,000 francs to 12,400,000 francs, the deposits and current accounts from 222,695,880 francs to 260,442,368 francs, and the aggregate of the balance-sheet from 330,934,718 francs to 387,685,897 francs. The turnover for the years named, in millions of francs, was:

1915	5,173
1916	8,171
1917	10,445
1918	15,104

Dividends paid in 1918 were at the rate of seven and one-half per cent., against seven per cent. in 1917 and six per cent. 1914-1916.



Test of Italian Character

FROM the monthly circular of the Italian Discount and Trust Company, New York, is obtained the fol-

lowing in regard to the economic trials which the Italian people are at present undergoing:

Speaking from an economic viewpoint, the moral fibre of the Italian people is at this moment being put to what is, perhaps, the severest test in the history of the nation. The capacity of the Italian, however, to stand up under this cycle of adversity is not questioned seriously by anyone familiar with the Italian character. With a coal shortage that is retarding industrial progress, the building of Italian ships and the acquirement of foreign tonnage to carry coal into Italy are going ahead as rapidly as the kingdom's resources and credit facilities permit. So far as industrial organization goes, northern Italy is surpassed by few, if any, of the other European countries; and it is no less true that of all the warring nations Italy is the richest in human material.

The one element essential to industrial greatness which Italy, as a whole, now lacks, but which she is coming to, is the American principle of large-scale production. The last few decades of American industrial history hold out valuable lessons to Italian manufacturers which many of them have thoroughly mastered. They have seen groups of industries in the United States developed to their fullest capacity by the use of machinery as a substitute for manual labor; they

The Bank of the Philippine Islands

(ESTABLISHED 1851)

MANILA, P. I.

BRANCHES: ILOILO AND ZAMBOANGA

ELISEO SENDRES, President

RAFAEL MORENO, Secretary

D. GARCIA, Cashier

O. M. SHUMAN, Chief Foreign Dept.



Authorized Capital	(pesos)	10,000,000.00
Capital fully paid-up		4,500,000.00
Reserve Funds		2,250,000.00

(\$0.50 = 1 peso)

Transacts general banking business. Buys and sells exchange on all the principal cities of the world.

AGENTS

London: Nat'l Bank of Scotland, Ltd.

Spain: Banco Hispano Americano

Hongkong: Netherland India Com'l Bank

San Francisco: Wells Fargo Nevada Nat'l Bank

New York: National City Bank and The Guaranty Trust Company

Paris: Comptoir Nat'l d'Escompte

Australia: Bank of New South Wales

Shanghai: Yokohama Specie Bank, Ltd.

Chicago: Continental & Commercial Nat'l Bank

Japan: Yokohama Specie Bank, Ltd., and The Bank of Taiwan, Ltd.

have seen how it is possible to produce high-grade goods, pay high wages to operatives, and still make a profit—all by means of a system of acute specialization and standardization of parts. The widespread adoption of American methods by Italian industry is only a matter of time, since the great leaders in the major industries are beginning to set the pace for the others.



New Capital Issues in Great Britain

THAT British investments are gradually reviving appears from some statistics published in the "Monthly Review" issued by the London Joint City and Midland Bank, Ltd. The new capital subscriptions in the United Kingdom for the first six months of 1919 amounted to £79,039,268, compared with £12,813,128 for the first six months of 1918. Commenting on present conditions, the publication mentioned says:

Before the war it was calculated from data then available that this country was in-

vesting overseas about £200,000,000 a year; in other words we were furnishing that sum annually to foreign and colonial countries to enable payment to be made for a large portion of the goods which they required. At the same time about £50,000,000 a year were subscribed to home enterprises. Now, however, loans to other countries are quite small, apart from the Government's advances made to Allies and Dominions, and by far the greater part of the money so far raised from the public this year has been for home purposes. Until all restrictions have been removed it is unlikely that capital for other countries will be raised here to any great extent, although the more speedily such a step can be taken with assurance the more rapidly will our export trade improve.



Swiss Loan Placed in New York

LAST month a syndicate of New York bankers composed of Lee, Higginson & Company, fiscal agents of the Swiss Government in this country; the Guarantee Trust Company and the National City Company purchased and offered for sale an issue of \$30,000,000

five and one-half per cent. ten-year Swiss bonds. The bonds were offered for subscription at 96¼, to yield over six per cent. The Swiss Government proposes to use the funds to purchase foodstuffs, machinery and other American commodities.

A part of the funds thus obtained probably will be used to retire the last \$5,000,000 of an issue of \$15,000,000 floated in this country by the Swiss Government in 1915.



Death of Sir Edward H. Holden

INTERNATIONAL banking and financial circles heard with deep regret of the death of Sir Edward H. Holden, which occurred in Scotland, July 23.

Sir Edward Hopkinson Holden was born in Tottington, near Manchester,



SIR EDWARD H. HOLDEN, BART.

England, May 11, 1848. He was a member of Parliament from 1906 to 1910 and was chairman of the London City and Midland Bank., Ltd., the largest bank in the world, with deposits of \$1,674,000,000 and capital of \$318,000,000. For many years he had been one of the leading financial authorities in England. In 1916 he was a member of the British and French Commission which visited the United States for the purpose of negotiating the placing of Anglo-French bonds in the American market, and rendered highly valuable services in this connection.



British Overseas Bank

IT is announced by Frederick C. Harding, New York agent of the Anglo-South American Bank, that the prospectus of the British Overseas Bank has been made public. According to the prospectus the new British bank is capitalized for £2,000,000 sterling, £1,000,000 of which will be known as "A" ordinary shares with a par value of £5, which will be offered to the public, and £1,000,000 in "B" shares, which will be held by the stockholding banks.

The British Overseas Bank, the newest of the English banks organized for foreign business, forms a combination of interests of seven of England's largest banking institutions, including the Anglo-South American Bank, Ltd., the Dominion Bank of Canada, Glyn Mills, Currie & Company, Hoares, the Imperial Ottoman Bank; the Northern Banking Company, Ltd., Belfast; the Union Bank of Scotland, Ltd., and the Williams Deacon's Bank, Ltd.

The purpose of the new organization is to establish and maintain branches in strategic centers for trade throughout the world and where the participating banks are not now represented by branches. Thus the facilities for financial and banking service to clients of the stockholding banks will be facilitated by connections in all parts of the world.

You Will Profit

Both in your domestic and foreign business through connection with the strongest and most efficient banking institutions.

Our close affiliations with the best financial institutions everywhere enable us to offer world-wide service.

THE FIRST NATIONAL BANK of Boston

Deposits - - - - \$175,000,000
Resources - - - over 240,000,000

Branch at Buenos Aires, Argentina

Lloyds Bank and Australian Bank Co-operate

OFFICIAL sanction has been given by the English bank amalgamation committee to the arrangement between Lloyds Bank, Limited, and the National Bank of New Zealand, Limited, under which Lloyds Bank will subscribe for 50,000 shares out of a total new issue of 100,000 shares of the National Bank of New Zealand, Limited, at £5 10s. per share.

Sir John Ferguson, K.B.E., London manager of the National Bank of Scotland, Limited, has been appointed an additional general manager of Lloyds Bank.



Bank of British West Africa Makes Stock Increase

MR. APPLEBY, New York agent of the Bank of British West Africa, Ltd., has received a cablegram from the

directors of the bank in London advising that the British Treasury has given permission for the issue of the remaining 55,000 shares, of which 15,000 have been sold to Lloyd's Bank, Ltd., and the remaining 40,000 are being offered to existing shareholders. In addition to the 15,000 shares above mentioned Lloyd's Bank, Ltd., have acquired a further 15,000 in the open market, giving them 30,000 shares out of a total of 200,000 shares.

Mr. Beaumont Pease, the deputy chairman of Lloyd's Bank, Ltd., has joined the board of the Bank of British West Africa, Ltd., and the Earl of Selbourne, K. G., G. C. M. G., has joined the board of Lloyd's Bank, Ltd.

The annual general meeting of the Bank of British West Africa, Ltd., was held in London on the 23rd of July, when the above arrangements were presented to the shareholders for ratification.

The Bank of British West Africa, Ltd., recently declared a dividend of

eight per cent. for the year, together with a bonus of one per cent.



Trend of Brazil's Trade

THE United States during the last five years has become the chief factor in Brazil's import trade. In 1918, when Brazil's total imports aggregated \$247,000,000, the United States supplied commodities valued at \$89,000,000. British shipments to Brazil amounted to \$50,000,000; Argentina, \$47,000,000, and French, \$12,000,000.

In 1913 the United Kingdom led in exports to Brazil, supplying her with goods valued at \$80,000,000 out of total imports of \$326,000,000. Germany sent goods amounting to \$57,000,000; the United States, \$51,000,000; France, \$32,000,000; Argentina, \$24,000,000.



Anglo-South American Bank Extends Facilities

FREDERICK C. HARDING, agent in New York of the Anglo-South American Bank, Limited, has announced the opening of a new branch of that institution at Lima, Peru. This is in conformance with the policy of the bank to meet fully the necessity of business for complete banking facilities in South America.

With the opening of the branch in Peru, the Anglo-South American Bank will have increased the number of its branches in South America to twenty-two. Heretofore the interests of the bank in the Peruvian territory have been cared for through its affiliations with the Banco del Peru y Londres. This new branch, however, materially augments the importance of Anglo-South American service for direct personal representation for its customers in that territory. The old connection, however, will be retained.

Norman Stenning, formerly manager of the Banco del Peru y Londres, who will be in charge of the branch at Lima, has had wide experience in Peruvian

banking and business matters. For many years he was manager of the Mendoza branch of the Anglo-South American Bank in Argentina and has long been prominent in banking and business affairs in South America. His experience and knowledge render him thoroughly familiar with affairs in that territory.

The announcement of the opening of the branch at Lima follows closely the announcement that a branch of the bank had been established at Valencia, Spain. The Anglo-South American Bank now maintains thirty-one branches in the most important commercial and industrial centers of Europe and South America.



Havre Branch of Guaranty Trust Co.

THE Guaranty Trust Company of New York has received permission from State Superintendent of Banks George I. Skinner to open a branch in Havre, France. It was stated by the company that its very large business in the financing of cotton shipments from this country to France made the opening of a branch at that port, in addition to the company's office in Paris, necessary. For similar reasons a branch was recently opened in Liverpool, England, in addition to the company's office in London.



Opportunities for Stock-Raising in Colombia

ACCORDING to advices received by the Mercantile Bank of the Americas from the American Mercantile Bank of Colombia, there are attractive opportunities for the development of stock-raising in Colombia. The price of meat products is continually advancing and at the same time the world's supply is annually becoming more restricted as greater amounts of the available pasture lands are being claimed for agricultural purposes. As a result, within a short time we shall be forced to give our at-

Banco Internacional de Cuba



EFFICIENT banking service in Cuba is assured by this institution, with its head office in Havana and thirty-four branches throughout the Island, enabling us adequately to serve your Cuban banking requirements in regard to collections, credit information, commercial credits and foreign exchange. Inquiries are cordially invited.

tention to one of Colombia's resources which long ago should have provided a fertile field for the investment of American capital.

Colombia has some 80,000,000 hectares of land suited to cattle raising. Using Argentina as a basis of comparison, it can be assumed that one hectare could easily sustain one animal. This means, therefore, that Colombia is capable of supporting 80,000,000 cattle. At present the republic is said to contain about 7,000,000.

Regions adapted to cattle raising are to be found in all parts of Colombia from the peninsula of Goajira in the northeastern corner to the valley of the Patía in the southwest. The pasture lands of the Goajira peninsula are said to provide almost unlimited resources for cattle farming, and although the Indians have large herds of cattle, at least ninety per cent. of the available pasture is lost in default of cattle to consume it.

Throughout all the important river valleys, including the Magdalena, the

Simú, the Atrato, the Cauca and the Patía are vast stretches which have long been waiting the coming of the cattle industry. The most important locality from the standpoint of future possibilities is that which includes the Casanare sabanas, extensive plains with natural pastures, containing approximately 20,000,000 hectares.

In addition to its ample pasture land, its geographical proximity to the markets of the United States and Europe gives Colombia a decided advantage over Argentina in any competition which might take place with that country. From six to ten days should suffice to secure delivery in the case of meat shipped from the Atlantic ports, while not over eight to fourteen would be needed for that exported from Buenaventura through the Panama Canal.

In relation to other industries, stock-raising has a decided advantage because of the small amount of labor required for its prosecution. With an area of about 450,000 square miles, Colombia's

population totals only some 5,000,000, as a result of which any industry requiring a large supply of labor might meet with considerable difficulty along this line. For stock-raising, however, the labor item is relatively small, and there should be no difficulty in securing plenty of skilled stock herders, especially as the natives take naturally to this form of work.

At the present time the lands nearer the sea coast or navigable rivers offer the most inducements, for transportation to interior ports is poor. In selecting lands for cattle-raising it should also be borne in mind that the Atlantic ports provide better shipping facilities than the Pacific ports and are also nearer the leading markets.

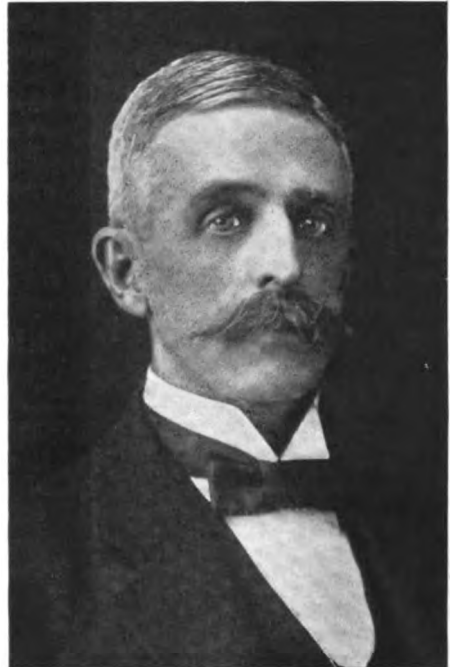


Governor of Commonwealth Bank Reappointed

ANNOUNCEMENT is made in the "Insurance and Banking Record" of the reappointment of Denison K. Miller as governor of the Commonwealth Bank of Australia for a period of seven years from June 1, 1919, at a salary of £4,000 per annum.

Mr. Miller's first term of office as governor of the Commonwealth Bank began on June 1, 1912. The savings bank department of the bank was opened almost immediately, and on January 20, 1913, the opening of the general banking department took place, only about eighteen months before the war started. Two main tasks have had to be undertaken since 1912. The first was the establishment of the bank on lines that would be sound, and in the hands of Mr. Miller as an able and experienced banker this has been successfully accomplished. The second was the outcome of the war, which gave rise to problems of a nature to which the present generation of business men were strangers in 1914, and upon a scale which the world has never before known. In taking its part in the struggle, Australia has had to make many ef-

forts of a novel character in addition to the main effort represented by the dispatch of a large body of men, one of the most important of these efforts being the flotation of internal loans to an amount that would have been regarded as impracticable but for the fact that the public was prepared to concentrate its resources upon the object in view.



DENISON MILLER

Governor Commonwealth Bank of Australia

In carrying out the various operations involved, the Commonwealth Bank has worthily played its part. With the conclusion of the war a fresh set of problems may be expected to arise, and in the treatment of these also the bank will doubtless have an important part to play.



A Tribute to Governor Miller

COMMENTING on the operations of the Commonwealth Bank of Australia, "The Review" of Melbourne and Sydney pays this tribute to the ability of Governor Denison Miller, who has

so prosperously guided the career of that institution:

While on the point of profit making by the Commonwealth Bank, a feature of general interest to the public and particular interest to bankers may be fitly noted. Mr. Denison Miller's first term as governor of the bank is about to expire, and will terminate before the date of the next balance. When that appointment was announced there were not a few who, equal to discovering that a salary of £4,000 per annum meant £28,000 for the seven years' term, shook their heads, saying, "It's a lot of money." No doubt, half the salary, increased by two and one-half per cent. of the net profit, would have seemed much more favorable to the State, seeing that no capital was being put into the venture. Yet the facts prove that half salary and one per cent. of the profit would have cost the country twenty-five per cent. more for Mr. Miller's services, notwithstanding that for two years the profit was invisible. For the final year of his first term the governor of Australia's state bank would gain by accepting a penny in the £1 of the net profit in lieu of salary. This is, indeed, a brilliant record. No wonder the Government was eager to secure a continuation of such services.



Western Australian Bank

THIS institution held its 155th half-yearly meeting of shareholders at the head office in Perth, Western Australia, May 7, Sir E. H. Wittenoom, chairman of directors, presiding.

The report for the half-year ended March 31 last showed that the net profit, after providing for bad and doubtful debts, for rebate on discounted bills current, for interest on deposits, and for all expenses of management was £29,560 2s. 8d., and that the balance from the previous half-year was £23,460 3s. 10d., making a total of £53,020 6s. 6d. From this the directors had resolved to pay a dividend of £1 per share (free of dividend duty), thus absorbing £25,000, and to carry forward £28,020 6s. 6d. The reserve fund amounted to £700,000, and the reserved profits totalled £28,020 6s. 6d. During the half-year the Dangin branch has been withdrawn.

The chairman, in moving the adoption of the report and balance-sheet,

NOYES & COMPANY

Established 1879

Foreign Bills

Government and Municipal Bonds

8, Place Edouard VII.

PARIS - FRANCE

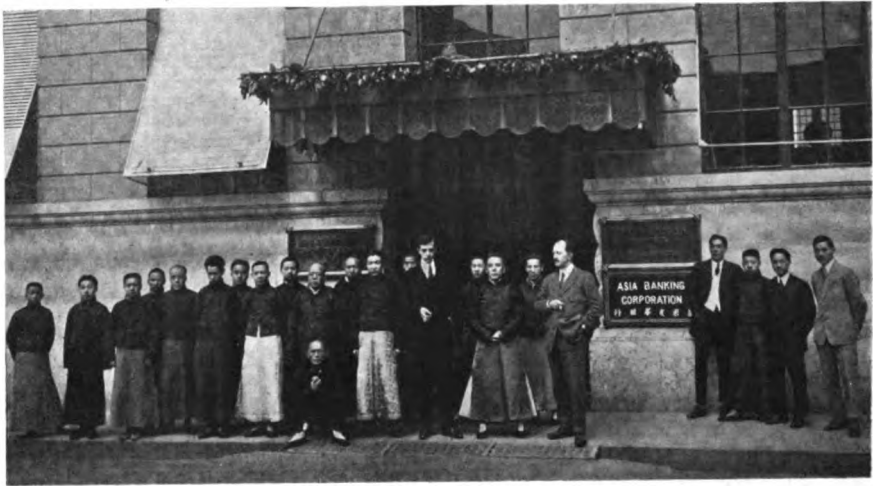
said that the operations of the bank for the last six months must be considered satisfactory, inasmuch as the bank not only maintained, even in these abnormal times, the excellent dividend which had become almost customary, but had in addition provided a substantial amount to be carried forward. The profits for the last six months had exceeded those of the previous period by £439, and those of the previous March by £1,307. The deposits show an increase of £291,000 over the previous half-year. The advances had been reduced by over £56,000, and the amount under the heading of "Specie, bullion, etc.," had increased by £291,000.



Chinese Revised Tariff

THE Asia Banking Corporation, at 35 Broadway, New York, has issued for general distribution a booklet containing the complete draft of China's revised tariff. In addition to a tabulated classification of duty rates on all articles, the booklet gives the rules governing the administration of the tariff and an explanation of the methods to be used in settling questions regarding procedure.

The revision, as submitted to the ministers of foreign governments in Peking, gives the following articles complete exemption from Chinese import duty:



Officers and Staff at the Hankow Branch, Asia Banking Corporation

Foreign rice, cereals, and flour; gold and silver, both bullion and coin; printed books; charts; maps; periodicals, and newspapers. The importation of arms, ammunition, and all munitions of war is prohibited, except at the requisition of the Chinese Government.



Hankow Branch of Asia Banking Corporation

THE Hankow branch of the Asia Banking Corporation, with Assistant Treasurer R. Weusthoff as acting manager, is one of four branches now in operation in China, the others being located at Shanghai, Peking, and Tientsin. In addition, other branches will be established shortly at Hongkong, Harbin, Changsha, Manila, P. I., and Vladivostok.

The City of Hankow, frequently referred to in the Far East as the Chicago of China, is situated in the heart of that country on the left bank of the Yangtze River, 600 miles from the sea. It has a population of approximately 800,000, of whom about 1,200 are foreigners.

Next to Shanghai, Hankow ranks as the great trading center of the country.

It is situated at the limit of navigation for ocean-going steamships—midway between Tientsin in the north and Canton in the south. For ocean-going vessels Hankow can be reached for about nine



Compadore's Office, Hankow Branch, Asia Banking Corporation

months of the year. Small river steamers and boats are able to navigate more than 1,000 miles farther up the Yangtze to the west from Hankow, while the Han River is navigable for more than

300 miles northwest from Hankow. Through the Yangtze River and the Poyang Lake, Hankow is in direct communication with the resourceful Province of Kiangsi to the south.

With Wuchang and Hanyang, Hankow forms what is known as the Wuhan group of cities, with a population of approximately 1,300,000. These three cities make up the commercial, industrial and financial heart of China, and occupy a position unique both commercially and economically. It is estimated, in fact, that the city of Hankow is the distributing point for upwards of 80,000,000 people. In 1917 there were about 4,000 foreigners in these three cities, and about 225 business firms, of which 64 were British, 64 Japanese, and 19 American.

Hankow is primarily a port of exports. The tea industry is a vital factor in the export trade. The curing of hides is extensively carried on, and there have also been established match and albumen factories.

The exports from Hankow to the United States during 1918 showed a deficit of about \$7,000,000 as compared with 1917, but nevertheless the showing

is quite satisfactory when considered in connection with the general export trade, and shows an increase over all other preceding years. The value of the principal items of export invoiced at Hankow for the United States in 1918 totalled about \$16,500,000. It should be noted, however, that the restrictions placed upon the granting of licenses for imports in the United States formed a handicap to the general trade. The extension of the trading of Japanese firms with the United States out of Hankow is indicated by the fact that in 1917 only six Japanese firms forwarding their invoices through the American consulate exported directly to the United States, whereas in 1918 there were nine. Moreover, this does not represent the total number of Japanese firms in Hankow engaged in shipping to the United States, as many of them ship cargo to Japan for consolidation with similar cargoes from that country.

The chief imports into Hankow are rice, sesamum, seed, tobacco, silk, sugar, medicinal plants, musk and furs—all from the interior of China—and, from abroad, cotton goods, kerosene, sugar, and sundries. The demand for



Manager's Office, Hankow Branch, Asia Banking Corporation

steel and steel products is increasing steadily. The bulk of the transactions in these goods is conducted almost exclusively through Shanghai firms, which have local agencies, and in some instances branch houses, for reaching the local trade. For this business it would be advisable for American firms to form



General Banking Quarters, Hankow Branch, Asia Banking Corporation

a connection, for all of China, with a Shanghai house. Nearly 6,000,000 pounds of hoop iron, valued at about \$300,000, were imported into Hankow during 1916. The roads in Hankow are not conducive to joy-riding, but what market there is belongs almost exclusively to the American automobile.

The prosperity of Hankow is due, in no small measure, to its many facilities for communication and transport. It has two great rivers—the Yangtze and the Han—which make their junction at this point, and into these two rivers, innumerable smaller streams, affording navigation for Chinese craft drawing very lightly, pour their water. The Han River carries down a large fleet of "junks," laden with raw materials from Hupeh, Honan and Shensi.

There is no other great city in the world six hundred miles from the ocean that is accessible to ocean-going steamers of considerable tonnage. These communication facilities are backed up by the fact that they bring Hankow into direct touch with wealthy regions

abounding in every kind of natural resource, and a population that can meet all the demands made upon it for labor and industry. Hankow is directly connected with the cities of Peking and Tientsin by rail. And railways already under construction or projected will shortly place Hankow in direct touch with Canton, Yunan, Burma and Shanghai. From Peking and Tientsin, Hankow is brought into direct rail communication with Petrograd, Paris, and all the other European capitals—with one exception: the intervention of twenty miles of English Channel separates it from London.

The local manufacturing industries include, besides the Government iron works and arsenals, cotton and silk weaving, coal mining, tanning, flour milling, and bean oil milling. A new telephone system for the Wuhan group of cities has recently been contracted for. The Hanyang Iron and Steel Works at Hankow is the largest Chinese establishment of its kind in the country; trade connections and loans,



Corner of Compradore's Office at Hankow Branch of Asia Banking Corporation Showing Shroffs at Their Desks Who Serve as Checkers on all Transactions

however, are giving the Japanese control of it.

Another Chinese organization at Hankow is the Yangtze Engineering Works, Ltd.

The value of the property in Hankow now under American ownership is in

BANKAKTIEBOLAGET SÖDRA SVERIGE

Head Office : HELSINGBORG, Sweden

Branches STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS and in 62 other
Places in Sweden

(50.26 = 1 Kr.)
Capital Paid Up Kr. 30,000,000
Surplus About Kr. 17,200,000
Resources About Kr. 373,000,000

The organization and excellent relations of this Bank secure to its clients the most efficient handling of their business on moderate terms

Inquiries and applications for terms are cordially invited and will find prompt attention

Principal New York Correspondents { The Mechanics & Metals National Bank
The National City Bank of New York

excess of \$8,000,000. Many firms, owing to the strategic location of this city, have opened branch offices, and as a result the import and export has increased, and will continue to go ahead. There exists very little evidence, however, of the American manufacturer endeavoring to avail himself of the opportunity of securing a strong footing in the most important of Chinese imports, namely, cotton textiles and yarns. The market is there, if the American manufacturers are willing to adapt themselves to the requirements of the Chinese, especially in the matter of merchandise which is designed to fit the economical purse of the Chinese consumer.



Growing Power and Prestige for Japan

REVIEWING trade and market conditions in foreign countries, a bulletin recently issued by the Guaranty Trust Company of New York pays the following tribute to the growing prestige of Japan.

Separated from the scene of the deciding struggle by half the circumference of the earth, it is nevertheless true that of all the chief belligerents Japan emerges with the greatest proportional increase of power and prestige, and the best prospect for immediate material gain. Half a century ago Japan was an isolated and unimportant little country, overpopulated, and eking out a bare agrarian existence with little or no con-

tact with the world. To-day she stands accepted as one of the great powers of the earth. Her industrial capacity has been doubled by the demands which the Far East has made upon her during the war. She is established in markets into which she had barely entered at the outbreak of hostilities. Her expedition to Siberia has given her a sort of prior right in that country when it is finally opened to free trading, and through the Dutch East Indies, Australia, British India, and other Eastern regions her goods are known and accepted as never before. But greatest of all must stand her new influence in China, crowned by the temporary heritage of the German concession in Shantung.

Japan has been called the Great Britain of the East. Whatever of merit there may be in the comparison, there is no doubt that her geographical position, as well as the temperament and ability of her people, make it appear that she has barely begun to exert her influence upon the world of trade and industry.



Japanese-American Bank

IT IS reported that plans are about completed for the organization in Japan of an international bank to be owned jointly by Japanese and American bankers and capitalists. The project, it is stated, was first suggested by bankers of California when Baron Megata visited the United States as head of the Japanese Financial and Economic Commission. The movement is interesting bankers and capitalists on both sides of the Pacific as the first attempt toward a joint stock bank between American and Japanese bankers.

THE MERCANTILE BANK OF INDIA (LIMITED)

Head Office: 15 GRACECHURCH STREET, LONDON, E. C. 3.

Capital Authorized	\$7,500,000
Paid-up	3,250,000
Reserve Fund	3,000,000

BANKERS: Bank of England; London Joint City and Midland Bank (Limited)

Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan and Mauritius

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances.

Trade between the United States and the Netherlands East Indies

JUST prior to his departure for Holland, on his way back to the Netherlands East Indies, a complimentary dinner was given to K. R. Van den Berg, vice-president and managing director of the Bank of Java. Mr. Van den Berg was in the United States for several months making investigations for the purpose of developing closer business relations between the United States and the Netherlands East Indies. The complimentary dinner referred to was given at the Plaza Hotel in New York and was attended by a number of prominent bankers and manufacturers. Mr. Van den Berg, in reply to the complimentary remarks addressed to him, said:

When I received my appointment as Special Commissioner to the United States from the Netherlands-Indian Government, it was the wish of that Government that I should be before everything else the bearer of the most friendly sentiments of international cordiality toward the Government and the people I should visit. Now that the European war has come to a satisfactory ending, an issue which the United States has been largely instrumental in bringing about, the Pacific Ocean, along which coast nearly two-thirds of the world's population are teeming, will become more and more the arena of the world's commerce. As a great colony bordering on that ocean and supporting some forty-seven million people, we are vitally interested in that commerce and realize the value of friendly relations with the other members of what I might call the Pacific group of nations. We are particularly desirous to apply "the hands across the ocean

idea" to the United States. Our strong feelings in this respect are prompted by the knowledge that America has no axe to grind and in all probability will accept our proffered hand in the friendliest of manners.

Now it has been the firm conviction of my Government that the way to promote and maintain firm and happy relations between America and the Dutch East Indies must be based on the high principle of mutual understanding and sympathy between the peoples of the two countries. Such true understanding and sympathy can only be attained by sound mutual trade relations. It has, therefore, been my endeavor during my brief stay in the United States to develop a clearer knowledge of the business opportunities existing between the two countries, and to promote a closer commercial relationship.

In the matter of trade the situation is the same. We need your cotton, your machinery, railway equipment and other manufactures, while we can supply you our tin, rubber, oils, spices and other products peculiar to the Far East, where much manual labor is employed, and there is nothing in the way that will clash with our mutual interests in the exchange of our commodities.

One other object of my mission has been to obtain trustworthy information about the economic conditions and industrial activities of the United States on the eve of the reconstruction of the world.



Japanese Banks Form Syndicate for Chinese Loan

UNDER arrangements recently made at Paris, the financial requirements of China are hereafter to be met by a syndicate of American, French, British and Japanese banks. An Associated Press dispatch from Tokyo says that a syndicate of eighteen principal Japan-

ese banks has been organized to participate in the loan. It is announced that the Yokohama Specie Bank will represent the Japanese banking syndicate in conducting negotiations with the banking syndicates of the other interested powers.



Free Market for Transvaal Gold

ACCORDING to a recent London cablegram to the New York "Journal of Commerce," an agreement has been signed between the Bank of England and the Transvaal gold producers, with the sanction of the South African and British governments, providing a free market for the sale of gold and removing the war restrictions whereby the Bank of England was the sole buyer at the standard price of 77s. 9d. per ounce. An experimental sale of 50,000 ounces to New York produced 85s. 6d. per ounce. The producers expect the free market to give them an increase of about ten per cent. above the standard price for some time.



Returning Aliens

[National City Bank Letter for July.]

THE return movement of immigrants is assuming large proportions, and is held in check only by want of steamer accommodations. Five thousand persons sailed from New York for Italy upon three steamers on one day of last week. In the month of May the total departures were 26,812, and in June they have been averaging 1,000 per day.

By the provisions of a law passed last year no alien or citizen is allowed to leave the country without permission from the State Department, and they must pay their income taxes if they owe any. Over \$1,000,000 of these taxes have been collected as a result of the enforcement of the law. Director Stewart of the Investigation and Inspection Services of the Department of

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

Labor states that the number of aliens planning to leave the United States for their own country as soon as conditions will permit number approximately 1,300,000, and that they will carry with them an average of \$3,000 cash, which would give a grand total of nearly \$4,000,000,000 to be carried out of the United States by departing aliens during the coming year. This is probably an over-estimate of the average amount, if not of the number, but it indicates that the movement is at least of large consequence in the exchanges.

The statements made by Director Stewart are based upon investigations made up to June 1, in the sections where large foreign elements are found, notably the mining regions of Pennsylvania, the steel district of Illinois and Pennsylvania, the manufacturing district of New England, and the great cities, notably New York and Chicago. He estimates that thirty-five per cent. of the Russians are seeking to return to their country, thirty-four per cent. of the Slovaks, twenty-eight per cent. of the Austro-Hungarians, twenty-two per cent. of the Croatsians, fifteen per cent. of the Poles, and eleven per cent. of the Italians and Greeks. These aliens seeking to return to their native country are actuated in part by a desire to find and aid lost friends and relatives, also in the belief that they will find land cheaper than formerly, and that they will also find employment in reestablishing industries.



LINDSAY RUSSELL
Chairman of the Board Japan Society



OSCAR E. RILEY
Manager Japan Society

Japan Society of New York

ONE of the many questions being put nowadays to the Japan Society of New York is this: "Are dress suits or evening suits usually worn at supper on steamers going to Japan?"

A government dendrologist asks the age of the cryptomeria trees which line a famous avenue leading to Nikko, and is told that they were planted by a poor but pious prince between 1630 and 1651, and why.

"The expression of the Great Buddha at Kamakura is nearly as fascinating as that of the Mona Lisa," confides a New York artist, not from Greenwich Village, however, who leaves for Japan in August.

Inquiries are given careful attention,

as the Japan Society wishes to encourage thought about Japan. Fortunately, the majority of inquiries are of a more serious nature than the foregoing, and so each day the Japan Society is able to make better known to people in this country something about that group of islands we call Japan, but which the Japanese call Nippon.

The guiding purpose of the society, as set forth in the by-laws, is "the promotion of friendly relations between the United States and Japan, and the diffusion among the American people of a more accurate knowledge of the people of Japan, their aims, ideals, arts, sciences, industries and economic conditions."



EUGENE C. WORDEN
Secretary Japan Society



GERHARD M. DAHL
Vice-President Chase National Bank, New York,
Director Japan Society

This knowledge is diffused primarily among the 1,400 American and 100 Japanese members of the society. The "Japan Trade Bulletin" and the "Bulletin of the Japan Society" go monthly to members. A series of lectures on Japan is given each session at Hotel Astor to audiences numbering from 400 to 700. A series of questionnaires by Lindsay Russell, chairman of the board, and several standard books on Japan also have gone by mail to members. The society also acts as American distributor for the free travel booklets of the Japan Tourist Bureau of Tokio.

Newspapers, university libraries, chambers of commerce and United States Senators receive these bulletins and questionnaires. Through advertisements, too, the society establishes a contact with Americans who send in many hundred requests a month for specific information or for travel booklets. In addition, many inquirers call at the society's rooms at 165 Broadway, in the

center of the downtown New York skyscraper district.

The Japan Society acts as a committee of hospitality to distinguished Japanese visiting New York, frequently arranging dinners, luncheons and receptions as a means of honoring these visitors and of giving them an opportunity to meet representative Americans—and, perhaps even more important, giving Americans the opportunity to meet and learn to know representative Japanese, and thereby better understand them and their country.

The Society is essentially American, its support coming from the annual dues of its members and from occasional gifts from those appreciating the need and usefulness of the important international work the society is endeavoring to do. Efforts are now being made to raise a permanent endowment fund of \$100,000, the income from which will supplement the annual dues. This fund will be known as the Townsend Harris Fund,

in honor of America's first Consul-General and first Minister to Japan. More than a third of this fund is already in hand and invested.

At the executive helm of the Japan Society is a banker—Gerhard M. Dahl, vice-president of the Chase National Bank. The Japan Society has as vice-president Major August Belmont, famous private banker and grandson of Commodore Perry, who opened Japan for the world. The Bankers' Trust Company is treasurer of the society, and the accounts are audited annually by the American Audit Company.

All the New York branch managers of Japanese banks are members, while financiers included in active service among the directors are Jacob H. Schiff, Emerson McMillin, Henry Clews, William North Duane, Darwin P. Kingsley, Thomas W. Lamont, A. Barton Hepburn and Judge Elbert H. Gary.

Lindsey Russell, chairman of the executive committee, was one of the founders of the society and its president from 1909 until this spring. He has made two trips to Japan, being honored on both occasions with wide hospitality. He is a lawyer, his firm being McLaughlin, Russell and Sprague.

Secretary since November, 1907, when the society was six months old, Eugene C. Worden has been a foremost factor in the growth of the organization. He studied law at the University of Michigan and formerly was president of the University of Michigan Club of New York. He is editor and manager of the "Russell Law List," a well-known international list of legal correspondents. He was American secretary of the Imperial Japanese Financial Mission, headed by Baron Megata, which toured this country in the winter of 1917-18.

Douglas L. Dunbar, assistant to the president, is a graduate of Columbia University and has been associated with the society for four years. He started the "Japan Trade Bulletin," published by the society, and also is former editor of the "Bulletin of the Japan Society," a news monthly. He was American secretary of the Imperial Japanese Mis-

sion headed by Viscount Ishii, which visited the United States in 1917.

Oscar E. Riley, the manager since January 1, was financial reporter for the St. Louis Globe-Democrat from 1912 until May, 1916, and then news editor of the "Japan Advertiser," Tokio, until last winter. He is the editor of the "Japan Trade Bulletin" and the "Bulletin of the Japan Society" and is secretary-treasurer of the University of Missouri Alumni Association of New York.



\$1.00 TO \$10.00 FOR AN IDEA

We will pay from \$1.00 to \$10.00 to any employee who will offer a new idea or suggestion, which, if accepted, will improve the service or promote the efficiency of any department or branch of this institution. Put your thinking cap on and let us have your suggestion on this sheet, which forward to E. L. Mason, Chairman, Efficiency Committee.

On a sheet like this the Cleveland Trust Co. invites its employees to make suggestions for improving the service or promoting efficiency and offers to pay from \$1 to \$10 for accepted suggestions

Book Reviews

WHY WE FAIL AS CHRISTIANS. By Robert Hunter. The Macmillan Company, New York.

The author occupies a large part of his space in telling of the principles of Tolstoy and of the attempt of the Russian philosopher to apply them to the actual conditions of life—an attempt which seems to have been hindered by family ties, for the author says (p. 41), "He [Tolstoy] felt so keenly the opposition of his wife and children that he was led to believe what he said repeatedly—that the institution of the family was one of the greatest obstacles to a truly Christian life." But Mr. Hunter evidently does not agree with this view, for he says (p. 165): "In saying that to love others as oneself is impossible in present society, an exception must be made in the case of the family. With notably rare exceptions, wherever a family exists there we find this love."

The "failure" of Christianity is thus described:

"Christianity, then, like the Pagan religions of earlier times, has not been successful in eradicating conditions of misery for the masses. Men have gone on from century to century for two thousand years, enduring much the same social evils as those which existed in Israel previous to the time of Jesus. The entire western world to-day accepts Christianity, and few men, rich or poor, refuse to call themselves Christian, yet it is evident from the facts and figures of our social life that Christianity has not brought nearer the brotherhood of man, nor has it molded with justice the institutions of society."

All of which recalls the remark of Henry Ward Beecher, who, when someone asked him if he did not think Christianity is a failure, replied with the question, "Where has it been tried?"

The remedy for Christianity's alleged

failure, according to Mr. Hunter, is communism, or as he states it:

"In the new society every one capable of labor must serve when he is called and work according to his ability; and in return every one is to receive whatsoever he needs."

The working out of this formula should afford a fair summer day's employment.

At page 147 Mr. Hunter seems to confuse the qualities of two of Stevenson's noted characters—or was there but one?—in this way:

"Many an excellent church-going Mr. Hyde turns during the week-days into a Dr. Jekyll of the business world."



ACCOUNTING AS AN AID TO BUSINESS PROFITS. By W. R. Basset. A. W. Shaw Co., Chicago.

The author has placed special emphasis on the practical side of accounting by indicating tested plans, methods and forms that have been successfully used by concerns throughout the country.

He discusses particularly: How much accounting is really needed; Essentials of bookkeeping; How accountancy helps sales; How bankers analyze statements of conditions; and shows Control reports for the executive. Indexed.



PRACTICAL EXPORTER. Fourth edition, Revised. By B. O. Hough. American Exporter, New York City. 529 pages.

This is a handbook for manufacturers and merchants on how to get and handle export business.

The author, a practical exporter of twenty years, gives sound information and advice, touching every phase.

Many reproductions of documents, types of all those employed in the business, are shown in full size, properly filled in. Excellent index.



BANKERS' CREDIT MANUAL. By Alexander Wall. Bobbs-Merrill Co., Indianapolis. 247 pages.

A complete survey of the credit department is given in this volume.

Methods on how to systematize the work, to stabilize operations and to facilitate investigations are shown.

Many forms, tested by actual use and approved, are reproduced.

The book shows clearly how and why certain things are done and certain records are kept in every well-organized bank credit department.



OUR PUBLIC DEBT. By Harvey E. Fisk. Bankers Trust Co., New York.

The author's familiarity with the subject derived from an experience of years in dealing in United States bonds qualifies him to write in an authoritative manner.

Facts have been gathered from official and other original sources and the technical descriptions of United States bonds and instructions in regard to transactions with the Treasury Department are based upon the latest official data and regulations.



WHAT HAPPENED TO EUROPE. By Frank A. Vanderlip. The Macmillan Company, New York.

Few Americans who have gone to Europe for the purpose of studying the financial and general economic situation there have been so well equipped by experience as Mr. Vanderlip or had access to the numerous and varied sources of information which were available to him. And perhaps no one has stated more clearly and accurately in terms representing the modern outlook toward industry what the conditions

really are in Europe and what must be done to remedy them.

To every capitalist, banker and citizen who wishes to gain a knowledge of Europe's industrial and financial chaos (the word is none too strong), and to understand the urgent duty that rests upon the United States, Mr. Vanderlip's book will prove of the greatest value.



COMMERCIAL POLICY IN WAR TIME AND AFTER. By William Smith Culbertson, Member U. S. Tariff Commission. D. Appleton & Co., New York.

In this work is presented a constructive study of the national and international problems affecting the commercial policy of the United States in war time and during the period of reconstruction. The author has sought particularly to emphasize the permanent changes caused by the war and to discuss questions which for many years will come up before the peoples of the world for decision.



Great Britain's Contribution to the War

IN the monthly "Review," issued by Barclay's Bank, Ltd., London, appears the following information regarding the physical contribution which Great Britain made toward carrying on the war:

According to an excellent article on "The Military Effort of the British Empire" in the current number of "The Round Table," Great Britain enlisted for the war, including those previously serving, nearly 6,000,000 men, or approximately one-fourth of our entire male population. This does not represent all our productive sacrifice, for it excludes the millions of men and women withdrawn from their normal productive work for the purpose of making munitions for ourselves and our Allies. Our total military casualties—excluding those of the Overseas Dominions—amounted to 2,453,266, or forty-three per cent. of the total enlistments. Of these 803,320 were killed or are missing, while 1,649,946 were wounded—many so seriously as totally to incapacitate them for work.

Bank Advertising Exchange

Those listed herewith are willing to exchange booklets, folders and other advertising matter issued by them. Subscribers can get on this list free of charge

Watch for New Names and Other Changes

A

Adams, F. R., Will County National Bank, Joliet, Ill.
American National Bank, Pendleton, Oregon.
American Savings Bank, Springfield, Mo.
Ansel, D., Central Trust Co., San Antonio, Tex.

B

Bader, A. F., assistant cashier, Old State National Bank, Evansville, Ind.
Baker, I. W., Mgr., Advertising Dept., Guardian Savgs. and Tr. Co., Cleveland, Ohio.
Bailey, C. W., cashier, First National Bank of Clarksville, Clarksville, Tenn.
Banco Mercantil Americano Del Peru, Lima, Peru, S. A.
Bankers Magazine, The, New York.
Bauder, Ray E., manager new business department, National City Bank, Chicago, Ill.
Baughner, E. M., president, The Home Building Association Co., Newark, Ohio.
Bennett, H. D., assistant cashier, Capital National Bank, Lansing, Mich.
Bernheim, E., Ph.D., Foreign Dept., The National Shawmut Bank of Boston, Boston, Mass.
Bize, L. A., president Citizens Bank and Trust Co., Tampa, Fla.
Bollman, H. C., cashier, First National Bank, Collinsville, Okla.
Branham, D. R., director publicity, Hellman Commercial Trust and Savings Bank, Los Angeles, Cal.
Brooks, T. J., vice-president, The Guaranty Trust and Savings Bank, Jacksonville, Fla.
Brown, R. A., assistant cashier, Citizens National Bank, Raleigh, N. C.
Bunch, F. B., cashier, Merchants and Farmers Bank, Statesville, N. C.
Burton, E. C., vice-president, Penn National Bank, Chester, Pa.

C

Conhaim, Herbert J., publicity manager, Fort Dearborn National Bank, Chicago, Ill.
Cox, Ray, cashier, American Savings Bank, Springfield, Mo.
Crowson, M. Clarence, cashier, Home Banking Co., High Point, N. C.
Culbreth, Eugene E., Commercial National Bank, Raleigh, N. C.

D

Davis, Clark B., asst. secy., Franklin Tr. Co., 166 Montague St., Brooklyn, N. Y.
Dayton, T. S., publicity manager, Guaranty Trust Co., New York City.
Delly, H. E., Tradesmen's National Bank, Philadelphia, Pa.
Dysart, W. R., assistant cashier, First National Bank, Ripon, Wis.

E

Eberspacher, J. C., assistant cashier, First National Bank, Shelbyville, Ill.
Ekirch, A. A., secretary, North Side Savings Bank, New York City.
Ellsworth, F. W., vice-president, Hibernia Bank & Trust Co., New Orleans, La.

F

Finch, E. W., assistant cashier, Birmingham Trust and Savings Co., Birmingham, Ala.

Fisher, C. J. (Miss), Hoggson Bros., 485 Fifth Avenue, N. Y. C.

G

Germo, Eleanor, manager publicity department, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
Grimm, H. B., director, Dept. of New Business, St. Joseph Valley Bank, Elkhart, Ind.
Groves, J. W., advertising manager, Minnesota Loan and Trust Co., Minneapolis, Minn.

H

Hall, J. Comly, Farmers and Mechanics Trust Co., West Chester, Pa.
Hamsher, C. F., president First National Bank, Los Gatos, Cal.
Haskell, E. G., Barnett National Bank, Jacksonville, Fla.
Hatton, E. A., cashier, First National Bank, Del Rio, Tex.
Hillyer, E. L., secretary, Union Trust Co. of D. C., Washington, D. C.
Hoagland, Jessamine G., publicity manager, National City Bank, Chicago, Ill.
Hodgins, J. H., Statistical Dept., Union Bk. of Canada, Toronto, Canada.
Hoffman, A. C., manager, department of publicity, The Security Trust & Savings Bank, Los Angeles, Cal.
Hckanson, N. M., advertising manager, State Bank of Chicago, Chicago, Ill.
Holdam, J. V., advertising manager, Chattanooga Savings Bank, Chattanooga, Tenn.
Hunter, Harold G., Sec'y and Treas., Kansas City Terminal Trust Co., Kansas City, Mo.

I

Imhoff, Charles H., vice-president, Union National Bank, Newark, N. J.

J

Jarvis, Charles D., publicity manager, Savings Bank of Utica, Utica, N. Y.
Jessup, Theodore, assistant cashier, Woodlawn Trust and Savings Bank, Chicago, Ill.
Johnson, E. W., Warren National Bank, Warren, Pa.
Jones, Marshall H., Asst. Cashier First and Citizens National Bank, Elizabeth City, N. C.

K

Kahn, A. T., vice-president, Commercial National Bank, Shreveport, La.
Keller, C. B., Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
Kittredge, E. H., publicity manager, Old Colony Trust Co., Boston, Mass.
Kommers, W. J., vice-president, Union Trust Co., Spokane, Wash.

L

Lanier, B. W., Asst. Treas., United States Tr. Co., Jacksonville, Fla.
Lanng, Edgar R., advertising manager, Hibernia Bank and Trust Company, New Orleans, La.
Logan, John, cashier, Columbus State Bank, Columbus, Mont.
Levett, W. R., Atlantic National Bank of Jacksonville, Jacksonville, Fla.
Lyons, Chas. S., Puget Sound Bank and Trust Co., Tacoma, Wash.

M

McCorkle, Josephine C., publicity manager, The City National Bank, Evansville, Ind.
 McDowell, J. H., c/o American Trust and Banking Co., Chattanooga, Tenn.
 Mann, Ralph H., treasurer, Park Trust Co., Worcester, Mass.
 Marvel, Charles S., cashier, The First-Second Savings and Trust Co., Akron, Ohio.
 Matthews, Dave S., advertising manager, Farmers and Merchants Bank, Stockton, Cal.
 Matthews, H. B., advertising manager, S. W. Strauss & Co., 150 Broadway, New York City.
 Mead, Harold O., Asst. Cashier, The Bkg. Corporation of Montana, Helena, Mont.
 Merrill, Frank, advertising manager, Northwestern National Bank, Minneapolis, Minn.
 Meyer, A. J., publicity department, Union Trust Co., Rochester, N. Y.
 Mills, W. C., New Business Department, Metropolitan Trust Co., 60 Wall Street, New York.
 Moniteur des Interets Materiels, 27 Pl. de Louvain, Brussels, Belgium.
 Muralt, Henry de, secretary, Swiss Banking Association, Zurich, Switzerland.

N

Nye, Frank T., cashier, First National Bank, Northboro, Iowa.

O

Overton, J. A., cashier, National Bank of Smithtown Branch, Smithtown Branch, N. Y.

P

Pierce, Matthew G., publicity manager, Harris Trust and Savings Bank, Chicago, Ill.
 Poole, John, president, Federal National Bank, Washington, D. C.
 Potts, W. W., secretary and treasurer, The Federal Title and Trust Co., Beaver Falls, Pa.
 Powell, V. M., cashier, Home Savings Bank, Brooklyn, N. Y.
 Pratt, Thomas B., Henry L. Doherty & Co., 60 Wall Street, New York City.

R

Haven, F. J., American Oriental Banking Corporation, Shanghai, China.
 Reid, Carol S., publicity manager, The People's Bank, Ltd., Hilo, T. H.
 Rittenhouse, C. M., Farmers Loan and Trust Co., New York.
 Ruff, William J., cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

S

Sacramento Bank, Sacramento, Cal.
 Schlenker, Almot, cashier, First National Bank, Brenham, Tex.
 Scott, Walker, vice-president, Virginia Trust Co., Richmond, Va.

Shepherd, George W., c/o International Trust Co., Boston, Mass.
 Shoven, A. M., cashier, Kankakee County Trust and Savings Bank, Kankakee, Ill.
 Smith, A. C., vice-president, City National Bank, Clinton, Iowa.
 Smith, Allen T., manager Special Service Department, Industrial Savings Bank, Flint, Mich.
 Staker, F. M., manager, safe deposit dept., Commerce Trust Co., Kansas City, Mo.
 Starr, E. L., publicity manager, Wachovia Bank and Trust Co., Winston-Salem, N. C.
 Stein, Rudolph, assistant cashier, John Nemeth State Bank, New York City.
 Stewart, F. E., 1505 Jefferson St., Toledo, Ohio.
 Stoner, T. H., cashier, The Peoples National Bank, Waynesboro, Pa.
 Stover, J. C., secretary-treasurer Indiana Savings and Loan Association, South Bend, Ind.
 Sutton, Frederick T., Publicity Mgr., Mercantile Bank of the Americas, New York.

T

Taylor, C. E., Jr., president, Wilmington Savings and Trust Co., Wilmington, N. C.

V

Van Blarcom, Wessels, assistant cashier, Second National Bank, Paterson, N. J.
 Van Name, Miss M. L., 515 Stephen Girard Building, Philadelphia, Pa.

W

Wadden, John W., president Lake County Bank, Madison, S. D.
 Wilkes, W. H., assistant to the president, National Bank of Commerce, St. Louis, Mo.
 Williams, F. H., treasurer, Albany City Savings Institution, Albany, N. Y.
 Williams, J. E., assistant cashier, Third National Bank, Scranton, Pa.
 Winship, Addison L., vice-president and manager, New Business Department, National Shawmut Bank, Boston, Mass.

Z

Zimmerman, Frank A., treasurer, Chambersburg Trust Co., Chambersburg, Pa.
 Zimmerman, Paul E., cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAMES

Billings, K., asst. advertising mgr., Scandinavian American Bank, Tacoma, Wash.
 Sclater, A. G., Union Bank of Canada, 49 Wall St., New York.
 Cotton Belt Savings & Trust Co., Pine Bluff, Ark.

Keep us in touch with your publicity work. Each month current advertising is reviewed and commented upon, ads are reproduced and criticised in **BANKING PUBLICITY**



Banking and Financial Industry

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



THE LIBERTY NATIONAL BANK *of* NEW YORK

CAPITAL \$3,000,000.00

SURPLUS 3,000,000.00

UNDIVIDED PROFITS 1,750,000.00

OFFICERS

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FREDERICK P. McGLYNN	Assistant Cashier
THEODORE C. HOVEY	Assistant Cashier
LOUIS W. KNOWLES	Assistant Cashier
JOHN P. MAGUIRE	Assistant Cashier
RAYMOND G. FORBES	Assistant Cashier

What a Bank Must Have

When you undertake to provide a new home for your bank, you do so for two reasons:

- (1) To increase your business.
- (2) To afford more satisfactory working accommodations for your employees.

To accomplish this with real success, you must provide:

- (1) A practical and suitable bank building.
- (2) A thoroughly up-to-date and efficient banking arrangement.
- (3) Real security in your vault equipment.

We have recognized experts in each of these branches of a bank's requirements, thus covering in the one organization all of a bank's needs without the risk, trouble and expense of divided responsibility.

Some Banks We Have Served

We are either now acting, or have very recently acted in New York for:

National Bank of Commerce
Seaboard National Bank
Columbia Trust Company
Asia Banking Corporation
Mercantile Trust Company

and in other towns for:

First National Bank, Richmond, Va.
American Exchange National Bank, Dallas, Texas.
Hibernia Bank & Trust Company, New Orleans, La.
Colonial Trust Company, Philadelphia.
Charlotte National Bank, Charlotte, N. C.
Greenwich Trust Company, Greenwich, Conn.

I would like to refer you to any of the above institutions and to consult with you in connection with your problems for improving the home and success of your bank.

Alfred C. Bossom

Bank Architect and Equipment Engineer

366 Fifth Avenue, New York



Main Street, Showing on the left the New 17 Story Office Building of the American Exchange National Bank, Dallas, Texas

New Building of the American Exchange National Bank, Dallas, Texas

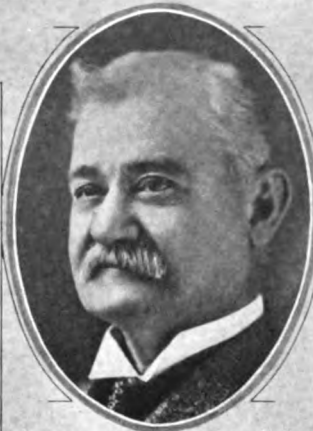
ONE of the notably fine bank buildings of the South has been recently completed and occupied by the American Exchange National Bank of Dallas, Texas, an institution

whose solid and steady progress is thus fittingly marked.

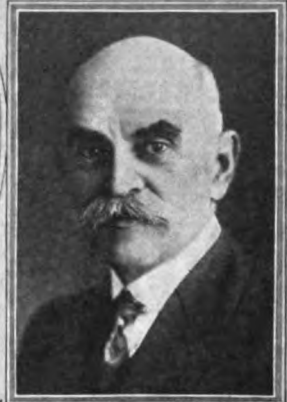
The new building, whose entire base is granite and the remainder of limestone, with steel framework, is sixteen



LOUIS LIPSITZ
VICE-PRESIDENT



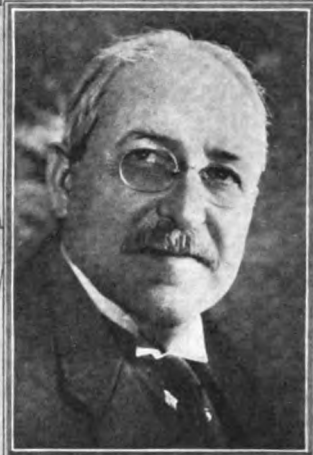
ROYAL A. FERRIS
CHAIRMAN OF BOARD



A. V. LANE
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JOHN N. SIMPSON
VICE-PRESIDENT



E. M. REARDON
PRESIDENT



E. J. GANNON
VICE-PRESIDENT



G. H. PITTMAN
CASHIER



HENRY C. COKE
VICE-PRESIDENT



NATHAN ADAMS
VICE-PRESIDENT

Since the above plate was made Mr. Pittman has been elected Vice-President and Cashier

Officers American Exchange National Bank, Dallas, Texas



Main Banking Room and Public Lobby

stories high, the basement, main and mezzanine floors being for the bank's use and the fourteen floors above for office purposes.

In the work of constructing the building Alfred C. Bossom, the New York bank architect specialist, was associated with Messrs. Lang and Witchell, architects, of Dallas, and the J. W. Thompson & Hughes-O'Rourke Construction Company, of St. Louis and Dallas, who had the general contract.

Provision for adequate banking facilities has been made, as may be better understood by the following detailed description:

VAULTS AND COUPON ROOMS

The basement contains sixteen separate vaults, all constructed in one unit and separated from the rest of the building above and below, as well as on all four sides. There is a clear space underneath the vaults which will make an attack on them by a tunneling process an impossibility.

One vault has been set apart for the

bank cash, and a second, offering protection equal in every respect to that given to the bank's own funds, is for the safety deposit vaults for the use of customers. A third vault is for the storage of silver and large objects of value belonging to customers. A book and record vault has been provided which will make it possible for the bank to preserve the deposit records indefinitely. A fifth vault is devoted to the storage of checks, and the sixth for old records that cannot be destroyed.

The vaults are constructed of reinforced concrete and steel, with the best electrical protection that it is possible to devise, in addition to all the protection that can be given by human agencies.

The basement contains, besides the vaults, coupon and committee rooms for the use of customers, all lighted by daylight. There are also ladies' rooms and retiring rooms and special elevator service to the main floor. A monumental stairway, eight feet wide, leads from the lobby to the basement.



Office of President Reardon, Vice-Presidents Gannon, Simpson and Lane and Vice-President and Cashier Pittman



Office of Chairman of the Board R. A. Ferris, Vice-President Adams and Assistant Cashier Blankenship



Mezzanine Floor Looking North

The entire basement, including the vaults, is elaborately finished and is cooled and ventilated by the most modern devices. All machinery of every sort in the basement occupies an entirely separate compartment from the banking rooms, to which there will be no means of access except through the banking room on the main floor.

The security vault equipment throughout is the largest and most complete to be found in the state.

THE BANKING LOBBY

Dimensions of the banking lobby are eighty feet in length by thirty feet in width—a space entirely clear for the exclusive use of those who deal with the bank. It ranks as the largest banking lobby in the State of Texas.

MAIN BANKING ROOM

In shape the main banking room is rectangular, with a mezzanine above on all four sides. The banking room is trimmed in San Saba marble, a local product and at the same time one of the hardest marbles of America. Finishings and decorations are all in excellent taste, giving to the banking room a dignified and attractive look.

Every known convenience has been installed in the banking rooms. The bookkeepers on both sides of the lobby will be placed immediately behind the tellers' cages, thereby saving time and promoting efficiency both for the employees of the bank and for its customers. There are entrances to the main banking room both from the street and from the main elevator lobby.



Mezzanine Floor Looking East



The Directors' Room

The officers' quarters, fitted up in keeping with the general high type of architectural and engineering efficiency displayed throughout the building, are in front of the banking room, on both sides of the lobby and convenient of access to the bank's depositors. Adjoining the officers' desks are private rooms for consultation use.

THE MEZZANINE FLOOR

From the rear of the banking room a handsome stairway leads to the mezzanine floor. On this mezzanine floor provision has been made for the working force of the bank. Rest rooms, shower baths, lockers, and everything else that the latest banking architecture has devised, comprise the features found on this floor. The directors' room, twenty by thirty-two feet in size, is also on the mezzanine, away from the noise and dust of the street.

OUTLINE OF THE BANK'S HISTORY

The origin of the American Exchange National Bank dates back to 1871, when

W. H. Gaston and A. C. Camp began a banking business in Dallas. Mr. Camp soon retired, on account of the state of his health, and was succeeded by W. H. Thomas. The firm continued as Gaston & Thomas until 1881, when the Exchange Bank, which had been organized in 1875 with a capital of \$40,000, was bought. In 1883 Mr. Gaston sold his interest to W. E. Hughes and John N. Simpson, and in 1887 the bank was nationalized under the title of the National Exchange Bank. Between the years 1897 and 1900 the assets and business of the Mercantile National Bank and the National Bank of Dallas were absorbed.

In June, 1905, the National Exchange Bank absorbed the American National Bank, and the name was changed to American Exchange National Bank. In these absorptions and consolidations many of the ablest bankers in the Southwest were drawn together, each bringing his personal experience and wisdom as a distinct asset to the final union. In this manner the American Exchange National Bank acquired a

group of officers and directors having wide interests, and concrete knowledge concerning the immense section which the bank now serves. Every active member of the present stewardship has grown with the banking business of Texas.

THE BANK'S PERSONNEL

Remarkable as is the new building, herein described and illustrated, it is after all but a reflection of the energy, resourcefulness, and financial skill of those who constitute the management, and it will be interesting to study their careers for a moment.

Royal A. Ferris, chairman of the board, has been a banker since 1870. He came to Dallas in 1884, and was elected president of the bank in 1898. He is the recognized dean of the banking fraternity in Texas, and in all his work has well exemplified the spirit of the Southwest. Quite recently, after long and distinguished service as president, Mr. Ferris became chairman of the board of directors, in which position, though relieved from the more active duties of the past, the bank will still have the advantage of his wise counsels and sound judgment.

Edwin M. Reardon, who succeeded Mr. Ferris as president, had fifteen years of banking experience in Pennsylvania before he came to Dallas in 1883, and organized the Dallas National Bank, which was later consolidated with the City National Bank. Mr. Reardon next organized the National Bank of Dallas, of which he was president. In April, 1900, this bank was merged with the National Exchange Bank. Mr. Reardon's banking career has been steadily progressive and he is a thorough banker in all respects.

E. J. Gannon, vice-president, was one of the organizers of the American National Bank in 1884, and active in its successful management until it consolidated, in 1905, with the American Exchange National Bank. He is recognized as one of the leading bankers of this section. He had practical charge, as chairman of the building committee, of the erection of the new building, and



HERBERT D. ARDREY

Vice-President American Exchange National Bank,
Dallas, Texas

gave much time and faithful devotion to it.

A. V. Lane, vice-president, has been president of the Texas Bankers' Association, and was, for a number of years, a member of the executive council of the American Bankers' Association. In 1897, the Mercantile National Bank, of which he was vice-president from its beginning in 1888, was merged with the National Exchange Bank. Mr. Lane takes an active part in public affairs, and is an officer or director in a number of important business enterprises.

Nathan Adams, vice-president, has been connected with the American Exchange National Bank and its predecessors for more than twenty-seven years. He is an authority on matters pertaining to the handling of cotton, and his ability as a banker is recognized throughout the United States. Mr. Adams is an ex-president of the Texas Bankers' Association, and is a member of the executive council of the Amer-

ican Bankers' Association. He is also the director of sales of United States Treasury Certificates of the Eleventh Federal Reserve District.

John N. Simpson, vice-president, has been an officer and director of the bank continuously since 1883, making him the oldest director in point of service. In March, 1883, with W. E. Hughes, he bought the Exchange Bank, and was elected cashier. Five years later the capital was increased to \$500,000 and the bank was nationalized. Mr. Simpson was made president, and held the office until 1897. He is president of the State Fair of Texas, and a member of the Dallas Chamber of Commerce and Manufacturers' Association.

George H. Pittman, vice-president and cashier, has been actively engaged in banking for more than twenty-five years, being first employed as teller in the old Exchange Bank. He is a specialist on matters pertaining to cotton, and an expert on transit affairs.

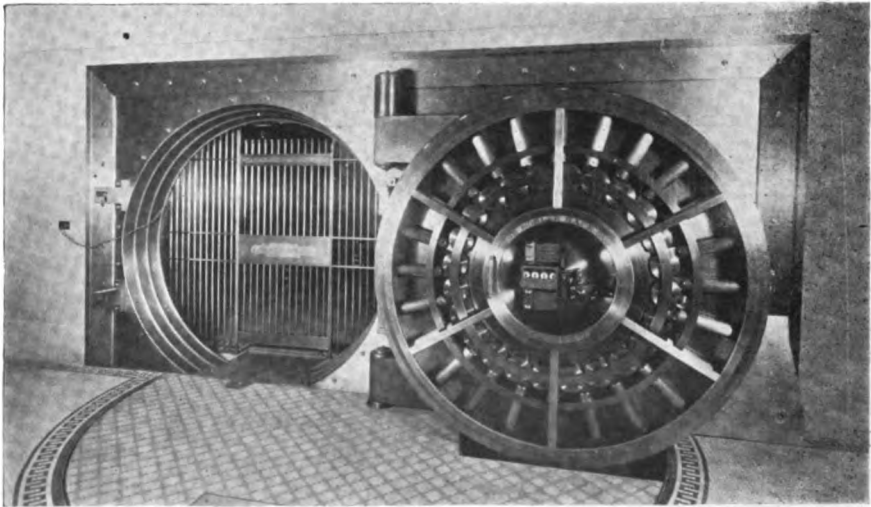
Herbert D. Ardrey, vice-president, is

a well-known, popular and capable banker and was formerly cashier of the First State Bank of Dallas, having severed his connection with the latter to become a vice-president of this bank.

Here are the assistant cashiers, and they constitute a solid aggregation of banking experience, of alertness, courtesy and general efficiency: H. H. Smith, F. H. Blankenship, E. S. McLaughlin, R. V. Sanders, E. J. Gannon, Jr., B. B. Johnston, F. C. Pondrom, Paul Danna, and Sam. Turner. The auditor of the bank is J. J. O'Connell.

These gentlemen, together with a board of directors widely representative of the business interests of the community, make up the management and official staff of the bank.

In point of personnel, capital and surplus, and with the superior equipment afforded by the new building, the American Exchange National Bank of Dallas is in a position to render the very best banking service.



Massive Main Door of Safety Deposit Vault



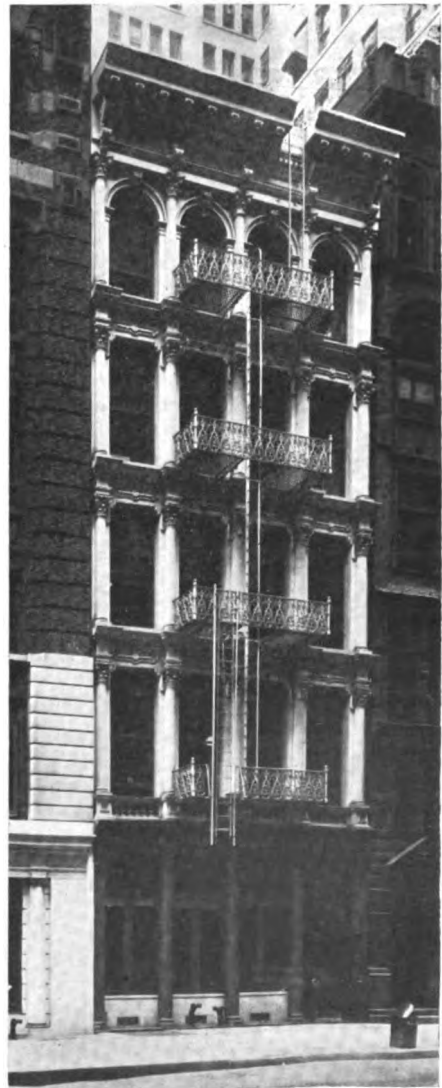
American Foreign Banking Corporation

THE termination of the world war finds all European, and most of the other countries, stripped of the necessities of life. The demand for foodstuffs, staple articles, and manufactures is without limit, while practically the only country that can supply this demand, at the present time, is the United States. This, of course, does not mean that other countries are not pushing their export trade, but the United States is at present in the fortunate position of being able to supply foreign demands to a great extent without unduly neglecting home requirements.

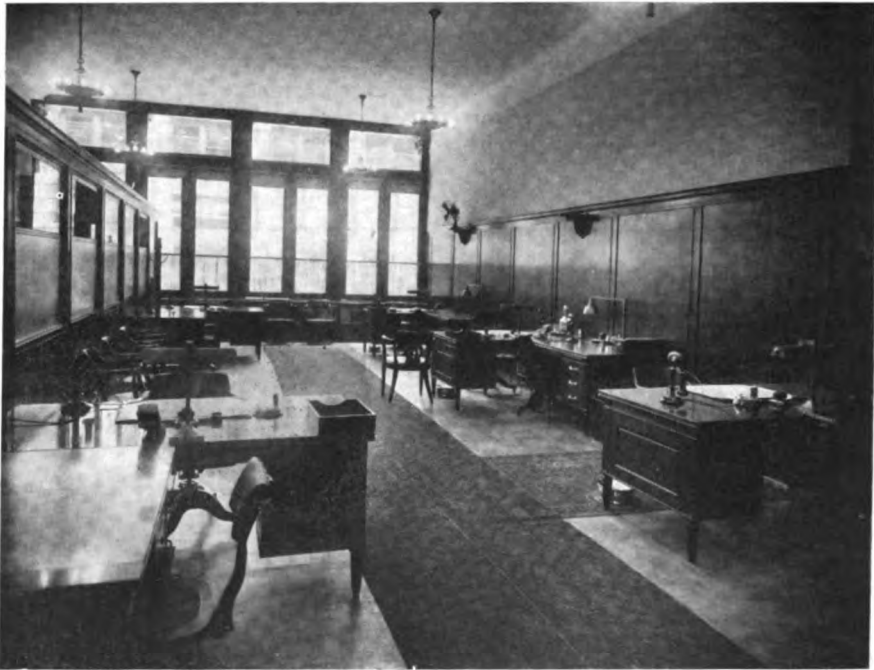
The greatest difficulty foreign countries have to contend with is the financing of their imports. This is the great opportunity for American banks to permanently insure for themselves the most important position they have played so far in international finance. From a debtor nation the United States has become a creditor nation; instead of being dependent upon foreign carriers, its own boats will take its goods to foreign countries, while to quite a large extent dollar payments and dollar credits have taken the place of the pound sterling.

The American Foreign Banking Corporation having been established in November, 1917, under the Federal Reserve Act authorizing national banks to own stock in banks doing foreign business, is called upon to play an important part during the present great reconstruction period. This institution was the first one to take advantage of these particular provisions of the Act, and during the short time it has been in existence has proved a valuable link

between the American banks owning its stock and traders on the one side and



American Foreign Banking Corporation,
53 Broadway, New York



Officers' Quarters, American Foreign Banking Corporation, 53 Broadway, New York

the foreign banks and merchants on the other.

Although the difficulties during the war for the establishment of a bank doing foreign business were quite considerable, the American Foreign Banking Corporation has established, in the short time of its existence, branches at Port au Prince, Haiti; Cristobal, C. Z.; Panama, R. P.; Havana, Cuba; Rio de Janeiro, Brazil; Brussels, Belgium; Harbin, Manchuria; Cali, Colombia, and is contemplating opening branches at Manila, P. I., and Honduras, B. W. I., while a net of agents and correspondents in all other important centers of the world has been established, which places this institution in a position to care efficiently for any kind of banking transactions.

NEW QUARTERS OF THE BANK

The continuous growth, not only of the branches, but also of the home office in New York, obliged the American Foreign Banking Corporation to move to more convenient and more spacious

quarters. It has taken possession of the property at 53 Broadway, where it makes use of three floors. The ground floor is occupied by the officers' quarters, together with the tellers' cages and the discount and bookkeeping departments. On the second floor is the foreign department, branch management, and the directors' room, while the third floor is occupied by the money order, credit, foreign trade, and new business departments. The staff of the home office has increased within the short period of its existence quite considerably.

ASSISTING AMERICAN EXPORTERS AND IMPORTERS

The corporation is efficiently equipped to handle any description of foreign banking business, but is particularly well organized to assist importers and exporters by means of its acceptances made against shipment of goods. During the war the American exporter required a banker's sight credit in New York before shipping. Now, however,

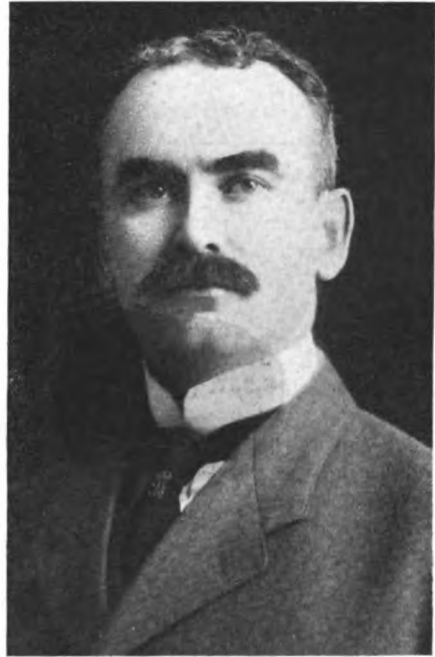
this country will have to meet in finance the competition of European nations which are in the habit of granting long-time credits to the purchaser of their goods. In order to facilitate the foreign importer in the financing of his requirements, the American exporter should ask payment by means of thirty, sixty, or ninety-day sight credits to be established by the foreign buyer. The American Foreign Banking Corporation is in a position to help American exporters and put all facilities at the disposal of foreign banks as well as shippers in this country, in order to help them in financing their shipments by means of its acceptances. The latter are not only confined to export and import shipment, but can also be used to advantage for the financing of goods awaiting shipment (acceptances against domestic documents). In addition to its acceptance facilities, this institution makes it a point to assist its customers in questions of foreign exchange which at this time are presenting many puzzling difficulties to the American merchant, while all matters in connection with foreign trade receive its closest attention and competent service, and the wider the net of its branches becomes the more help can be rendered.

During the short period of existence of this institution, whose president is Mr. Archibald Kains, there have been added to its officers:

Mr. Fletcher, vice-president in charge of the already large number of branches. Mr. Fletcher has acquired a large experience in the Bank of Nova Scotia in connection with branch banking.

Mr. Fleischmann, vice-president in charge of the foreign department, has had long experience in London as manager of a commercial bank, and during his stay in this country was connected with the Guaranty Trust Company of New York.

The continuous growth of the corpo-



ARCHIBALD KAINS
President American Foreign Banking Corporation

ration also necessitated the appointment of quite a number of junior officers.

In its new quarters the American Foreign Banking Corporation has now established an organization which is able to cope with any matters connected with foreign business. It is in a position to help the American trader in connection with the many opportunities the present situation offers, while its aim is to increase the efficiency of its service to its customers and constituent banks so as to enable them to solve the many problems which the great war brought about. Its desire is to continually improve its service and to be of the greatest possible assistance in the furthering of the foreign trade of this country.



The First National Bank in St. Louis

THE new First National Bank in St. Louis, formed by the consolidation of three old St. Louis banks, was visited by more than 50,000 persons during the opening week from July 7 to 12, inclusive.

On Monday, July 7, the day the bank was opened, 18,357 persons called to congratulate the officers and view the floral decorations and bunting which practically covered the exterior of the old Mechanics-American Bank Building and adjoining structures at the southwest corner of Broadway and Locust, in which the new institution is quartered.

In addition to marking the beginning of a new epoch in the financial life of St. Louis, the opening of the bank attracted thousands of visitors, who lingered in the cool corridors of the bank and gave the event the appearance of a patriotic or a community celebration.

The visitors began streaming in as soon as the doors of the bank were opened at 9 o'clock in the morning and continued until long after closing time, 2 p. m. The majority of the visitors observed the request of the bank officials to register and these books of names will be preserved by the Missouri Historical Society. Beautiful paper knives were presented to patrons as souvenirs of the opening.

The floral gifts, which came from all parts of the country and literally transformed the interior of the bank into a flower shop, attracted comment from the visitors and bank officials, who were surprised at the warmth of the welcome friends of the new institution gave. There were about 130 large floral designs placed in the lobbies and on the desks of the officers. For the most part, these flowers came in large baskets containing water, so that the flowers will keep fresh during the entire week. In addition to tributes from the leading financial institutions, flowers were sent

by the regiments of the Home Guards of Missouri and the Red Cross. Each sent a large basket of roses.

One horseshoe was among the collection and the officials put it in a conspicuous position. Probably the most comment was attracted by a large scroll panel of American beauty roses bearing the trade-mark of the First National Bank. This decoration was the gift of the former employees of the Third National Bank to Frank O. Watts, president of the new bank. A tall vase with a planted arrangement, festoons with ivy leaves clustered with sunburst and Russell roses, excited the admiration of the visitors, who, it seemed, never tired of walking about the quarters and admiring the flowers. Among the out-of-town banks which sent gifts were the National City Bank of New York, Corn Exchange Bank and Continental and Commercial National Banks of Chicago, Citizens National Bank of Pine Bluff, Ark., and others throughout the East and Southwest. The newspapers of St. Louis sent floral offerings to the bank.

BUSINESS ACTIVE

But all was not show at the bank. The institution did a lot of business during the week, one of the outstanding transactions being the opening of a commercial account for \$1,000,000, and another for \$350,000 on the first day.

The entire week was designated as "Charter Member Week." A certificate of charter membership was given to all patrons of the banks which formed the new First National—The St. Louis Union, Mechanics-American National Bank and Third National Bank.

The officers of the First National Bank were more than pleased with the reception given during the week by the public of St. Louis and out-of-town friends and correspondents.

N. A. McMillan, one of the three executive managers, said:

The spirit which animated both the visitors and officials was prophetic of a great future for the institution.

Walker Hill, another one of the executive managers, said:

There is promise, however, of this distinct difference—that business ventures of today are on a much more extensive scale and involve a vastly larger aggregate of capital than those following the Civil War period.

The First National Bank in St. Louis was, therefore, organized to be in a position to meet the increasingly large demands which will be made on financial institutions,



Temporary Home of the First National Bank in St. Louis

I considered the week an epoch in my long banking career and now St. Louis will not have to take its hat off to anything in New York or Chicago.

F. O. Watts, president and executive manager of the bank, said:

The organization of the First National Bank in St. Louis is, in the opinion of those who are responsible for its formation, a response to the developing needs of St. Louis as the rapidly growing industrial and commercial center of the Mississippi Valley.

It is a common belief that history repeats itself, but whether or not this is true, it would seem that the United States is on the eve of a period of industrial and business development similar to that which followed the Civil War.

and yet at the same time, there has been retained in the merged bank all those characteristics and facilities to make it possible to take care of the business and needs of the smallest depositor.

The spirit of the organization is such that the same personal relations as were associated with each of the three merged institutions will be maintained in this new organization.

Not the least important of the new demands which will be made on financial institutions is that connected with our foreign trade. The Mississippi Valley will share largely in this increase of our foreign trade and especially with that part of it to Mexico, the Central Americas and South America.

St. Louis is strategically located in the



Leading Officers First National Bank in St. Louis. Left to right: F. O. Watts, Executive Manager and President, N. A. McMillan and Walker Hill, Executive Managers

great Mississippi Valley, to control a large amount of domestic and foreign business; its transportation facilities, both land and water, constitute a wonderful asset in making it a manufacturing and assembling and distributing center.

There is not another region in the world so rich in natural resources, so highly developed in a modern industrial way and of such large area as that which is tributary to the city of St. Louis. Notwithstanding the present great industrial development of this region, its purely domestic trade and business will increase greatly during the next decade. Not only will the countries to the south need large amounts of raw and manufactured commodities, but there will also be a great demand for capital to develop their natural resources.

Richard S. Hawes, formerly vice-president of the Third National Bank and one of the vice-presidents of the new bank, said:

It is especially pleasing to find so many out-of-town merchants interested in the opening of the First National Bank. Its administration will be national and its vision international.

Large business firms requiring larger accommodations than has been previously available will find a natural avenue of business into St. Louis through the new bank, and the consequence of it will be increased business for the merchants of this city.

Eight thousand visitors—housewives and wage-earners for the most part—

thronged the Savings Department of the bank Thursday, July 10, which was designated "Savings Depositors' Day." Marvin E. Holderness, vice-president, and A. H. I. Kuhn, manager of the savings department, were the most popular men in the institution on this day, greeting the savings account friends of the new bank. Three hundred new accounts were opened during the day.

PROMOTION OF OFFICERS

The executive managers of the new bank announced four promotions during opening week. Jos. S. Calfee, formerly cashier of the Mechanics-American National Bank; J. R. Cooke, formerly assistant cashier of the Third National Bank, and James R. Leavell, formerly assistant cashier of the Mechanics-American National Bank, were elected vice-presidents, and Chas. L. Allen, formerly assistant cashier of the Mechanics-American National Bank, was made cashier of the new bank.

The history-making event of the opening day was the first meeting of the board of directors of the new bank, who met at 10 o'clock in the morning and elected the following officers: N. A. McMillan, Walker and F. O. Watts,

executive managers; F. O. Watts, president; Richard S. Hawes, Walter W. Smith, F. K. Houston, E. C. Stuart, M. E. Holderness, W. F. Gephart, J. R. Cooke, W. T. Ravenscroft, C. E. French, F. V. Cubrouillet, Byron W. Moser, Frank O. Hicks, Joseph S. Calfee, J. R. Leavell, vice-presidents; Charles L.

Beggs, William K. Bixby, Robert S. Brooking, Geo. W. Brown, August A. Busch, L. Ray Carter, Ephron Catlin, B. B. Culver, W. H. Danforth, John T. Davis, F. B. Eiseman, John D. Filley, S. W. Fordyce, Philip B. Fouke, John Fowler, S. H. Fullerton, Warren Goddard, Benjamin Gratz, John L. Green,



First meeting of the Board of Directors of the new First National Bank in St. Louis which was held Monday, July 7th. Left to right standing : Wallace D. Simmons, L. Ray Carter, James F. Ballard, John B. Kennard, J. Clark Streett, George W. Simmons, M. E. Singleton, J. Y. Lockwood, Eugene H. Angert, Robert McK. Jones, John E. Davis, John L. Green, H. H. Lagenberg, Joseph S. Calfee. Left to right seated : B. B. Culver, Warren Goddard, E. K. Ludington, W. A. Layman, A. J. Siegel, N. A. McMillan, Executive Manager; Walker Hill, Executive Manager; F. O. Watts, Executive Manager, and President; James E. Smith, E. D. Nims, H. L. Parker, Benjamin Gratz and George Warren Brown

Allen, cashier; F. L. Denby, C. Hobart Chase, C. B. Schmidt, Richard L. King, D'A. P. Cooke, H. Haill, A. W. Haill, assistant cashiers; William C. Tompkins, auditor; H. R. Crock and R. I. Henderson, assistant auditors; Natt T. Wagner, manager bond department; A. H. L. Kuhn, manager savings department; Noble R. Jones, manager new business department; H. M. Morgan, assistant manager new business department; Bruce Ramsey and E. G. Coffman, special representatives.

The board of directors is as follows: Eugene H. Angert, W. C. Arthur, James F. Ballard, Joseph D. Bascom, John I.

Norris B. Gregg, E. W. Grove, Walker Hill, Jackson Johnson, Robert Mck. Jones, John B. Kennard, H. H. Langenberg, W. A. Layman, James Y. Lockwood, E. M. Ludington, Edw. Mallinckrodt, N. A. McMillan, E. D. Nims, H. L. Parker, John F. Shepley, Moses Shoenberg, A. J. Siegel, Geo. W. Simmons, Wallace D. Simmons, M. E. Singleton, J. E. Smith, J. Clark Streett, M. B. Wallace, F. O. Watts, Thos. H. West.

As a mark of loyalty to the executive managers, each of the 600 employes of the three banks brought a new cus-

tomers to the First National on the opening day

Invitations to 4,000 out-of-town correspondents' banks in all parts of the Eighth Federal Reserve District were extended to be the guests of the executive managers and officers Saturday, July 12. A special programme was arranged which included a luncheon at the Missouri Athletic Association at 12:30 o'clock. The day was designated as "Country Bankers' Day."

IMPROVEMENTS IN THE BUILDING

A large force of carpenters worked day and night for more than a month remodelling the Mechanics-American Building and adjoining buildings of the temporary home at Broadway and Locust streets, which gives the institution 41,000 square feet of floor space. This location will be the temporary home of the First National Bank until the new building proposed at the north west corner of Seventh and Locust streets, to be used exclusively by the bank and the St. Louis Union Trust Company, will be ready for occupancy.

With the rearrangement of the banking room of the Mechanics-American National and the additional space, the three banks will be able to handle all classes of business to excellent advantage. The number of tellers' windows of the commercial banking room have been increased from sixteen to fifty. The force of tellers will be larger than that of the three individual banks combined and in addition there will be two special payroll tellers with telephone service. The entrances will be at 323 North Broadway and 506 Locust street.

The savings department will occupy the building south of the Mechanics-American Building and will be connected with the commercial banking room by broad corridors. The entrance of the savings department will be at 309 North Broadway. There will be ample lobby for this department and ten tellers' windows and accommodation for four officers.

The ground floor at 511 Olive street has been obtained and later will serve as an entrance to both the savings de-

partment and the commercial banking room. The Liberty Bond department will also be in this room. The bond department, for the present, will occupy quarters at 301-310 Third National Bank Building and will later be moved to 511 Olive street.

A new mezzanine floor in the commercial banking room, the entire third floor of the Mechanics-American Bank Building and the entire second and third floors of 309 North Broadway will give sufficient working space for the 600 clerks of the new institution.

THE NEW BALANCE SHEET

What an important place the First National Bank occupies among the financial institutions of the country may be seen from the accompanying balance sheet, giving the condition of the bank as of July 12:

FIRST NATIONAL BANK IN ST. LOUIS (Consolidation of St. Louis Union Bank, Mechanics-American National Bank, and Third National Bank)

CONDENSED STATEMENT, JULY 12, 1919

RESOURCES	
Loans and dis- counts	\$74,004,281.63
Acceptances of other banks discounted ...	4,525,715.47
	\$78,529,997.10
United States certificates of indebtedness	4,972,500.00
United States bonds to secure circulation	2,250,000.00
U. S. securities borrowed....	1,479,000.00
Other United States securities	1,029,547.36
Liberty loan bonds purchased account customers	1,892,693.34
Other bonds	11,536,842.33
Stock in Federal Reserve Bank	420,000.00
Judgments, claims, etc.....	367.33
Furniture and fixtures and im- provements	120,378.00
Other real estate owned.....	3,087,916.01
Customers' liability under let- ters of credit.....	40,658.21
Customers' guaranteed liabil- ity under travelers' checks.	275.00
Customers' liability under ac- ceptances	2,706,115.32
Interest earned, uncollected..	286,638.21
Cash and sight exchange.....	46,263,210.23
	\$154,616,138.44

LIABILITIES

Capital	\$10,000,000.00
Surplus and profits.....	5,553,464.83
Unearned discount	557,391.48
Circulation	2,090,897.50
Letters of credit.....	40,658.21
Travelers' checks	3,315.00
Acceptances	2,706,115.32
U. S. securities borrowed....	1,479,000.00
Reserve for interest, taxes, etc.	14,470.86
Other liabilities	2,718.79
Bills payable at Federal Reserve Banks	6,700,000.00
Rediscount with Federal Reserve Banks	2,734,848.18
U. S. deposits..	\$3,583,615.04
Other deposits..	119,149,643.23
<hr/>	
Total deposits.....	\$122,733,258.27
	<hr/>
	\$154,616,138.44

New Home of the Seaboard National Bank, New York

THE new Seaboard National Bank building, which is about to be erected on the northeast corner of Broad and Beaver Streets, New York, will be a monumental individual building for the exclusive use of the bank.

The exterior is to be of limestone with polished granite columns and the building will have two main floors where the public will have access to the officers of the bank. The third floor will be given up partially to the public and partially to the bank's employees. The fourth floor will be used for recreation rooms, dining rooms, etc., and the bank is equipping itself to care for any of the various banking developments of this reconstruction period. Alfred C.



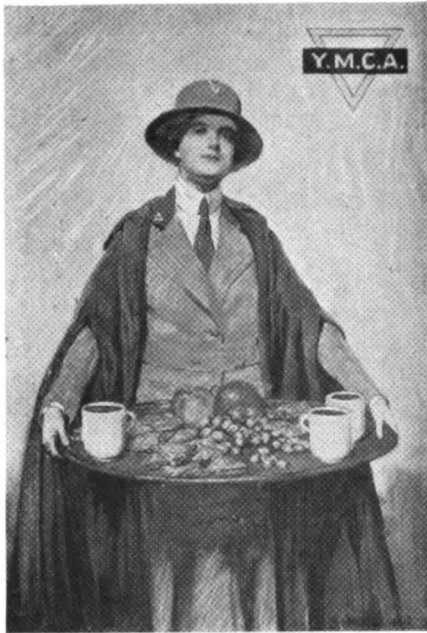
The proposed New Building of the Seaboard National Bank, at Broad and Beaver Streets, New York

Bosom of New York is the architect. Work on the building will be started at once.



The "Y" Girl, Big Sister to the American Doughboys

BEING big sister to four million soldiers was no small job, but the Y. M. C. A. girls who undertook it found it was a satisfying one, for, however the American boys had teased their sisters at home, pulling their hair and mimick-



The "Y" Girl

ing their airs, they treated their "Y" sisters in France like veritable queens.

There were 2,500 of these big sisters, girls who donned the uniform of the Y. M. C. A., sailed across dangerous seas, and landed in France to brave hunger, fatigue, exposure, and shell fire just for the sake of "doing something for the boys." Some were college girls, some were gray-haired mothers, some were society girls, some were working women, but all knew and loved that specimen of the human race, the Amer-

ican boy, and all went over to dedicate themselves to that boy's happiness and welfare.

And the American boy responded by adopting the "Y" woman as his favorite heroine. Wherever she was, the crowd of khaki was thickest. Whatever she said went. No matter what she looked like, she was always beautiful to him. Whatever she wanted, she got. The A. E. F. had found out some of the ugliness of war, but it was just as quick to discover its beauties. And the girl in the "Y" uniform was regarded as a special, extraordinary blessing.

The "Y" woman earned first place in the soldier's heart by being to him anything he wanted. If he were depressed, she cheered him; she was always a jolly sort and good fun. If he were elated, she helped him celebrate. If he wanted to talk, she became an ear. If he wanted something to eat, she could always "rustle" it for him. If he wanted a word of sympathy or advice, she gave it. Or, if he just wanted to look at an American woman for the pleasure of it, she was there, with her American smile, her American-made clothes, and she was the best thing to look at in all France—take it from the doughboy!



National Bank of South Africa Opens 100 New Branches

ACCORDING to information conveyed in a cablegram to R. E. Saunders, Esq., New York agent of the National Bank of South Africa, Ltd., that institution opened over 100 new branches and sub-branches on August 1st, giving the bank a total of over 400 branches.

The addition of so many new offices all at once shows the activity of the National Bank of South Africa in keeping well up with the demand for additional banking facilities.

The National Bank of South Africa, Ltd., has paid-up capital and reserves of over \$20,000,000, while its resources exceed \$280,000,000.

Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



UNION COMMERCE *National Bank* OF CLEVELAND

Capital, Surplus and Undivided

▼ Profits \$7,500,000.00 ▼

IF you have any banking business to transact in the Cleveland district, you can obtain prompt, courteous and co-operative service at this strong bank.

We invite the business of banks and bankers in the knowledge that our complete facilities will render an account, once established, of mutual and permanent satisfaction and profit.

OFFICERS

WARREN S. HAYDEN	Chairman	HARRY E. HILLS	Asst. Cashier
GEORGE A. COULTON	President	CARL R. LEE	Asst. Cashier
GEORGE S. RUSSELL	Vice Pres.	FRANK A. WHITE	Asst. Cashier
WILLIAM E. WARD	Vice Pres.	FRED W. COOK	Asst. Cashier
CHARLES L. BRADLEY	Vice Pres.	GEORGE Q. HALL	Asst. Cashier
ELMER E. CREWELL	Vice Pres.	EZRA W. BOURNE	Asst. Cashier
WALTER C. SAUNDERS	Cashier	JAMES DUNN, Jr.	Mgr. Income Tax Dept.

UNDER JOINT OWNERSHIP WITH
THE CITIZENS SAVINGS AND TRUST CO.
COMBINED RESOURCES OVER \$145,000,000.00

Banking and Financial Notes

J. A. BRODERICK LEAVES FEDERAL RESERVE BOARD TO BECOME VICE-PRESIDENT OF NATIONAL BANK OF COMMERCE IN NEW YORK

Joseph A. Broderick, Secretary of the Federal Reserve Board and Chief Examiner of Federal Reserve Banks, has severed his connection with that body in order to become a vice-president of the National Bank of Commerce in New York.

Mr. Broderick was a member of the original committee appointed by the Secretary of the Treasury to work out proposals for the technical organization of the Federal Reserve Banks. Upon

the organization under the plans proposed by this committee of the Federal Reserve Banks, he was made chief examiner in August, 1914. He later succeeded H. Parker Willis as secretary



The Branch
Our first President

Merchants National Bank

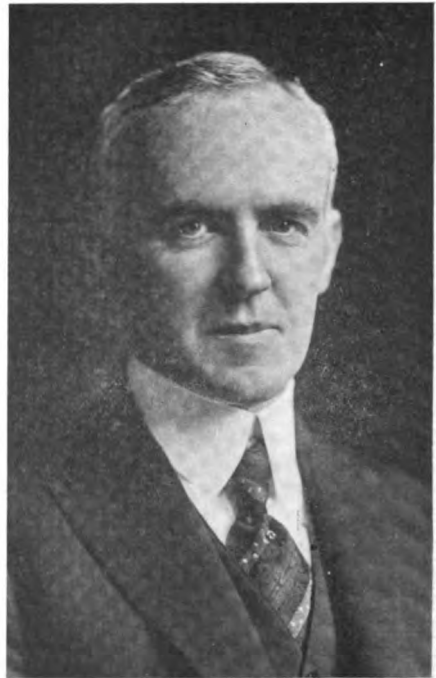
RICHMOND, VA.

Capital \$400,000
Surplus and Profits over 1,600,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"



JOSEPH A. BRODERICK
Vice-President National Bank of Commerce in
New York

of the board, at the same time continuing in charge of all examination work. In this capacity he has, at various times, examined each of the twelve Federal Reserve Banks.

He was born in New York city thirty-seven years ago and went to school here. He began his banking career as an office boy with the old State Trust Company, which later became the Morton Trust Company. At the age of twenty-eight he became an examiner for the New

**Unexcelled Facilities
Unvarying Courtesy
Absolute Safety**
are accorded every customer.

We are seeking new business on our record.

**The
Chemical National Bank
of New York**

(Established 1824)

York State Banking Department and two years later went to Europe to study foreign branches in American banks and to apply a system of examination of foreign exchange departments which he had developed. He also organized the credit bureau of the department. He rendered conspicuous service when, as a result of his investigations, three prominent banks in this state were closed on charges of mismanagement and irregular practices. Later he aided Charles S. Whitman, then district attorney, in the preparation of the cases against the bankers responsible for the failure of these institutions.

He is a member of the New York Credit Men's Association and has also been prominent in the educational work of the American Institute of Banking.

**NEW VICE-PRESIDENT OF HANOVER
NATIONAL BANK**

William H. Suydam, manager of the foreign department of the Hanover National Bank of New York, has been

elected vice-president and manager of the foreign department of that bank. Mr. Suydam has been connected with the Hanover National Bank for twenty-seven years, having entered its service as a boy.

**FRANZ MEYER MADE ASSISTANT CASHIER
OF THE NATIONAL BANK OF COM-
MERCE IN NEW YORK**

Franz Meyer has been appointed assistant cashier and manager of the foreign department of the National Bank of Commerce in New York, and Manfred Barber, assistant manager of the department.

Mr. Meyer came to the bank in 1907 as draft clerk and subsequently was made manager of the foreign department. He is master of seven languages. In 1918 he entered into the army, and returned to the bank upon his discharge. He is thirty-two years old.

Mr. Barber has been an auditor for the last two years in the foreign de-

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$700,000

OFFICERS

JULIAN P. FAIRCHILD, D. W. McWILLIAMS, WILLIAM J. WASON, JR.,	} Vice-Presidents	JULIAN D. FAIRCHILD, <i>President</i> THOMAS BLAKE, <i>Secretary</i> HOWARD D. JOOST, <i>Assistant Secretary</i> J. NORMAN CARPENTER, <i>Trust Officer</i> GEORGE V. BROWER, <i>Counsel</i>
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ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS

partment. He was formerly auditor of the Central Bank and Trust Corporation of Atlanta, Ga., and before that was manager of one of the branches of the Bank of Hamilton, Toronto, Canada.

MERCANTILE BANK OF THE AMERICAS

As shown by its statement of July 15, 1919, the Mercantile Bank of the Americas has a total balance-sheet of \$41,683,551.40. Its current accounts on the date named were \$8,615,201, acceptances outstanding \$15,594,515, and loans and advances \$26,548,451. The capital stock is \$5,000,000, surplus \$1,775,000, and undivided profits, after payment on July 1 of a dividend at the rate of eight per cent. per annum, \$501,506.

The Mercantile Bank of the Americas, which is an American bank specifically organized for developing foreign trade, has its head office in New York, with other offices at Paris, France, and Barcelona, Spain. It has affiliated banks in Colombia, Peru, Venezuela, Brazil, Nicaragua, Cuba and Honduras, and agencies in Ecuador, Costa Rica, Salvador, Guatemala, China, Japan, England and the Philippines.

BANKERS TRUST CO. PURCHASES ADDITIONAL PROPERTY

The Bankers Trust Company of New York has purchased from the Empire Trust Company the property No. 7 Pine street which is now occupied by a ten-story building. The lot has a frontage

of twenty-one feet on Pine street with a depth of seventy-three feet and two inches. Albert B. Ashforth represented the Bankers Trust Company in this deal and Brown, Wheelock & Co. represented the Empire Trust Company. The Bankers Trust Company purchased two months ago the seven-story Astor building at 10 and 12 Wall street, and this purchase of No. 7 Pine street completes its holdings for a site for the new, extension of the Bankers Trust Company building.

DIVIDEND OF BANK OF BRITISH WEST AFRICA

R. R. Appleby, New York agent of the Bank of British West Africa, Ltd., has received a cablegram advising that the directors have declared a final dividend of four and one-half per cent., making a total of eight per cent. for the year, plus a one per cent. bonus.

NATIONAL BANK OF COMMERCE IN NEW YORK APPOINTS TWO NEW ASSISTANT CASHIERS

The appointment of two new assistant cashiers, Emanuel C. Gersten and William F. Hofmayer, is announced by the National Bank of Commerce in New York. Both appointments are promotions, for the new officers have worked their way up in the service of the bank.

Mr. Gersten came to the National Bank of Commerce in New York in 1910 as a messenger and since that time has had experience in nearly

"The Bank That Service Built"

THE

SEABOARD NATIONAL BANK

OF THE CITY OF NEW YORK

Capital	\$1,000,000
Surplus and Profits (Earned)	3,972,000
Deposits	66,063,000

S. G. BAYNE, President

C. C. THOMPSON, Vice-President

O. M. JEFFERDS, Asst. Cashier

B. L. GILL, Vice-President

C. C. FISHER, Asst. Cashier

W. K. CLEVERLEY, Vice-President

J. D. SMITH, Asst. Cashier

L. N. DeVAUSNEY, Vice-President

B. I. DADSON, Asst. Cashier

C. H. MARFIELD, Cashier

J. E. ORB, Asst. Cashier

DIRECTORS

SAMUEL G. BAYNE

HENRY C. FOLGER

JOSEPH SEEP

WILLIAM K. CLEVERLEY

BENNETT L. GILL

CHARLES C. THOMPSON

EDWARD J. CORNISH

EDW. H. R. GREEN

DAVID H. E. JONES

HENRY WHITON

PETER McDONNELL

ROBERT J. CALDWELL

The success of this bank is founded upon a policy of painstaking, efficient and courteous service to all

ACCOUNTS INVITED

every branch of bank work. He has been in charge of the loan department since 1917. He was born in New York and is twenty-eight years old.

Mr. Hofmayer joined the bank in December, 1917, as bond auditor. Previous to that he had been assistant secretary of the Paterson Safe Deposit and Trust Co., of Paterson, New Jersey. He rose to assistant manager of the bond department and was made manager last June 6. He was born in Paterson, New Jersey, in 1891.

**MANAGER SYNDICATE DEPARTMENT
KNAUTH, NACHOD & KUHNE**

Dating from July 28, William C. Bradley will be associated with Messrs. Knauth, Nachod & Kuhne of New York as manager of the syndicate department. During the war Mr. Bradley represented the war finance corporation as director and treasurer of the Rollin Chemical Company of Charleston, West Virginia. Prior to his taking up war work he

was manager of the bond department of the Guaranty Trust Company of New York.

SPECIAL BONUS TO MEET H. C. L.

The Guaranty Trust Company of New York announced on July 28 that in order to assist the members of its staff in meeting the continuing high cost of living, the executive committee of the board of directors had authorized an immediate distribution of an amount equal to ten per cent. of annual salaries to the junior officers and employees of the company. This payment is exclusive of and in addition to the distribution under the profit-sharing plan in the course of the year.

ASSISTANT SECRETARY ASIA BANKING CORPORATION

F. W. Schmid is a new assistant secretary of the Asia Banking Corporation, New York. Mr. Schmid was formerly with the foreign department of the Guaranty Trust Company of New York,

THE
**CHATHAM
 AND
 PHENIX**

**NATIONAL
 BANK**
 OF THE
 CITY OF NEW YORK

100 YEARS OF COMMERCIAL BANKING

	LOUIS G. KAUFMAN, President
	GEORGE M. HARD, Chairman
FRANK J. HEANEY Vice-President	RICHARD H. HIGGINS Vice-President
WILLIAM H. STRAWN Vice-President	BERT L. HASKINS Vice-Pres. and Cashier
NORBORNE P. GATLING Vice-President	C. STANLEY MITCHELL Vice-President
H. A. CLINKUMBROOMER Vice-President	ROLFE E. BOLLING Vice-President
MAX MARKELL Vice-President	GEORGE R. BAKER Vice-President
WILLIAM MILNE Vice-President	WALLACE T. PERKINS Vice-President
JOHN B. FORSYTH Vice-President	HENRY L. CADMUS Asst. Cashier
WALTER B. BOICE Asst. Cashier	HENRY C. HOOLEY Asst. Cashier
VINTON M. NORRIS Asst. Cashier	JOSEPH BROWN Asst. Cashier
	HARVEY H. ROBERTSON Asst. Cashier

ACCOUNTS INVITED

RESOURCES 150 MILLION DOLLARS

MEXICAN INTERNATIONAL CORPORATION

Prominent capitalists have organized the Mexican International Corporation, whose offices will be maintained in New York and Mexico City, with a capital of \$1,125,000. Its objects are thus set forth:

(1) The investigation of existing enterprises to determine their physical and financial condition, management and future prospects, and the development therefrom of plans for refinancing and extension which will procure for the corporation an interest in the enterprise; (2) the investigation of proposed enterprises to determine their merit, probable cost and future prospects, and the development therefrom of plans for the financing, construction, management and ultimate disposition of the enterprise; (3) the investment in, underwriting and organization of underwriting syndicates for the development and operation of such enterprises in Mexico as may be approved by the corporation. Should developments indicate the necessity therefor, the corporation will establish a service department to furnish information and service of a character in keeping with its purposes.

The officers of the corporation will be: President, Thomas A. Gillespie, president of T. A. Gillespie Company; vice-presidents, George J. McCarty, president of the Mercantile Banking Company, Ltd., of Mexico City, and H. S. Brown. Mr. McCarty will be in charge of the corporation's offices and organization in Mexico City, while Mr. Brown will be in charge of the offices and organization in New York.

The board of directors of the corporation will be composed of Harvey D. Gibson, president of the Liberty National Bank, New York; Thomas H. Gillespie, George J. McCarty, Grayson M.-P. Murphy, vice-president of the Guaranty Trust Company of New York; James H. Perkins, vice-president of the National City Bank, New York; William C. Potter, of Guggenheim Bros.; Charles S. Sargent, Jr., of Kidder, Peabody & Co.; Eugene V. R. Thayer, president of Chase National Bank, New York, and H. S. Brown.

**INCREASED CAPITAL OF MERCHANTS
 NATIONAL, NEW YORK**

The Merchants National Bank of New York has increased its capital stock by \$1,000,000, the capital now standing at \$3,000,000, and the surplus and profits at \$3,000,000.

**STAMP TAXES ON TIME DRAFTS AND
 PROMISSORY NOTES**

Liberty National Bank of New York has issued a booklet which covers the interpretations applying to stamp taxes on time drafts and promissory notes as contained in part in the Regulations No. 55, recently promulgated under Schedule A6, of Title XI, of the Revenue Act of 1918.

In view of the many questions arising as to the requirements in special cases and otherwise, the booklet is is-



In New York

A strong, live, progressive institution of 90 years standing offers out-of-town banks a New York service designed to fulfill every requirement

Phineas C. Lounsbury, Chairman
Herrnan D. Kountze, President
Edward K. Cherrill, Vice-Pres.
Gilbert H. Johnson, Vice-Pres.
Kimball C. Atwood, Vice-Pres.
Charles F. Junod, Vice-Pres.
Frank E. Andrus, Cashier
John P. Laird, Asst. Cashier
John H. Brennan, Asst. Cashier
John H. Trowbridge, Asst. Cashier

ATLANTIC
National Bank
Broadway-Opposite City Hall

sued with the hope that it may prove of value to banking and commercial interests generally.

TRUST DEPARTMENT FOR FIFTH AVENUE BANK

The Fifth Avenue Bank of New York announces the opening of its new trust department under powers recently granted by an act of the Legislature. Through that department, which will be a department of the bank and under the same management, the bank will act as executor, trustee, guardian and in other fiduciary capacities.

FORMER PRESIDENT OF FEDERAL LAND BANK OF SPRINGFIELD, MASS., BECOMES PRESIDENT OF COSMOPOLITAN BANK OF NEW YORK

At a recent meeting of the board of directors of the Federal Land Bank of Springfield, Mass., Leonard G. Robinson, president, handed in his resignation as president and director, to become ef-

fective June 30. At the same meeting E. H. Thomson of Delhi, N. Y., was elected director and president to succeed Mr. Robinson. The latter resigned to become president of the Cosmopolitan Bank of New York, entering on his new duties July 1.

Mr. Robinson was born in Russia in 1875 and came to this country in 1890 at the age of fifteen. He was educated at the Mt. Hermon School, Mt. Hermon, Mass.; Philips Exeter Academy, Exeter, N. H.; Adelphi Academy, Brooklyn, N. Y.; and was graduated from Harvard in 1902. He taught modern languages at the Princeton Preparatory School, Princeton, N. J.; Trinity Hall, Washington, Pa., and Trinity School, New York city. He entered the New York Law School in 1904 and was graduated and admitted to the New York Bar in 1906.

In 1905, while still in the Law School he became associated with the Jewish Agricultural and Industrial Aid Society and was appointed General Manager in

*Announcing
the opening of over*

100 New Branches in Africa

Mr. R. E. Saunders, New York Agent of the National Bank of South Africa, Ltd., has received the following cable from the bank's head office:

Following new Branches opened August 1st:

IN CAPE PROVINCE.

Alice
Carnarborn
Colesberg
Fort Beaufort
Joubertina
Komgha
Mountayliff
Newbethesda
Quobe
Sterkstroom
Upington
Willowmore

Bellville
Cathcart
De Aar
George
Kerkwood
Long Street, Cape Town
Mowbray
Piquetberg
Richmond
Swellendam
Victoria West
Worcester

Bizana
Ceres
Elliott
Hopetown
Knysna
Montague
Muizenberg
Postmastburg
Sandflats
Ugie
Vosburg

IN TRANSVAAL.

Brites
Greylingstad
Hendrina
Nelspruit
Zwaartraggens

Delmas
Grootmarice
Momatipoort
Ottosdal

Duivelskloof
Hartebeestfontein
Loeuwdoorns
Vrededorp

IN NATAL.

Dalton
Winterton
Grey Street (Durban)

Daanhauser
Newhanover

Hattingspruit
Pinetown

IN ORANGE FREE STATE.

Bushmanskop
Lindleyroad

Cornelia
Rendezvous

Etienville

IN SWAZILAND.

Eladlxu

Also 47 sub-branches relative to the above.

Over 400 Branches

Paid Up Capital & Reserves . Exceed \$20,000,000.00
Resources Exceed \$280,000,000.00

The National Bank of South Africa, Ltd.

R. E. SAUNDERS, Agent

10 Wall Street

New York

1907. While with that society he was instrumental in establishing over 3000 immigrant families upon farms throughout the United States and organized the first rural credit unions—the coöperative credit association of the Raiffeisen type on American soil.

A keen student of agricultural eco-



LEONARD G. ROBINSON
President Cosmopolitan Bank, New York

nomics and finance, both in this country and Europe, he became one of the earliest pioneers in the so-called rural credits movement in this country. He was an aggressive advocate of Federal legislation to improve the credit facilities of the American farmer and assisted in shaping the Federal Farm Loan Act during its two years of struggle in Congress. When the act became law he was invited to assume the presidency and to organize the Federal Land Bank of Springfield which serves the six New England states, New York and New Jersey.

Mr. Robinson is well known in finan-

cial circles as a student of economics and finance and as a writer and speaker on the subject.

LONG SERVICE HONORED

Robert F. M. Luyster, senior paying teller, on July 1, 1919, completed fifty years of service with the Citizens National Bank of New York and the board of directors have placed him upon the reserve force, continuing his salary. The officers and clerks, with whom Mr. Luyster is very popular, presented him on his retirement with a handsome gold watch and fob. Edwin S. Schenck, president of the bank, made the presentation speech.

ASSISTANT CASHIERS CITIZENS NATIONAL, NEW YORK

At a recent meeting of the board of directors of the Citizens National Bank of New York, Samuel Shaw, Jr., and Robert E. Scott were appointed assistant cashiers. Both Mr. Scott and Mr. Shaw have been with the bank for many years, the latter beginning twenty-seven years ago as a messenger for the old Ninth National before its consolidation with the Citizens. He has filled virtually every position in the bank up to that of assistant cashier to which he was just appointed. Mr. Scott began his business career with the Citizens fourteen years ago, during ten of which he has specialized in credit work, latterly being manager of that department. In his new position Mr. Scott will continue to specialize in credit work and will look after much of the credit business passing through the Citizens National Bank.

NEW YORK CORPORATION FRANCHISE TAX LAW

The Equitable Trust Company of New York has issued a booklet containing the complete text of the New York State Corporation Franchise Tax Law, as amended 1919.

The text of the law is supplemented by marginal references and index. This corporation income tax is based upon the net incomes of corporations and

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	- - - - -	\$10,000,000
Surplus and Profits	- - - - -	18,478,000
Deposits (June 30, 1919)	- - - - -	381,639,000

A. BARTON HEPBURN, Chairman of the Advisory Board
 ALBERT H. WIGGIN, Chairman of the Board of Directors

EUGENE V. R. THAYER, President

SAMUEL H. MILLER,	Vice-President	WILLIAM P. HOLLY,	Asst. Cashier
EDWARD R. TINKER,	Vice-President	GEORGE H. SAYLOR,	Asst. Cashier
CARL J. SCHMIDLAPP,	Vice-President	M. HADDEN HOWELL,	Asst. Cashier
GERHARD M. DAHL,	Vice-President	S. FREDERICK TELLEEN,	Asst. Cashier
ALFRED C. ANDREWS,	Cashier	ROBERT I. BARR,	Asst. Cashier
CHARLES C. SLADE,	Asst. Cashier	SEWALL S. SHAW,	Asst. Cashier
EDWIN A. LEE,	Asst. Cashier	LEON H. JOHNSTON,	Asst. Cashier
WILLIAM E. PURDY,	Asst. Cashier	OTIS EVERETT,	Asst. Cashier
CHARLES D. SMITH	Asst. Cashier	GEORGE E. SCHOEPPS,	Asst. Cashier

DIRECTORS

H. W. CANNON	J. N. HILL	E. R. TINKER	E. V. R. THAYER
A. B. HEPBURN	D. C. JACKLING	H. B. ENDICOTT	C. J. SCHMIDLAPP
A. H. WIGGIN	F. A. SAYLES	E. T. NICHOLS	G. M. DAHL
J. J. MITCHELL	C. M. SCHWAB	N. CARLTON	A. FLETCHER
G. E. TRIPP	S. H. MILLER	F. H. ECKER	

WE RECEIVE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT

changes the law of 1918 by applying the tax to all corporations doing business in the state and not specifically exempted. Copies of this booklet may be obtained free of charge upon application to the Equitable Trust Company of New York.

GUARANTY TRUST COMPANY KEEPS ON GROWING

The statement of the Guaranty Trust Company of New York, issued July 9, 1919, as of June 30, shows total resources of \$821,084,399.78, compared with \$754,422,617.33 at the time of the last previous statement, on February 21, and with \$697,040,585 on June 20, 1918. This is an increase of \$66,661,782.45 in a little more than four months, and of \$124,043,814.78 in the last year.

Deposits with the company now total \$661,914,893.52, as compared with \$582,219,167.83 on February 21 last, an increase of \$79,695,725.69, and with \$563,768,442.32 on June 20, 1918, an increase of \$98,146,451.20.

IRVING TRUST COMPANY BUYS NATIONAL CITY BANK OF BROOKLYN

Purchase of the National City Bank of Brooklyn by the Irving Trust Company has recently announced, and the business of the seventy-year-old Brooklyn institution has been consolidated with that of the latter. The management of the Irving's New Brooklyn office will remain in the hands of its former officers, Henry M. Wells becoming a vice-president and director of the Irving Trust, D. Irving Mead a vice-president, and Ralph R. Wardell an assistant secretary of the Irving Trust Company. The board of directors of the National City will also continue to serve as an advisory board in charge of the business of the Irving's Brooklyn office.

Acquisition of the National City Bank gives the Irving Trust a third Brooklyn branch, the Flatbush office, at Flatbush and Linden Avenues, providing for that district the service the new Brooklyn office will supply to the downtown busi-

ness section. There is an Irving office at New Utrecht and one at Long Island City.

The National City Bank of Brooklyn was organized in 1850; its charter was one of the first issued under the National Banking Act. Its capital stock has been \$300,000, its surplus and undivided profits \$598,079.34 and its total resources on May 12 were \$10,251,203.16. With extended scope and increased facilities it will be able to serve the expanding commercial interests of Brooklyn even more effectively than in its long and honorable career as a national bank.

NEW NETHERLAND TO INCREASE CAPITAL

A special meeting of the stockholders of the New Netherland Bank of New York will act upon the recommendation of the directors to increase the capital from \$300,000 to \$600,000. This action will result in doubling the bank's capital and surplus, which will then be in excess of \$1,200,000. The Thirty-fourth Street Safe Deposit Company is owned by the New Netherland Bank, and W. F. H. Koelsch is president of both institutions.

MR. JAY GOES WITH THE MORGAN FIRM

J. P. Morgan & Co. announced that Nelson Dean Jay, who has been vice-president of the Guaranty Trust Company since November, 1916, would enter the Paris firm of Morgan, Harjes & Co. Mr. Jay was born at Elmwood, Ill., in 1883, and was graduated from Knox College at Galesburg in that State. Before coming to New York as manager of the bond department of the Guaranty Trust Company in July, 1915, he was vice-president of the First National Bank of Milwaukee, where he was in charge of that institution's bond business. For more than a year, from October, 1917, to December, 1918, he was in France as assistant purchasing agent for the American Expeditionary Forces and received promotion from the rank of Captain to that of Lieutenant-Colonel. He was decorated by the French Government.



Developed through the growth and experience of more than half a century

The First National Bank of Chicago

James B. Forgan, Chairman of the Board
Frank O. Wetmore, President

and the

First Trust and Savings Bank

James B. Forgan, Chairman of the Board
Melvin A. Taylor, President

offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and to international requirements.

**Combined resources over
\$300,000,000**

Nation-Wide Business

We have on our books accounts of banks as far west as the Pacific coast, and in the south as far as Florida. These institutions are sending their items on this section to us.

We will be glad to serve you.

Citizens Commercial Trust Company

Buffalo, N. Y.

Capital and Surplus	\$2,500,000.00
Resources	31,000,000.00

MEMBER FEDERAL RESERVE SYSTEM

NEW OFFICE FOR H. L. DOHERTY & CO.

Henry L. Doherty & Co., of New York and London, have opened an office in Philadelphia in charge of Ralph Runyan. This makes the fourteenth branch office of the company.

ITALIAN DISCOUNT AND TRUST COMPANY

In the last three months the deposits of the Italian Discount and Trust Company of New York have increased by \$4,778,148, reaching a total of \$10,557,513 on June 30, 1919.

GUARANTY POST, AMERICAN LEGION

Guaranty Post, No. 104, American Legion, was organized on July 24 by officers and employees of the Guaranty Trust Company of New York who have returned from service with the Army and Navy. More than 500 members of the company's staff were in the service. Lieut-Col. Grayson M. P. Murphy, senior vice-president of the company,

who was head of the American Red Cross in Europe during the early part of the war and who later served as a staff officer of the Rainbow Division, was elected honorary president of the new Post.

E. F. ROREBECK CHOSEN PRESIDENT OF METROPOLITAN 5-50-CENT STORES, INC.

Edwin F. Rorebeck, who recently resigned after five years' service as active vice-president of the Metropolitan Trust Company of New York, has been chosen president of the Metropolitan 5-50 Cent Stores, Inc.

This company recently acquired the George Kraft Co. operating thirty stores in the Middle West, thus increasing the number of units operated by the Metropolitan to 114. The expansion required the service as president of a man versed in the largest financial and business affairs and in a position to devote his entire time to its growing business. Mr. Rorebeck succeeds S. J. Tucker, formerly vice-president of the Citizens

Commercial Trust Company of Buffalo, who has recently entered into private banking business on his own account in Buffalo.

The Metropolitan 5-50-Cent Stores, Inc., recently increased its authorized capital from \$8,000,000 to \$20,000,000,



E. F. ROREBECK

President Metropolitan 5-50 Cent Stores : formerly
Vice-President Metropolitan Trust Co.,
New York

and it is understood that under Mr. Rorebeck's administration it will open new stores as fast as sound commercial practice justifies.

Mr. Rorebeck was formerly national bank examiner in charge of the San Francisco district, and afterwards of the Chicago district, and just previous to his accession to the vice-presidency of the Metropolitan Trust Co. was national bank examiner in charge of the New York district. Although Mr. Rorebeck's retirement from banking will be received with regret by his associates of many years in that field, it is felt that his unusual organizing and executive ability assures him a prominent place in the mercantile world.

Resources
\$16,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service
and you will be entirely satisfied

- A. D. BISSELL, President**
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Vice-Pres.
C. G. FEIL, Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier

Member Federal Reserve System



FREDERICK C. HARDING

Agent Anglo-South American Bank, Limited,
New York



W. M. DAWKIN

Sub-Agent Anglo-South American Bank, Limited,
New York

CHANGE IN NEW YORK AGENT OF ANGLO-SOUTH AMERICAN BANK, LTD.

After thirty years of continuous service with the Anglo-South American Bank, Ltd., John Cone has retired as New York agent of that institution and will hereafter reside in London. Mr. Cone has been succeeded as New York agent of the bank by Frederick C. Harding, who for several years has been sub-agent at New York. Mr. Harding has been associated with the bank for some twenty years, during most of which time he has been active in developing the business and facilities of the bank in foreign countries. For more than seven years Mr. Harding was in South America.

As agent of the bank in New York, Mr. Harding will have the assistance of William M. Dawkin, who for several years has been sub-agent here.

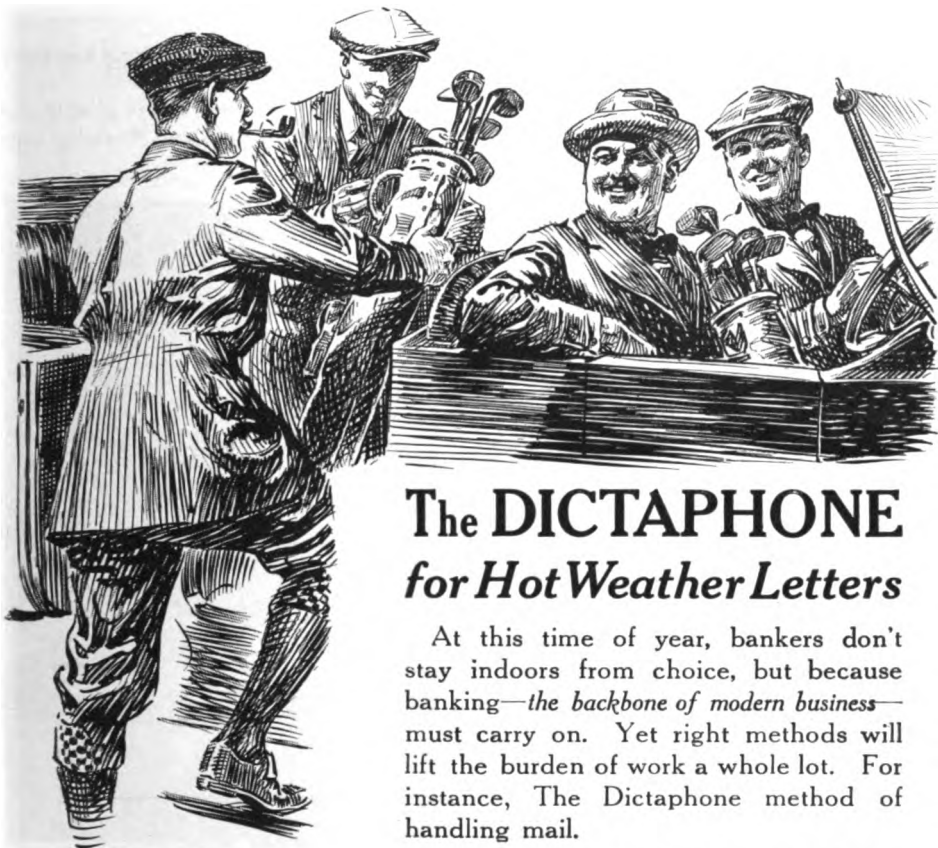
It will be recalled that only a short time since the Anglo-South American

Bank, Ltd., removed from 60 Wall Street to 49 Broadway, where it occupies the entire five-story building.

Quite recently the bank affiliated itself with four of the largest financial institutions in Great Britain in the organization of the British Overseas Bank, which has been incorporated in England by the Anglo-South American Bank, Limited; Glynn, Mills, Currie & Company; the Northern Banking Company of Belfast; the Union Bank of Scotland, and Williams Deacon's Bank. The object of the formation of the British Overseas Bank is to afford ample facilities to the stockholding banks for developing foreign trade through their respective organizations and the establishment of foreign branches of its own.

NEW APPOINTMENTS AT THE GUARANTY TRUST COMPANY

The following appointments were made July 31 at a meeting of the execu-



The DICTAPHONE for Hot Weather Letters

At this time of year, bankers don't stay indoors from choice, but because banking—the backbone of modern business—must carry on. Yet right methods will lift the burden of work a whole lot. For instance, The Dictaphone method of handling mail.

Its ever-ready, time-saving convenience certainly clears your desk hours earlier in the day. After that it's up to you whether you spend those extra hours indoors thinking and planning, or outdoors laying in a new stock of vitality. Use The Dictaphone to cut out overtime work during the hot months.

Phone or write nearest branch office
for 15-minute demonstration in your
office, on your work.



THE DICTAPHONE

Registered in the U.S. and Foreign Countries



Dept. 126-H, Woolworth Building, New York City

Branches Everywhere. Write for Booklet, "The Man at the Desk"

There is but one Dictaphone, trade-marked "The Dictaphone,"
made and merchandised by the Columbia Graphophone Company

"The Shortest Route to the Mail-Chute"

tive committee of the board of directors of the Guaranty Trust Company of New York:

Assistant vice-presidents: Arthur R. Jones, G. Jarvis Geer, Jr., and Austin L. Babcock; corporate trust officer, Charles H. Platner; personal trust officer, Rowland E. Cocks; investment trust officer, Louis G. Harriman; managers of bond department, Harold F. Greene and George L. Burr; assistant secretary, Boudinot Atterbury.

GROWTH OF THE AMERICAN TRUST COMPANY

The American Trust Company, which has offices at 135 Broadway, New York, and 203 Montague street, Brooklyn, and which opened for business on January 27 last, shows a very gratifying growth in its statement of July 31. The capital is \$1,000,000, surplus and profits \$233,369, deposits \$5,305,751, and total resources \$6,619,111. How the deposits have grown appears from the following:

DEPOSITS

February 28, 1919 (1st month)	\$2,103,705.88
March 31, 1919 (2d month)	2,622,520.03
April 30, 1919 (3d month)	3,581,443.94
May 31, 1919 (4th month)	4,351,805.18
June 30, 1919 (5th month)	4,446,553.73
July 31, 1919 (6th month)	5,369,974.09

NEW VICE-PRESIDENT OF THE NATIONAL SHAWMUT BANK

Frank A. Newell, the new vice-president of the National Shawmut Bank of Boston, has covered practically every round of the ladder in reaching his present post. Mr. Newell began his banking career as a messenger in the old Maverick National Bank, then located on the corner of Congress and Water streets, the site of the present Shawmut Bank building. It is thus a peculiar feature of his experience that his desk should to-day be placed on practically the same spot where he started in the Maverick Bank years ago.

Mr. Newell joined the staff of the National Shawmut Bank twenty-one years ago. Since then he has seen the Shawmut expand into a two hundred million dollar institution. For the past

eight years he has been filling the post of assistant cashier.

Vice-President Newell has a wide acquaintance in business and financial cir-



FRANK A. NEWELL
Vice-President National Shawmut Bank,
Boston, Mass.

cles not only in New England but throughout the West, and is known as a banker of sound judgment and progressive ideas.

FIRST NATIONAL OF BOSTON TO ADD TO ITS BUILDING

The First National Bank of Boston has purchased the Equitable Building on Milk street, and the properties immediately in the rear, comprising an area of over 20,300 square feet extending 108 feet on Milk street and 171 feet each on Devonshire and Federal streets. This property has a total assessed valuation of nearly \$2,000,000.

It is the intention of the management of the First National Bank to tear down the buildings now upon this site and to

Is It Not Sound Policy

to send your Baltimore business to the bank whose half century of experience gives assurance of efficiency and strength?

For the handling of collections and all other banking business, this institution is admirably equipped.

Large capital, surplus and resources enable this bank to offer you complete banking facilities and services which are real and not visionary.

The National Exchange Bank Baltimore, Md.

Capital & Surplus, \$2,500,000 Resources, \$22,380,000

WALDO NEWCOMER, President

SUMMERFIELD BALDWIN, Vice-President

PAUL A. SEEGER, Vice-Pres.

CLINTON G. MORGAN, Vice-Pres.

JOSEPH W. LEFFLER, Cashier

WILLIAM R. WEBB, Asst. Cash.

erect thereon a new building which will be one of the finest banking-houses in the country. It has not yet been decided whether this will be for the sole use of the First National Bank or will be leased in part.

The growth of the First National Bank during the past few years has been extremely rapid. Only eleven years ago the present bank building, which was then considered of ample proportions, was erected. It was speedily outgrown, and four years later a ten-story building was erected on the adjoining lot, a considerable part of which has been occupied by departments of the bank. The growth of the institution, however, has been such that the entire building at present would be inadequate to properly house the more than 600 employees.

During the past fifteen years the deposits of the First National Bank of Boston have increased from \$35,000,000 to nearly \$175,000,000, and the institution to-day is the largest banking institution in New England, and one of the largest in the United States. It has

capital, surplus and undivided profits of \$28,000,000, and total resources in excess of \$240,000,000. The branch at Buenos Aires, Argentina, which was established about two years ago, has \$25,000,000 deposits.

The First National Bank has extended its foreign business largely during the past few years. It established the First National Corporation a short time ago, and still more recently, in connection with the Comptoir National d'Escompte de Paris and the National Bank of Commerce in New York, organized the French American Banking Corporation.

The management plans to expand the activities of the institution to a much greater extent, and the erection of this new banking-house will aid greatly in the carrying out of this policy.

CITIZENS COMMERCIAL TRUST COMPANY,
BUFFALO

Norman P. Clement, formerly associated with the Marine National Bank of Buffalo, has been elected president of



SYDNOR J. TUCKER
President Tucker, Morris & Lockwood, Inc.,
Buffalo, N. Y.



ROBERT W. MORRIS
Vice-President Tucker, Morris & Lockwood, Inc.,
Buffalo, N. Y.



IRA D. LOCKWOOD
Treasurer Tucker, Morris & Lockwood, Inc.,
Buffalo, N. Y.

the Citizens Commercial Trust Company of that city. J. C. Dann has been elected vice-president. The statement of the Citizens Commercial Trust Company on June 30 showed: Capital, \$1,250,000; surplus, \$1,250,000; undivided profits and reserves, \$554,418; deposits, \$22,652,745; total resources, \$31,554,878.

**NEW INVESTMENT HOUSE FORMED BY
BUFFALO BANKERS**

A new large investment house has been organized in Buffalo under the name of Tucker, Morris & Lockwood, Inc.

All three of the members of the firm, who were officers of the Citizens Commercial Trust Company, are well known in the community for their activity in the banking business of the city. Sydnor J. Tucker was vice-president, Robert W. Morris, secretary, and Ira D. Lockwood, assistant secretary of that banking institution. R. W. H. Campbell and Fred S. Millard also joined the new organization. Mr. Campbell was assistant secre-

Resources over
\$180,000,000

Capital and Surplus
\$10,000,000

The
Philadelphia National Bank

Established 115 Years

A Bank of Character, Strength and Service

LEVI L. RUE, President

CHARLES P. BLINN, Vice-President

HOWARD W. LEWIS, Vice-President

WILLIAM S. MADDOX, Vice-President

HORACE FORTESCUE, Vice-President

O. HOWARD WOLFE, Cashier

tary of the Citizens Commercial Trust Company, in charge of the Genesee Street Branch and for a time the Black Rock Branch of that company. He is well known to the business men of these sections. Mr. Millard was assistant manager of the Black Rock Branch of the Citizens Commercial Trust Company, and has served in various capacities in several of the Buffalo banking institutions. All five resigned in order to devote their entire time to the new concern.

It has been felt for some time that Buffalo had room for an investment organization of this character, such as are found in other large cities. Only high grade investments are handled and special care is taken to offer the most up-to-date and satisfactory service possible to render to persons interested, or likely to be interested in securities.

Arrangements have been made with the principal banking-houses of the large cities of the country so that the people of Buffalo will have an oppor-

tunity of having placed at their disposal the best investments obtainable, and up-to-date information relative thereto.

Furthermore, special attention is given to the needs of Buffalo and its various industries, in that an effort will be made to financially support any local business enterprise which after careful thought and investigation proves worthy. There have been, as is known, many local financial problems that have been carried to New York for handling, owing to the inability of their being floated locally.

Further, there are local industries that have not progressed more rapidly owing to lack of additional capital, and were not sufficiently large in themselves to attract attention of New York city financial houses. In assisting the meritorious cases of this kind, the new company feels that it will be serving Buffalo by helping to build up its individual industries.

Sydnor J. Tucker is president; Robert W. Morris, vice-president; Ira D.

Lockwood, treasurer; Florence D. Jones, secretary. Miss Jones was assistant to Mr. Lockwood in the bond department of the Citizens Commercial Trust Company.

**ASSOCIATION OF NEW JERSEY BANK
EXAMINERS**

At a luncheon given by Examiner Hugh H. Hilson to the bank examiners of the Department of Banking and Insurance, State of New Jersey, at the Country Club in Trenton, it was decided by those present to form an association of the bank examiners for the purpose of the improvement of the service, for closer relationship with the officials of the department and with each other. Such action has received the warm approval of Commissioner Smith and Deputy Commissioner Johnston.

The organization was effected by electing Bank Examiner Wm. E. Walter of Rutherford, president; Bank Examiner Hugh H. Hilson of Trenton, treasurer, and Bank Examiner Charles M. Bilderback, secretary. The name of "State Bank Examiners' Association of New Jersey" was taken for this organization.

Examiners Vredenburgh, Mayham, Fowler, Biddle, Minch, Ammerman, Veghte, Compton, Dunham, Walter, Hilson and Bilderback are organization members.

**NEW VICE-PRESIDENT OF GREENVILLE
(S. C.) BANKS**

J. L. Williams, for the past nine years cashier and for four years preceding assistant cashier of the Wilmington (N. C.) Savings and Trust Company, resigned as cashier of this institution recently to become vice-president of the Farmers and Merchants Bank and the Farmers and Merchants Loan and Trust Company, Greenville, S. C.

Mr. Williams received his early banking training at the National Park Bank in New York and went to Wilmington as assistant cashier of the Wilmington Savings and Trust Company in 1906. At that time the deposits of the bank were \$1,425,000, and its total resources \$1,-

577,000. At the date of his resignation deposits were \$3,396,000 and resources \$3,909,442.84, being the largest, it is said, of any savings institution in North Carolina.

In accepting his resignation the board of directors expressed their regret that the bank would be deprived of the services of so valuable and popular an officer. At the same time, in view of the fact that Mr. Williams withdrew from the institution to accept the vice-presidency of two large banking institutions, they congratulated him upon the promotion that has come to him through his untiring zeal and constructive efforts. As a token of esteem and appreciation for his past services the directors presented Mr. Williams with a gold watch, appropriately engraved.

**NEW VICE-PRESIDENTS OF THE BANK OF
CHARLESTON**

At a meeting of the directors of the Bank of Charleston, National Banking Association, Charleston, S. C., July 15, R. S. Small and A. R. La Coste, heretofore assistant cashiers, were elected vice-presidents.

The full executive staff of the bank now is as follows: E. H. Pringle, president; E. H. Pringle, Jr., R. S. Small, and R. S. La Coste, vice-presidents; G. W. Walker, cashier; J. H. Lucas and C. Neyle Fishburne, assistant cashiers.

**HIBERNIA BANK AND TRUST COMPANY
ABSORBS NEW ORLEANS NATIONAL BANK**

The actual consolidation of the Hibernia Bank and Trust Company and the New Orleans National Bank previously reported in these columns occurred on July 15, following the final meeting of the board of directors of the latter institution.

The enlarged institution shows deposits exceeding \$42,000,000 and total resources of more than \$53,000,000. The new capital is \$3,000,000 and surplus \$2,500,000.

It is interesting to note that the deposits of the Hibernia Bank and Trust Company as of the date of the merger, July 15, compared with the combined

Equipped for Service



LOCATED in a modern building with every facility for the efficient handling of its business, this bank is in a position to offer you prompt and adequate service in your Philadelphia banking transactions.

Union National Bank

PHILADELPHIA

Resources over \$19,500,000

deposits of the two banks one year ago, show an increase of \$10,500,000, or a gain of thirty-three and one-third per cent.

The office of the New Orleans National Bank, as previously announced, becomes the Camp Street Branch of the Hibernia Bank and Trust Company in charge of the same officers as have heretofore directed its affairs.

The board of directors of the Hibernia Bank is enlarged by the addition of six of the former board members of the New Orleans National Bank, as follows: Gus. B. Baldwin, Alvin P. Howard, Adolph Katz, E. L. Powell, E. G. Schlieder, S. Zamurray.

The officers at the main office remain as before with R. S. Hecht as president, F. W. Ellsworth first active vice-president, and Chas. F. Herb second active vice-president.

This merger gives New Orleans a \$60,000,000 institution capable of handling all kinds of financial undertakings from the smallest to the largest.

HIBERNIA BANK ERECTS NEW BRANCH BANK TO COPE WITH INCREASED BUSINESS CONDITIONS

The Hibernia Bank and Trust Company of New Orleans has completed arrangements for the construction of a new home for its Jefferson Branch, located in the up-town section for the city. The general construction of the new Jefferson Branch is to be of brick and steel and the exterior of Bedford limestone. The front of the structure will present a massive effect, four columns supporting the cornice and parapet. The interior will be finished in marble and mahogany.

The ground floor will be occupied by the banking office where large and commodious quarters will facilitate the handling of business. The second floor will offer office space to business men of the upper city section.

The growth of the Jefferson Branch is a mark of the rapid industrial improvement of this city, particularly of

the up-town section. The city has grown in capacity for bigger business, and this one time residential district is fast becoming a busy center. Wharfage along the Mississippi extends into this section, and great warehouses and miles of docks are found near the banking-house. Extensive cotton mills, furniture fac-

HIBERNIA BANK OF NEW ORLEANS OPENS
FOURTH BRANCH BANK

The Hibernia Bank and Trust Company of New Orleans, in accordance with its steady and continued growth, has recently announced the opening of its fourth branch office. The new bank-



Jefferson Branch, Hibernia Bank and Trust Co., New Orleans

tories, grain elevators and refineries are building this section rapidly.

Although it has been in operation but eight months, the Jefferson Branch of the Hibernia soon found the volume of business handled too great a tax for its present quarters. In its new home it is expected to utilize every facility in handling the section's growing business. The advent of the branch house this year is a mark of the industrial advance of greater New Orleans—a growth that is being shared by all sections of the city.

ing-house, which will be located on the west bank of the Mississippi, will open under the title of Algiers Branch, Hibernia Bank and Trust Company. This announcement was welcomed by citizens of Algiers, and the community has extended the officers of the branch a hearty welcome.

Charles Henricks will assume the managership of the new branch assisted by William Judge. James H. Kepper, cashier of the main office of the Hibernia, will have supervision over the new branch. These three men are well-



**On the Earth there are
1,750,000,000 People**

*And no one person is
an exact duplicate, men-
tally or physically, of
any other.*

We certainly don't expect, then, in serving our 2000 bank correspondents, to find any two alike in their desires and requirements. So our service is adjusted accordingly — *individual* service for *individual* bankers.

The National Bank of Commerce

IN ST. LOUIS

Capital, Surplus and Profits over \$13,800,000.00

known residents of Algiers and all have wide banking experience, which assures them success with this latest addition to the banking facilities of the prosperous locality.

The Algiers, or Eighth Precinct district of New Orleans, is a flourishing section of the city and industrial plants and factories abound. Miles of wharfage accommodate shipping along the west bank and dry-docks make the western water front a busy one at all times.

The growth of the Algiers section is exemplary of the entire city, for all sections of greater New Orleans are showing much industrial activity these after-war days.

**NEW MANAGER NEW ORLEANS BRANCH
MERCANTILE BANK OF THE AMERICAS**

M. S. Senton has just been appointed manager of the New Orleans branch of the Mercantile Bank of the Americas, which will open in that city in the near future.

Mr. Senton has been with the Commercial Trust and Savings Bank of New Orleans since 1904, and for the past twelve years has been one of its officers. He has had considerable mercantile experience in this country and in Mexico.

The Mercantile Bank of the Americas, organized by a group of bankers from all parts of the United States, has in the short time since its establishment opened affiliated banks in twenty-five cities in South and Central America and has established branches in Paris and Barcelona. Its resources on July 15 totaled \$41,683,551.

**FORTY-FOUR YEARS OF BANKING SERVICE
TERMINATED**

Howard H. Hitchcock has resigned his position as vice-president of the First National Bank of Chicago and will associate himself more closely with the investment banking business of his son, F. B. Hitchcock & Company. He will continue as a director in the bank

and its affiliated institutions, the First Trust and Savings Bank and the National Safe Deposit Company. His fellow officers presented him with a silver-mounted desk set as a token of their esteem and friendship.

Mr. Hitchcock has been identified with the banking business in Chicago for over forty-four years, having entered the employ of Preston, Kean & Company in January, 1875, which firm was succeeded in May, 1884, by the Metropolitan National Bank, of which he was made assistant cashier in 1887 and cashier in 1894. On the consolidation of that bank with the First National Bank of Chicago in May, 1902, he was made a vice-president, of which institution he has been the senior vice-president since 1907.

FIFTY YEARS OF THE UNION TRUST COMPANY, CHICAGO

Although the charter of the Union Insurance and Trust Company was secured in 1857, the most active beginning of the company's history dates from 1869 when the charter was purchased by Stephen W. Rawson. Immediately upon buying the charter Mr. Rawson organized a bank with a capital of \$125,000, of which he himself subscribed \$50,000, James P. Robinson \$20,000, James Longley \$20,000 and a few others \$35,000. That was all the capital or surplus ever paid in and the balance of its present capital and surplus of \$3,500,000 has grown out of the bank's earnings.

In the course of time the title was changed to the Union Trust Company. Stephen W. Rawson continued as active executive head until 1898, when his health began to fail and soon thereafter he moved to California. However, he kept the title of president until the end of 1904. On the 15th of March, 1906, he passed away at his home in Redlands, California.

Frederick H. Rawson, his son, and now President of the Union Trust Company, was born May 30, 1872. In 1895 he received the degree of A. B. at Yale University and entered the Union Trust

Company as a clerk. He successfully advanced and filled the numerous positions of trust within the gift of the bank and in 1901 he became vice-president. He held this position until 1905, when he was elected to the position vacated by his father. He has ever since been president. The other executive officers are as follows: H. A. Wheeler, vice-president; C. R. Holden, vice-president; C. B. Hazlewood, vice-president; F. A. Yard, vice-president.

The bank has been located at the same corner, Madison and Dearborn streets, since the great fire.

Only two other banks—the First National and Merchants Loan and Trust Company—were in existence fifty years ago.

The foregoing and much other interesting information appears in "The Story of the Union Trust Company," recently published.

CHICAGO BANKER HONORED

Brigadier General Charles G. Dawes, chief of the United States Purchasing Board, and president of the Central Trust Company of Illinois, has been cited by Marshal Foch in the following official order:

During the course of operations in 1918 Gen. Dawes assured a complete union of supplies between the American and French armies. By his breadth of spirit and his constant effort to put upon a common basis the resources of the two armies he permitted to be realized under the best possible conditions the community of effort which resulted in the victory over the Germans.

CONTINENTAL AND COMMERCIAL NATIONAL'S ANNUAL REVIEW

The "Annual Crop Report and Business Review" issued by the Continental and Commercial National Bank of Chicago contains a large amount of valuable material relating to crops and business compiled from first-hand information furnished by the bank's numerous correspondents. Regarding business conditions the review says:

Business men, generally, look forward to a year or two of exceedingly active business in all lines producing things that are essen-

Not Too Large

This is a large Bank, but not so large that smaller correspondent banks become lost in the "hugeness of things."

It is small enough to give you *individual* service, yet large enough to take care of your every requirement.

The NATIONAL CITY BANK of CHICAGO

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, Vice-President

HENRY MEYER, Assistant Cashier

S. P. JOHNSON, Assistant Cashier

R. V. KELLEY, Assistant Cashier

tial for Europe in her present condition. They expect this foreign trade to continue until our competing nations, now crippled or demoralized in part as a result of war conditions, are able to rehabilitate their industries, care for their own needs and produce a surplus. Forced economy and the sheer needs of each country and its people will curtail their own consumption and augment the surplus which can be sold abroad for the reason that it is their principal means of payment. Labor conditions abroad contribute to a lower level of wages, even in times of inflation, than prevail in this country; and this, in time, must be reckoned with if the United States continues on a high wage level.

In all lines of trade, where prices are fairly firm, the outlook for business is pronounced good. The buying power in this country is enormous, and one of the reassuring features seems to be that production and consumption are running along fairly well balanced in most lines of activity, which means conservatism.

Conspicuous in the correspondence to the Continental and Commercial National Bank, in response to inquiries regarding business conditions preparatory to the compilation of this report, is the unanimity of optimism. Business men, more generally than ever before, report confidence in continued indus-

trial activity and in expanding foreign trade. At the same time, there is also reflected the thought that this is not to be accomplished without the exercise of business courage, conservatism and the strict adherence to sound economic principles.

The one element of uncertainty that is still exercising a retarding influence in the business life of the nation is the future course of prices, involving not only commodities and articles entering into the household budget, but also into the cost of manufacturing. Business men hesitate to make contracts either in the form of wage scales or for materials which might entail loss should the general price tendency be downward to any considerable extent. This attitude also is operating to hold manufacturers in check and prevent overstocking, as well as contributing to resistance in any further advance in wage scales. Hence, it is a factor in encouraging conservatism at a time when the increased buying power, together with the reaction from the war period restrictions, tends to stimulate aggressiveness and blind optimism.

There is in the situation at the present moment a feature which will bear close analysis. The high cost of living pinches the individual, and now that he is able to hark back to pre-war times, this is causing some manifestation of social unrest. This

Complete Trust Company Service

THE MISSISSIPPI VALLEY TRUST COMPANY operates complete Financial, Trust, Bond, Real Estate, Safe Deposit, Savings and Farm Loan Departments.

Its out of town customers, particularly the financial institutions who are its correspondents, find that this completeness of organization makes for instant and efficient attention to special needs as they arise.

Write for a copy of our latest booklet "Service Complete," giving an outline of the wide scope of our service.

Mississippi Valley Trust Co.

Capital, Surplus and Profits over \$8,000,000

Member Federal Reserve System

SAINT LOUIS

is coming to the surface in various forms. Predictions of higher prices or lower prices are a retarding element. What is needed, if the mind of the business man reflected all through the Continental and Commercial National Bank correspondence is properly interpreted, is stability rather than any sharp and extended readjustment. Stability of prices for any considerable period would reassure both wage earners and the employers. There exists in the business world ample courage to go ahead once reassured of a reasonable stability of prices.

There is one feature in the labor situation that indicates cross currents at work. Farmers and ruralites, generally, are seriously perplexed at being called upon to exert themselves to raise larger and larger crops in order to reduce the cost of living for dwellers in towns and cities, while the latter seek to organize and strive harder and harder to reduce working hours and advance wages, thus tending to increase the cost of wares which the farmer must buy. This is one of the many anomalies cropping out in the return from the abnormal conditions of war time to a peace footing.

The domestic situation, however, in most lines of business is fairly satisfactory and promises well for the future. The unfavorable crop conditions in some parts of the Northwest and West doubtless will curtail

new buying power, but no matter how much the crop production falls short of the preliminary estimates, it is almost certain to be made up in price, with the result that the new buying power created through the year's activities will be very large and ample to support a considerable period of industrial prosperity.

ODD ACCIDENT TO A BANK

In introducing a bill in the United States Senate on July 23, Senator Sherman of Illinois made the following statement:

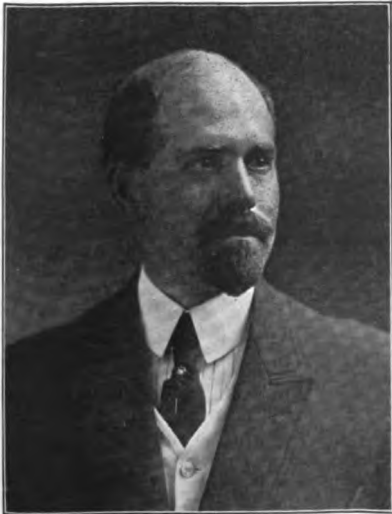
On July 21, 1919, ten persons were killed and more than twenty-five seriously injured, some fatally, when a large dirigible balloon in a flight above the city of Chicago fell 500 feet with its heavy motors and filled gasoline tanks, crashing through the glass roof of the Illinois Trust and Savings Bank at the corner of La Salle street and Jackson Boulevard. Most of the dead and injured were employees of the bank, who were trapped and burned to death in a resulting fire from the explosion of the balloon's gasoline tanks as they struck the floor of the bank rotunda where more than 200 bookkeepers and clerks, nearly all girls, were working. A

flame of gasoline enveloped the workers, some of whom were literally burned to death and charred beyond recognition when their bodies were recovered. Last week an airplane in another state fell in a field or orchard, killing members of a farmer's family. Accidents of the foregoing character are multiplying rapidly throughout the country. It is evident an emergency is rapidly approaching in the navigation of aircraft requiring proper regulations. To that end I have prepared the bill offered this morning as a basis for action. I do not submit it as a perfected measure. It is only the foundation for the Senate and House to concentrate its opinion and mature it into a workable measure as speedily as may be consistent with the due course of legislation.

NATIONAL BANK OF THE REPUBLIC, CHICAGO, LOOKS OUT FOR ITS EMPLOYEES

The board of directors of the National Bank of the Republic of Chicago, having in mind the increased cost of living, and desiring to preserve the spirit of harmony and cooperation now existing in the bank, have declared a bonus of ten per cent. of the yearly salary of all employees, except the officers.

The bonus is payable in two installments, one-half on July 15 to all employees as of June 30, and the other half on December 31.



CHARLES A. HINSCH

President Fifth-Third National Bank and Union Savings Bank & Trust Co. of Cincinnati, Ohio



Monthly Dividends and Monthly Earning Statements

The monthly dividends paid to Preferred Stockholders of Cities Service Company provide a convenient and regular income safeguarded by earnings

Five Times Over Preferred Stock Dividend Requirements

The statements of earnings mailed to stockholders monthly enable investors to keep in constant touch with the financial progress of the Company.

Send for Preferred Stock Circular BM-3

**Henry L. Doherty
& Company**

Bond Department

60 Wall Street, New York

CINCINNATI BANKS COÖPERATE

Through a deal recently closed the Fifth-Third National Bank and the Union Savings Bank and Trust Company of Cincinnati are closely affiliated in interest and ownership.

While both banks will continue to operate as separate institutions, they will be controlled and directed under one policy and will be able to act together on large financial matters.

The joint institutions will have a capital of \$4,200,000, surplus and undivided profits of \$5,262,000, and total resources of more than \$77,000,000.

Charles A. Hinsch, president of the Fifth-Third National Bank, will become president of the Union Savings Bank and Trust Company as well as remain president of the Fifth-Third, and will be the dominating factor in both institutions.

The deal, which is one of the most

Silence is Golden——

An hour is just 60 minutes.

If it is made up of 30 minutes quiet and 30 minutes noise, that means 30 minutes wasted.

You may say you are no longer conscious of typewriter noise. But your nerves hear. They register a complaint every time a type-key strikes. That constant hammering must tell in time. The Noiseless gives your nerves a vacation.

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Booklet and
Impressive
List of Users*

The NOISELESS TYPEWRITER

The Noiseless Typewriter Company, 253 Broadway, New York

important transactions ever consummated in Cincinnati banking, was negotiated by Charles A. Hinsch, president of the Fifth-Third, and Jacob G. Schmidlapp, chairman of the board and controlling factor in the Union Savings Bank and Trust Company.

Jacob G. Schmidlapp retires as chairman of the board of the Union. Clifford B. Wright, President of the Union Savings Bank, becomes chairman of the board.

The Security Savings Bank and Trust Company, recently acquired by the Fifth-Third interests, will be absorbed by the Union Savings Bank and Trust Company. Its present quarters on West Fourth street will be operated as a branch of the Union.

The deal does not involve any purchase of stock or assets. It is put through on an exchange-of-stock plan by which stockholders of the Fifth-Third National Bank give up part of their Fifth-Third holdings and acquire part of the Union Savings Bank stock,

while stockholders of the latter institution acquire part of the stock of the Fifth-Third and give up part of their holdings in the Union.

On the basis of exchange agreed upon Fifth-Third stockholders become the majority interest in each institution.

The capital of the Fifth-Third is \$3,000,000, and of the Union Savings Bank and Trust Company \$1,000,000.

The deal rounds out Mr. Hinsch's career as one of Cincinnati's leading and aggressive bankers. Under his direction the Fifth-Third Bank has had remarkable growth, and has forged to the front in the financial community. The recent acquisition of the Market National Bank added a big factor to the bank's resources and earning capacity.

With its close affiliation with the Unions, with Mr. Hinsch as the guiding hand of both institutions, the bank will be in a position to handle all classes of business and of great magnitude.

Regarding the policy to be followed, Mr. Hinsch said:

Our desire is to afford our customers every facility which can be had in a banking way. We also expect to be helpful in advancing the best interests of the city in helping finance meritorious undertakings. What the bank cannot handle the trust company can and in many things both institutions can act jointly. The bank and the trust company will work in harmony and their combined resources can be utilized in furthering the big projects that will benefit Cincinnati.

The action is in harmony with the times, as both here and abroad there has been a defined tendency to provide greater financial institutions.

The balance sheet of the joint institutions will show:

RESOURCES

Loans	\$35,231,371.57
United States bonds.....	8,135,688.19
Other bonds and securities....	16,684,528.37
Federal Reserve Bank stock...	252,000.00
Acceptances and letters of credit	3,007,666.05
Real estate, banking houses....	2,668,584.66
Cash due from banks and United States Treasury.....	11,366,431.25

Total\$77,346,270.09

LIABILITIES

Capital stock ...	\$4,200,000.00
Surplus and Profits	5,262,419.16
Circulation	\$9,462,419.16
United States and other bonds	1,927,897.50
Notes and bills sold.....	2,668,926.06
Bills payable Fed. Res. Bank	3,617,231.25
Acceptances and letters of credit	800,000.00
Deposits	3,054,782.80
	55,815,013.32

Total\$77,346,270.09

PRESIDENT HINSCH ENTERTAINS BANK EMPLOYEES

Over 300 employees, directors, officers and counsel of the Fifth-Third National Bank, the Union Savings Bank and Trust Company and the Security Savings Bank, Cincinnati, Ohio, were entertained recently at the home of Mr. and Mrs. Charles A. Hinsch. President Hinsch stated that the entertainment was in line with the desire of the banks to have the employees feel that their personal welfare was a matter of deep concern to the institution where they were employed.

NATIONAL CITY BANK OF CHICAGO GRANTED TRUST CO. POWERS

The National City Bank of Chicago announced on August 1 that under grant

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of the Federal Reserve Board that institution would conduct a trust department, fully equipped to handle all branches of trust business.

This is the first trust department to be operated by a national bank in Chicago.

The organization of this department was fostered by, and will be under the direct supervision of, H. E. Otte, vice-president.

Arthur J. Baer, who for the past seventeen years has been connected with local trust companies, has been elected trust officer.

FORT DEARBORN NATIONAL TO HAVE MORE CAPITAL

A meeting of shareholders of the Fort Dearborn National Bank of Chicago is scheduled for August 26 to vote on the proposal to raise the capital from \$3,000,000 to \$5,000,000.

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THEODORE WOLD GOES TO NORTHWESTERN NATIONAL, MINN.

When Joseph Chapman retires as vice-president of the Northwestern National Bank of Minneapolis on October



THEODORE WOLD

Vice-President Northwestern National Bank,
Minneapolis, Minn.

1, he will be succeeded by Theodore Wold, heretofore governor of the Federal Reserve Bank at Minneapolis.

NEW BUILDING FOR CLEVELAND BANKS

J. R. Nutt, president of the Citizens Savings and Trust Co., Cleveland, announces that this bank, in conjunction with the Union Commerce National Bank, has bought additional property, on which will be erected next year one of the large bank buildings of the country, at a cost of between \$7,000,000 and \$8,000,000.

DEPUTY STATE BANK EXAMINER OF NEW MEXICO

G. H. Van Stone, State Bank Examiner of New Mexico, announces that James B. Read, until July 1 cashier of the First National Bank of Santa Fe, has accepted appointment to be Deputy State Bank Examiner of New Mexico. The long experience and active career of Mr. Read in the First National Bank of Santa Fe unusually qualify him to fit in with and to assist in carrying out the established policy of the New Mexico State Banking Department; the policy of co-operating with the banks of the state at all times and in every way, especially those banks under the immediate jurisdiction of the department.

JOSEPH CHAPMAN TO RETIRE FROM BANKING

On October 1 Joseph Chapman, vice-president of the Northwestern National Bank of Minneapolis, will retire from that position to become vice-president of the L. S. Donaldson Co., a large



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While our representatives are especially well posted on local conditions, they are also in touch with all sections of the country through our national organization linked by over 10,000 miles of private wires. The wide viewpoint of these experienced bond men may be of value to you.

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mercantile establishment of Minneapolis.

Mr. Chapman has been connected



JOSEPH CHAPMAN

Vice-Pres. L. S. Donaldson Co., Minneapolis, Minn.

with the Northwestern National Bank for thirty-one years. His civic work and the prominent share he took in the bankers' associations have made him one of the best known bankers of the country.

THREE MORE OFFICERS ADDED TO NATIONAL BANK OF COMMERCE IN ST. LOUIS

G. N. Hitchcock, E. J. Mudd and A. W. Thias have been elected vice-presidents of the National Bank of Commerce in St. Louis. All three men were assistant cashiers of the bank and have spent the greater portion of their business lives with the National Bank of Commerce.

Mr. Hitchcock is a recognized expert on the transit and collection phase of finance and is well known throughout the South and Southwest, where he has represented his institution at numerous bankers' conventions.

Mr. Mudd has had charge of the discount department and has made a close and detailed study of acceptances, an important subject in banking circles today.

Mr. Thias has heretofore supervised the credit department and his credit systems have been utilized by many banks throughout the country.

The National Bank of Commerce now has seven vice-presidents, the increased official staff being made necessary by the expansion in the volume and scope of the bank's business. The quarters are being altered and enlarged to provide space for a new bond department and for increased trust and foreign business.

CITIZENS TRUST AND SAVINGS BANK, COLUMBUS, OHIO

This bank reports that Robert H. Schryver, secretary of the Ohio Bankers Association, and president of the First National Bank of Mt. Sterling, Ohio, has been elected a director of the Citizens Trust and Savings Bank, and to the newly created office of assistant to the president. Mr. Schryver assumed the duties of the latter office on August 1, 1919.

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NEW ACTIVE VICE-PRESIDENT OF CITIZENS SAVINGS AND TRUST COMPANY, CLEVELAND

James Dunn, Jr., income tax expert for the Citizens Savings and Trust Company and the Union Commerce National



JAMES DUNN, JR.,
Vice-President Citizens Savings & Trust Co.,
Cleveland, Ohio

Bank, Cleveland, has been added to the active vice-presidents of the Citizens. He will continue to direct all income tax department activities for the two banks, which are under joint ownership.

He has been much in demand outside Cleveland as an income tax specialist.

Mr. Dunn received his business training with Corrigan, McKinney & Co., and entered the Cleveland office of the Federal Internal Revenue Department in 1907, and from 1909 until 1917, when he joined the Citizens, was active in income tax work, dealing particularly with the larger corporations, checking over returns and assisting in the preparation of statements. He is the author of "How the New Federal Income and War Revenue Tax Laws Affect Your 1918 Income," a booklet which has had a wide circulation, and has also prepared a series of blanks designed to simplify the preparation of corporation returns.

E. C. Genee has been made an assistant secretary of the Citizens, succeeding R. R. Lee, who goes to New York to enter other business.

GROWTH OF BANK DEMANDS ADDITIONAL SPACE

Active work will be commenced next week on remodeling the banking quarters of the First National Exchange Bank of Port Huron, Mich. The plans call for extensive alterations by Hoggson Brothers, the Chicago and New York builders, which will result in a modern business home for this progressive financial institution, whose increasing business has demanded additional and adequate facilities.

The First National Exchange Bank was organized in 1870, and its history has been one of constant growth along

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conservative lines. It has a capital of \$150,000 and surplus and profits of \$153,000. Its present officers are: Gus Hill, president; F. E. Beard, vice-president; D. D. Brown, cashier, and A. C. Lessen, assistant cashier.

FIRST NATIONAL BANK OF MILWAUKEE

Consolidation of the Wisconsin National Bank and the First National Bank of Milwaukee was recently effected under the title of First Wisconsin National Bank. The statement after the consolidation showed: Capital, \$6,000,000; surplus and profits, \$2,577,321; deposits, \$85,108,124; total resources, \$103,842,288.

SUCCESSFUL LOCAL FINANCING

One of the largest bond issues ever handled by Iowa banks has been underwritten and sold by the Waterloo Clearing-House Association without the assistance of either Wall Street or LaSalle Street interests. This was the \$1,750,000 issue of the William Galloway Company of Waterloo, Iowa, bearing date of July 1, 1919, and due July 1, 1925.

These bonds were handled as two issues, the first in the amount of \$500,000 and the second in the sum of \$1,250,000. Both are a direct obligation of the William Galloway Company and are a lien against its plant, properties and business. Dr. F. W. Powers, president of the Blackhawk National Bank

of Waterloo; E. W. Miller, president of the Commercial National Bank of Waterloo, and C. E. Pickett, an attorney, acted as the committee representing the banks in handling the loan, which was for the purpose of raising additional working capital and enabling the Galloway Company to increase its production schedule.

The William Galloway Company, organized in 1906, manufactures and distributes a high grade line of farm equipment, including gasoline engines, cream-separators and manure-spreaders.

The floating of this loan by the Waterloo Clearing-House Association is regarded as quite an achievement for Iowa banking interests, since it offers proof of the growing importance of local financial circles and their ability to swing good-sized bond issues without outside assistance.

The Galloway Company held its annual election of officers last week, at which the following officials were named: William Galloway, president; John Swift, vice-president and financial manager; J. W. Henderson, treasurer, and W. A. Dood, secretary.

CONDITIONS IN CALIFORNIA

From the "Financial Letter" issued by the American National Bank of San Francisco it is learned that conditions throughout California are prosperous. Canneries are running on apricots and

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peaches, and the year's pack is sold out, at prices higher than last year's. The largest canning corporation in the state is declining to book further orders, having sold up to the limit of its estimated pack. There is a very strong export demand, and if more fruit and the facilities for canning it were available, sales could be vastly increased. According to the July report of the Bureau of Crop Estimates, the California peach crop will this year reach a total of 16,060,000 bushels, as compared with 11,663,000 bushels last year, while the pear crop will go to 4,000,000 bushels. The principal dried fruits, raisins and prunes, will also reach record proportions and super-record prices this year. Marketing of fresh fruit thus far, principally peaches, pears and plums, is far ahead of last year's record. According to the California Fruit Distributors, shipments to July 19 were 3,458 cars, as compared with 2,806 to the same date last year.

Financial conditions remain in a fairly comfortable state. The demand for loans is increasing, as trade and industry broaden, and the prospects are good for firmer rates in the fall. Recent offerings of preferred stock and short-time notes have found a ready response in this market, and there is a good demand for high-grade municipal bonds. Withdrawals of funds by interior banks for crop-moving purposes have been very moderate, and no disturbance of credits from this cause is anticipated.

The nine national banks of San Francisco on June 30 reported total deposits of \$309,883,000, as compared with \$300,328,000 on the same day last year. The actual gain in business was greater than appears, by reason of the fact that the 1918 figures included 34 millions of U. S. Government deposits, whereas this item had been cut down to 10 millions on June 30, 1919.

ADMITTED TO FEDERAL RESERVE SYSTEM

The Bank of Italy, whose head offices are in San Francisco, has been admitted to full membership in the Federal Reserve Bank. The bank has resources of



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more than \$107,000,000 and twenty-four branches in eighteen cities in California. The Bank of Italy is the first important State bank in California to enter the Federal Reserve system, the bank act of that state recently having been amended so as to permit the State institutions to join the Federal system.

SEATTLE NATIONAL BANK'S TRADE AND CROP BULLETIN

The semi-annual report on trade and crop conditions issued by the Seattle National Bank contains much interesting and valuable information on the economic situation in the Pacific Northwest, and shows that agricultural production and industry are flourishing in that part of the country. Particular emphasis is laid on the remarkable gain made by Seattle as a commercial port.

NATIONAL CONVENTION OF FARM MORTGAGE BANKERS' ASSOCIATION

The sixth national annual convention of the Farm Mortgage Bankers' Asso-

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ciation of America will be held at the Auditorium Hotel, in Chicago, September 23 and 24.

The board of governors will meet at the same hotel on Monday, September 22, for transaction of the usual preliminary business.

H. J. Curry of the Pearsons-Taft Land Credit Company, Chicago, is chairman of the local convention committee. His associates are L. P. Robinson of Associated Mortgage Investors, Inc., and C. H. Rodenbach of the Day & Hansen Security Company.

The programme committee is making arrangements for many interesting and attractive features. Strong speakers will be heard on both days. Many important questions will be considered and live discussions may be expected.

ROYAL BANK OF CANADA'S NEW BRANCHES

The Royal Bank of Canada announces the opening of the following branches:

Chatsworth, Ont., A. A. Hutchison manager; Lindsay, Ont., H. C. Sootheran, manager; Merrickville, Ont., F. C. Lorway manager; Winnipeg, Main and Logan, M. A. O'Hara manager; Moncton, St. George Street, N. B.; Harvey Station (York Co.), N. B.; Port Coquitlam, B. C.; Huntsville, Ont.; Plaster Rock, N. B.. A branch has also been opened at Fredericton Junction, N. B. The following sub-branches have been opened; Beulah, sub-branch to Isabella, Man.; Bluesky, sub-branch to Peace River, Alta.; Ranfurly, sub-branch to Lavoy, Alta.; Goldstone and

Rothsay, sub-branches to Drayton, Ont.; Lemsford, sub-branch to Portreeve, Sask.; Rustico, sub-branch to Hunter River, P. E. I.

HOME BANK OF CANADA

Following the practice of some of the Canadian chartered banks, the Home Bank of Canada has opened a bond department at the head office, 8 King street, West, Toronto. This department will be entirely devoted to the carrying on of a general bond business, including the purchase and sale of Government and municipal investment securities.

In the fourteenth annual report of the Home Bank it is shown that the total assets increased from \$7,917,183 in 1909 to \$13,682,054 in 1914, and to \$28,635,924 in 1919.

NEW BRANCH OF BANK OF TORONTO

A branch of the Bank of Toronto has been opened at Feversham, Ontario, under the management of R. P. Bellamy.

CHICAGO BANK ARCHITECTS ENLARGE THEIR QUARTERS

Weary & Alford Company, the Chicago bank building specialists, have again found it necessary to seek larger quarters to accommodate their rapidly growing business, and have taken over the third floor of the building at Eighteenth street and South Michigan boulevard. The entire space, 60 by 178 feet, has been subdivided to accommodate the

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various departments of the organization and the result is a most complete and modern architectural studio, perfectly lighted and ventilated, with every convenience for visitors and employees.

Edwin D. Weary, the founder and president of the company, is a native of Ohio, and for many years has made a detailed study of bank design and equipment. In association with W. H. Alford, the firm of Weary & Alford Company was incorporated in 1903, with offices in the First National Bank Building of Chicago. These quarters were soon outgrown and a three-story building acquired at 1907 South Michigan boulevard, where the firm has been located for the past ten years.

The growth of the Weary & Alford Company has been in every way commensurate with the development of the banking business of the country, and to-day the organization embraces an efficient corps of designers and draftsmen specially trained along the technical lines involved in the design and execution of bank and office buildings and bank interiors, with complete departments of structural, mechanical and vault engineering.

The architectural department is under the supervision of Oscar Wenderoth, formerly supervising architect for the Government and for many years connected with the firm of Carrere & Hastings of New York, while the many intricate problems involved in the design and execution of bank interior work are under the direct supervision of E. D.

Weary, Mr. Alford, E. F. Weary and R. D. Weary.

The activities of the firm are not limited in scope to any particular territory, but are nation-wide, and within the past two years notable bank building operations have been successfully carried out in twenty-one different states—from California in the West to Pennsylvania in the East, and from Texas in the South to Minnesota in the North.

Among the more notable bank buildings erected in the Southern States during the past few years may be mentioned that of the City National Bank of Galveston, Texas, now under construction. The structure will be monumental in its proportions and classic in its design, with only the best materials and workmanship entering into its construction. This is quite as it should be, for the reason that the building will stand as a monument to the personal integrity and the business foresight of the members of the Moody family, the founders of the bank and foremost among Galveston's pioneers and business men.



More City Bank Branches

OPENING of new branch banks at Port-au-Spain, Trinidad; Maracaibo, Venezuela; and Ciego de Avila, Santa Clara, Union de Reyes, and Pinar del Rio, Cuba, is announced by the National City Bank, New York.

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Date..... By.....

Our Obligations to Other Lands

ACCORDING to the Mechanics and Metals National Bank of New York, the United States faces an obligation that no other nation in history ever faced—that of supplying for some time to come the economic support of the world. In a book entitled "The World Tomorrow" which it has just issued, this bank maintains that with the return of peace other nations must now, more than ever, draw their life from us, or else suffer possible social, industrial and financial breakdown.

The bank summarizes the situation confronting the United States as one in which it must supply practically all of Europe with *food, goods, credit and sympathy*. Taking up the last of these first, it is said:

Sympathy of an intelligent and understanding kind is essential to the welfare of Europe during the early part of the reconstruction period, else the other three needs named will not be satisfied in the proper manner. A realization that Europe's condition is tragically altered from what it was five years ago must govern our attitude in everything we do, for then we will the more readily supply the goods and credit for Europe's upbuilding.

These are the goods above all else that Europe needs, and that we can supply: grain and provisions; machinery, railroad equipment and rolling stock; steel, iron, copper and other metals; coal, wool, cotton and lumber. These goods are needed up to an unlimited amount. The same circumstances that call upon us to send food call upon us to send materials to relieve a people oppressed by a most harassing situation—one in which industry is benumbed because tools and materials necessary to relieve disorganization actually do not exist.

As for credit, our willingness to extend financial accommodation against which various nations and people may draw, until such time when they can meet their obligations with goods or gold, will count strongly henceforward. If people abroad are to buy goods of us, credits will have to be arranged in their behalf, and we will find it necessary to accept these as the only kind of payment our customers can afford for the present."

In spite of the urgent present need

of Europe for materials and credit, the Mechanics and Metals National Bank maintains a striking spirit of optimism throughout its book, explaining that inasmuch as recovery after other wars has always come more quickly than was believed possible, a rapid recovery from this war may be looked for very soon.



A Simple Analysis of Liberty Loans

IT would seem that all the information regarding the various issues of Liberty Loan bonds and the Victory Loan notes had been covered completely by the charts and tables that have been distributed. From the viewpoint of the technically trained bond man they left nothing to be desired, but for the layman, particularly he who had become a bond-owner for the first time, the data was often more confusing than enlightening. Based on experience over the counter, Irvin L. Porter, manager of the bond department of the First Trust and Savings Bank, Chicago, has prepared and the bank has issued an unusually clear and comprehensive pamphlet on the Government loans.

The amount issued and outstanding of each of the four Liberty Loans and the Victory Notes, together with all details regarding rates, conversion and optional maturities, is given in a form that is readily understandable to those whose knowledge of bonds is only elementary.

There is also given a table of tax exemptions and the prices at which the bonds yield annual income of from four to five per cent.

While the booklet is designed primarily for those out of contact with the larger bond markets, copies will be furnished by the first Trust and Savings Bank on request.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, *Editor*

SEVENTY-THIRD YEAR

SEPTEMBER 1919

VOLUME XCIX, NO. 3

The Industrial Situation

FROM the false prosperity to which the war gave rise has come the inevitable rebound, and it is already rocking the very foundations of our industrial organization. The multiplication of credit and currency, the insatiable demand for workers at unheard-of wages, a like demand for nearly all commodities at top-notch prices, the reckless public and private expenditure, the feverish excitement of the times—all created a mental intoxication which led many to embrace the false belief that the old order of industry and economy had passed away and that the world had been made rich by the attempt to destroy itself! We have been employing man power, material and credits in waging war, and have created debts calling for large annual payments on account of interest and principal. In other words, a great share of the productive energy which ordinarily goes to the building of homes and to providing food and clothing has been taken away from these beneficent avenues and turned into channels of destruction. Worse than this material loss is the impairment of the national mental poise—the lack of perception of the true relation of things. Ignoring the example of what we so recently accomplished through cooperation, affording the world an unequalled example of national power, we are rushing wildly and blindly into a class war. We talk of “capital” and “labor,” of “employer” and “employee,” as if these terms represented groups whose interests are divergent and antagonistic rather than a part of a composite population whose interests can not be separated. Legislation is beginning to follow this vicious line of cleavage. We have long had a provision of law exempting the labor unions from prosecution for violation of the anti-trust act, and now it is proposed to exempt the farmer from prosecution because of “profiteering.” Moreover, we see the railway employees demanding increases in wages, which if not justified by an advance in railway rates are to be paid out of the public Treasury—taxation for the benefit of a single class.

To meet the added cost of living, agitation for an increase in wages goes on, while numerous strikes are threatened and some have

taken place with this object in view, although the Brotherhood of Locomotive Engineers has well said:

"The true remedy for the situation, and one that will result in lifting the burden with which the whole people are struggling, is for the Government to take some adequate measures to reduce the cost of the necessaries of life to a figure that the present wages and income of the people will meet."

And President Wilson, in his statement on the railroad wage question, speaks to the same effect:

"The demands of the shopmen, therefore, and all similar demands, are in effect this: that we make increase in wages, which are likely to be permanent, in order to meet a temporary situation which will last nobody can certainly tell how long, but in all probability only for a limited time. Increases in wages will, moreover, certainly result in still further increasing the costs of production, and, therefore, the cost of living, and we should only have to go through the same process again."

The principal remedy being urged for the present situation is increased production. While, broadly speaking, this is the true remedy, it will nevertheless bear some examination. An increased production of cigarettes, talking-machines, motion pictures and automobiles does not add much to the immediately available food supply; although, if some such products are exported, as they are, food may be brought in from outside countries. And it is also true that the farmer who wants an automobile will produce more grain, pork and beef in order to get it. But you will get food, shelter and clothing, when these things are urgently needed as they are now, most quickly by directly applying capital and productive energy to the production of the required commodities to the greatest extent possible. Do we not need a concentration of purpose and effort so directed, just as we needed a like application of the country's productive powers to war purposes while we were at war? Expenditures for things other than food, shelter and clothing are going on at such a rate that it must have an important effect in reducing the capital and labor that would otherwise be available for more urgent purposes. Is it too much to ask that ladies in the cities shall cease wearing furs in summer while the productive forces of the country help supply starving nations with food? Can a few people in the United States not withhold their demand for automobiles until we get the production of grain, pork and beef up somewhere near the normal relative to the demand? These illustrations may be deemed trivial, but they represent a tendency all too common toward expenditure that could be avoided or at least postponed. The fact is if the nation wants to have less expensive food it should turn its atten-

tion more largely to producing food. If it prefers to have all the things which might be dispensed with without serious inconvenience, it must expect to have dear food, under present world conditions.

The philosophy applicable to the industrial situation would seem to be that of patience, tolerance and moderation of speech and action.



The Federal Reserve System and Inflation

WHATEVER differences of opinion may exist respecting the influence which a fluctuation in the gold supply has on prices, there is general agreement upon the effect which an excessive issue of legal-tender paper exerts in raising the price level.

One of the chief uses for legal tender money of any kind is as bank reserves. In nearly all the ordinary transactions business men accept whatever generally passes as currency. Your checks against the account you may have in bank are payable "in current funds." In international trade, there is no such thing as legal tender. Gold is shipped by weight, the same as any other commodity. It is when used as bank reserves that gold, or other form of legal tender, acquires an extraordinary potency. In a man's pocket \$100 is simply \$100, but put this sum in bank, and it may serve as a basis for credit to the extent of \$400 or \$500, or more.

Even before the European war broke out, this country was experiencing a general rise in prices—a tendency which the war greatly aggravated. Under the circumstances wisdom would have been shown in an increase in the required bank reserves, for this would have kept down credit inflation. But in the face of rising prices, an exactly opposite course was taken. The bank reserves were greatly reduced; and, worse yet, all requirements as to holding in the bank's vaults (so far as relates to national banks) any reserve whatever were abolished, and the only reserves which such banks are required to hold consist of loans to the Federal Reserve Banks.

In thus wiping out the legal reserves of the national banks, a long and fatal step was taken in the direction of inflation. It was the economic Germanizing of the American banking system, and doubtless represented Paul Warburg's contribution to the Federal Reserve Act. Mr. Warburg apparently overlooked the fact that the Governor of the Imperial Bank had strongly urged that the joint-stock banks of Germany should themselves hold gold reserves, just as similar representations had been made by leading London bankers to the British joint-stock banks.

In abolishing the requirements for the actual holding of reserves in the vaults of the national banks, Congress enacted what, up to

the present time, ranks as the most unsound and dangerous financial measure ever passed by that body, and one whose evil effects, already appearing in the inflation which we now experience, are bound to multiply in increased ratio as the circumstances become more favorable to their development.

Of course, the banks have not taken full advantage of the remarkably elastic provisions of the Federal Reserve Act as applying to their reserves. According to a report issued by the Comptroller of the Currency on August 23, the reserve required to be held by all national banks on June 30, 1919 (exclusive of two banks in Alaska and three banks in Hawaii non-members of Federal Reserve system), based on their deposits at that time was \$1,107,103,000; but the actual lawful reserve held (all with the Federal Reserve Banks) was \$1,208,969,000—an excess over the amount required of \$101,866,000. Besides the \$1,208,969,000 reserve balances with the Reserve Banks, the national banks on the date indicated had also with the Federal Reserve Banks in process of collection \$287,415,000 additional; the cash carried by the national banks in their own vaults June 30, 1919, was \$424,455,000; making the sum total of cash on hand and due from Federal Reserve Banks (including the items in process of collection) \$1,920,839,000.

It will be recalled that, prior to the enactment of the Federal Reserve Law, the national banks in the central reserve cities were required to keep on hand in lawful money a twenty-five per cent. reserve, and that the reserve city banks were required to have a like percentage of reserve, one-half of which could be on deposit with central reserve city banks; also the "country banks" were required to have a reserve of fifteen per cent., two-fifths of which was to be kept in their own vaults, and the remainder to be placed in a central reserve or reserve city. The Federal Reserve Act, in the face of rising prices, when a contrary policy was dictated by prudence, greatly reduced the reserves required, and compelled the national banks to lend all their reserves to the Federal Reserve Banks. These latter institutions, after setting aside a reserve of its own against these deposited reserves, lent them out again. How this is working out appears from an analysis of reserve figures of the Federal Reserve Bank of New York, made by the "Commercial and Financial Chronicle," which says:

"With a gold reserve of only thirty-five per cent. against deposit liabilities, the absolute minimum allowed by the law (this means, be it remembered, that the Reserve Bank in holding the thirteen per cent. reserve of the member banks has only thirty-five per cent. of the thirteen per cent. in the shape of gold, cutting, therefore, the gold reserve of the member banks in the Federal Reserve Bank down to the low figure of 4.55 per cent.)."

The total resources of the national banks of the United States on March 4, 1915, were \$11,566,846,004; on June 30, 1919, \$20,799,550,000; total deposits on the date last named were \$15,924,865,000. This extraordinary increase in deposits and resources of the national banks reflects in part the natural business growth of the country, and to a large extent it reflects the borrowings on account of war loans. It also represents, to a degree at least, the increase in prices. But allowing for all these factors, the deposits and resources of the national banks have been swelled by the decreased reserve requirements, which made borrowing easier and thus fed inflation. Nevertheless, this expansive power was needed during the war; it is not so necessary now. In fact, a reduction both in the volume of currency and bank credits would tend to make the financial situation more healthful than it is now. With the motive for true redemption of the Federal Reserve notes largely absent, a material reduction in the volume of currency can hardly be expected until there are large exports of gold, and the present condition of the foreign exchanges does not favor such a movement. Under an economically sound system of bank currency, we should first reduce redundancy by a curtailment of the note circulation instead of by exporting gold and lessening the circulation afterwards.

Reference has been made to the reduction of the required reserves and the provision making it obligatory upon the national banks to lend all their reserves to the Federal Reserve Banks. The reserves have been further weakened by drawing in the gold and gold certificates in exchange for Federal Reserve notes. And the Federal Reserve notes, which may be sustained by a minimum gold reserve of forty per cent., are in practice used by the state banks as reserves.

The extent to which the bank reserves of the country have been "watered" may be inferred from this brief survey of the situation. No one would contend that the prevailing high prices are due to this policy, for the war is chiefly responsible for the rise in prices. But since the war is over and the necessity for almost unlimited expansion of credit and currency no longer exists, we shall encourage easy borrowing and extravagance unless the actual bank reserves are strengthened. Under the right kind of a banking system this would take place automatically, but under a system controlled by the Government such a course can hardly be looked for, since it is likely to prove unpopular, as witness what happened in the time of Hugh McCulloch when that financier began retiring the greenbacks.

This MAGAZINE has steadily pointed out the defects of a politically controlled banking system, and these defects are now beginning to manifest themselves. Their full force will appear later on. Governor Harding, of the Federal Reserve Board, is politically wise in saying there is no present need for banking legislation look-

ing to a reduction in the volume of currency. But it is regretted that political expediency and sound economy are not always identical.



Increased Earnings of Corporations

ONE of the causes of the insistent demands for increased wages is to be found in the rise in corporate profits.

Debating this subject in the Senate on August 11, Senator Borah of Idaho made the following quotation from an address delivered some time ago by Basil Manly before the National Conference of Social Work at Atlantic City:

"I have just completed a study of the earnings of eighty-two representative American corporations, a record of whose profits is available for each year from 1911 through 1918. This is not a list selected either because the profits were large or because the profits were small. It is a list of all the corporations whose earnings covering this entire period were available to me. A compilation of these figures shows that the same eighty-two corporations, which in the pre-war years had an average net income of \$325,000,000, had net incomes in 1916 amounting to more than \$1,000,000,000, in 1917 of \$975,000,000, and in 1918 of \$736,000,000. This is after the deduction of every dollar of state and Federal taxes, and of every conceivable charge which these companies could devise for reducing and concealing their apparent profits.

"I am convinced, as a result of my study, that the actual profits, even after the payment of taxes in 1917 and 1918, were just as great as in 1916, the difference being accounted for by the fact that in 1917 and 1918 these corporations set up all kinds of excessive reserves for depreciation, amortization, and other unspecified and fanciful contingencies for the purpose of evading taxation and concealing their excessive earnings from the public and the tax collector. But even taking the figures as they stand, we find that these eighty-two corporations earned, net, \$3 in 1916 and 1917 and over \$2 in 1918 for every dollar which they earned in the pre-war period. This is profiteering with a vengeance, and the profiteers may well tremble lest the people avenge themselves for this shameless exploitation during a period of the nation's greatest necessity."

As a companion-piece to this rather lurid statement somebody ought to show how much wages have gone up in the corresponding period, and how many dollars the wage-earner is now getting net compared with what he received in the earlier years. If the laborer gets two or three dollars where he used to get one, why should not

the corporation get as much? The high cost of living must be borne by both. Of course, it is realized that the corporation is liable to prosecution under the anti-trust law if it can be shown that its profits are due to unlawful combinations, while the laborers who combine for the express purpose of putting up their wages, and thereby advancing prices, are specifically exempted from punishment for this offense.

To bring out this fact may rather serve to engender heat than to shed light on a most delicate and difficult situation. The real adjustment lies not in the exchange of recriminations between capital and labor but in the realization of a mutuality of interest. The exaction of undue profits by the corporation reacts upon itself by calling forth retaliatory legislation and giving rise to a demand for increased taxes and more wages. So, likewise, does the demand for excessive wages react upon the workers by tending to add to the cost of everything they must buy. Each side has much to learn and more to concede.



Is There an Element of Insincerity in the High Cost of Living Agitation?

WERE it not for the abounding evidence of individual and national extravagance to be seen on every hand, a question like the above would be impertinent. For no doubt there are very many people to whom the present high cost of living is a terrible reality, and their protest against it is serious almost to the point of desperation.

But taking our people as a whole, are they not spending money in a manner that is wickedly extravagant? Are they not intent on having not only all the necessities but all the luxuries at a time when the capital, the labor and all the forces of productive industry are urgently needed in the slow process of restoring the waste which the great war has brought about?

We call lustily on the Executive and Congress for help, but few of us seek to apply the remedy within our own hands. We buy at extravagant prices things that we do not need, and stubbornly refuse to practice that economy which of itself would do more to reduce the high cost of living than all the expedients which legislation can invent or the Executive apply.

Until the people as individuals take the most obvious steps to reduce prices, how can we believe in the sincerity of the outcry against the high cost of living? Nearly everybody seems determined to have more and more goods, to produce less, and to get

more money wages. This course is utterly at variance with a genuine desire to bring prices down and belies the professions of earnestness made by the most vociferous of the agitators against the high cost of living.

This bad example seems to be imitated by the Government itself. With all the laws against trusts, combinations and profiteers, the President goes to Congress and asks for more legislation. The Attorney-General wants more money to curb the profiteers, and according to newspaper reports \$3,600,000 is asked to carry on the war against them. More investigation, more commissions—all to be paid for out of the public purse, and all to be added to the cost of living in one way or another.

The whole movement lacks sincerity. If the people and the Government really wish to contribute to the solution of this problem, their earnestness will be evidenced by greater economy and industry. Until we have that evidence, however much of sympathy may be given to the few who feel the pinch of the high cost of living, that sympathy must be withheld from the community at large.



Prospective Intervention in Mexico

RESPONDING to a resolution of Senator King, the Secretary of State informed the United States Senate on August 1 that since the close of the Diaz régime in Mexico on May 25, 1911, two hundred and seventeen American citizens have been killed in that country. Quite recently a small force of American troops has gone into Mexico in pursuit of marauding bandits.

Although the "watchful waiting" policy still persists at Washington, there are some indications that this may end before much longer. It is not quite clear whether a change in policy, should it take place, will be due to the loss of American lives or to pressure that may be put on our Government by outside powers. Financial considerations may also enter into the matter. The banks are asked to lend large amounts abroad. They not unreasonably inquire whether such loans are to receive the same sort of protection afforded to American investors in Mexican securities.

"Intervention in Mexico" is only a polite way of characterizing war with Mexico, for it is inconceivable that forcible intervention on our part would not be resisted with force. This might mean a long and costly war, but with one inevitable result—the subjugation of Mexico. It must be remembered that the situation is not like that which caused us to intervene in Cuba. The Cuban people generally welcomed our help in expelling Spain from the island, and are still

grateful for it. But if we used force against Mexico it would undoubtedly engender great bitterness, though ultimately when the good results of our work were seen this feeling might give way to one of gratitude.

In a book written many years ago by Mme. Calderon de la Barca Mexico was characterized as a country needing only stable government to make it one of the most prosperous in the world. That observation is still true.

The real friends of Mexico would like to see that country enjoying the blessings of peace, but many people in the United States hesitate to employ force in order to restore tranquillity to our southern neighbor. That conditions can continue indefinitely to exist as they are is unthinkable. The Mexican situation will be cleared up in the not distant future in one way or another. It would be fortunate for the country, and what every friend of Mexico desires, if that reformation should proceed wholly from within.



The Peace Treaty and the High Cost of Living

VARIOUS explanations have been put forth to account for the high cost of living. This rather novel one appears in the address made by President Wilson to the Congress on August 8:

“There can be no settled conditions here or elsewhere until the treaty of peace is out of the way and the work of liquidating the war has become the chief concern of our Government and of the other Governments of the world. Until then business will inevitably remain speculative, and sway now this way and again that, with heavy losses or heavy gains, as it may chance, and the consumer must take care of both the gains and the losses. There can be no peace prices so long as our whole financial and economic system is on a war basis.”

It will probably be surprising to most people to learn that “our whole financial and economic situation is on a war basis.” But waiving this matter, does not the President, in charging the delay in ratifying the peace treaty with the responsibility for high prices, place a terrible burden upon his own shoulders? What is the cause of this delay? Is it not the League of Nations covenant? And did not President Wilson, prior to making his departure on his return trip to Europe, declare—or rather threaten—that this cove-

nant would be so interwoven with the treaty itself that the two could not be separated?

But it is not believed that the President wishes to put upon himself the responsibility for the high cost of living. His attempt to immolate himself upon the altar of his country lacks the ring of sincerity. He was not intent upon self-sacrifice but upon gaining votes for the League of Nations.

A less subtle mind than the President's would have some difficulty in tracing the intimate relations he discerns between ratification of the peace treaty and the high cost of living in the United States. Nothing is to be gained, in the consideration of so important a problem, by a lack of candor. Elsewhere in the same address the President takes firm and solid ground when he says:

"With the increase in the prices of the necessaries of life come demands for increases in wages—demands which are justified if there be no other means of enabling men to live. Upon the increase of wages there follows close an increase in the price of the products whose producers have been accorded the increase—not a proportionate increase, for the manufacturer does not content himself with that—but an increase considerably greater than the added wage cost and for which the added wage cost is oftentimes hardly more than an excuse. The laborers who do not get an increase in pay when they demand it are likely to strike, and the strike only makes matters worse. It checks production, it affects the railways, it prevents distribution and stops the markets, so that there is presently nothing to buy, and there is another excessive addition to prices resulting from the scarcity."

Hard work, economy, maximum production of essentials and deflation of credit and currency are the remedies for high prices, irrespective of whether the United States goes into the League of Nations or not.



Uncle Sam, Profiteer

WHILE the Attorney-General of the United States is vigorously engaged in the jailing of profiteers, it is hoped that he will not overlook the flagrant offense being committed by a gentleman popularly known as "Uncle Sam," a sobriquet which stands for the Government of the United States of America.

This supposedly conscientious gentleman, generally regarded as dwelling in a super-sanctified atmosphere, far above the petty and sordid aims of the profiteers, has been found guilty of profiteering of the worst kind. His offense is thus described in the newspapers:

"Net earnings of the twelve Federal Reserve Banks of the country for the first six months of the present year were \$37,628,831, or an average yearly rate of ninety-two per cent. on an average paid-in capital of \$81,788,000."

Now, to whom do these highly liberal earnings go? Section 7 of the Act of December 23, 1913 (Federal Reserve Act) as amended by an Act approved March 3, 1919, says:

"After all necessary expenses of a Federal Reserve Bank have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of six per centum on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met, the net earnings shall be paid to the United States as a franchise tax, except that the whole of such net earnings, including those for the year ending December 31, 1918, shall be paid into a surplus fund until it shall amount to one hundred per centum of the paid-in capital stock of such bank, and that thereafter ten per centum of such net earnings shall be paid into the surplus."

In other words, after out of the earnings of the Federal Reserve Banks a surplus equal to the capital has been accumulated, the shareholding banks get six per cent., ten per cent. goes to surplus, and the rest comes to the privy coffer of the state.

This means that, on the basis of present earnings, after the surplus requirements have been met as set forth above, the Government would receive, "as a franchise tax" dividends amounting to seventy-six per cent. of the paid-in capital of the Federal Reserve Banks.

Does this convict "Uncle Sam" of "profiteering?" Does it not, in fact, convict him of something far worse?

The United States did not contribute a penny of the capital of the Federal Reserve Banks. It was all furnished by the stockholding banks.

If a meat-packer who makes 33 1/3 per cent. on capital is a profiteer, what is Uncle Sam who makes seventy-six per cent. without putting up any capital?

Is the heinousness of his offense camouflaged by the polite euphemism of "a franchise tax"?

One reason why the Federal Reserve Banks are making so much money is thus explained: When a bank wants currency it must ship its commercial paper to the nearest Federal Reserve Bank in exchange for Federal Reserve notes. In other words, the notes given to Joe Brown at Raleigh are not good enough for the Citizens National Bank to issue its own notes against; ship them over to Caldwell Hardy at Richmond, and they are perfectly good enough to be used as a basis of Federal Reserve notes. For this

costly and useless process of exchanging one credit obligation for another, the farmers of Wake county, North Carolina, and the farmers and business men of every county in the United States where a like operation occurs, must pay to the Federal Reserve Bank a tribute in the shape of a rediscount rate. It is a wholly unnecessary and foolish tax upon the production and exchange of the country.

In pointing out the flagrant offense of Uncle Sam as a profiteer in accepting the lion's share of the profits of the Federal Reserve Banks, it is not forgotten that the prevailing public temper favors a jail sentence for such offenders. Should the Attorney-General of the United States seek for a proper person to do vicarious sacrifice for this offense, he could not overlook a distinguished gentleman whose hatred of profiteering has been so recently and so forcefully expressed.



Growing Investment Power of the United States

EVERY foreign government that is in need of capital is seeking accommodation in the United States. So far nearly \$300,000,000 in loans to a dozen different governments and foreign municipalities have been arranged with American banking interests. This movement, great as it is, has only just begun and the indications are that it will reach enormous proportions during the next few months unless unlooked for obstacles should be encountered. This direct lending is quite apart from the efforts under way to organize a powerful banking syndicate to increase the supply of credit available for the foreign purchasers of American supplies. All agencies are apparently working in common as it is recognized that the total movement is much too large for any one interest or group of banks to handle. It is nearly twenty years since Germany sold a \$20,000,000 issue of Exchequer bonds in the United

States. That loan was chiefly taken by the insurance interests which did business in Germany. Since then most of the great nations at different times have secured loans in the United States, so that the American investing public has been pretty well educated in the advantages of foreign investments. The American people are gradually losing their provincialism, and by the close of 1919 the prospects are that we shall hold a record volume of foreign investments. Because of the various Liberty Loan campaigns the United States now has a potential bond market comprising 25,000,000 people, or nearly one in four of the population. In this way we have become largely a nation of bond buyers, whereas, at the time that the world war began there was scarcely one-half of one per cent. of the population who knew what a bond investment looked like.—*National City Bank, Chicago.*

Growth of the Money in Circulation— Influence on Prices

THE large increase in the circulation of money in the United States is attracting the attention of those who believe there exists an intimate connection between the price level and the monetary circulation. A resolution recently introduced in the United States Senate, calling for information in regard to the country's money supply, brought forth the accompanying letter from the Secretary of the Treasury:

Treasury Department,
Washington, July 22, 1919.

SIRS: In compliance with a resolution of the Senate of the United States of July 8, 1919, transmitted to me by the Secretary of the Senate under date of July 9, I submit the following:

Under the act approved May 30, 1908, commonly known as the Aldrich-Vreeland Act, as amended, additional or emergency currency was issued, beginning on August 4, 1914, in amount \$392,502,645. All of this additional circulation was retired before the close of the calendar year 1915. Authority for the issue of such additional or emergency currency expired by limitation on June 30, 1915.

No emergency currency has been issued by the Federal reserve banks. However, such banks have issued Federal reserve bank notes and Federal reserve notes in accordance with the provisions of law and under the general supervision of the Federal Reserve Board. None was outstanding August 1, 1914. The amounts of such notes in circulation on July 1, 1919, were:

Federal reserve bank notes... \$163,682,696
Federal reserve notes..... 2,493,992,462

The Treasury Department has no intention, nor, indeed, the power, to retire or withdraw from circulation any thereof, nor, as I am advised, has the Federal Reserve Board. The Federal Reserve System was devised to create an elastic currency which would expand and contract automatically in accordance with the requirements of business. Any reductions in the amounts of Federal reserve notes outstanding will be in accordance therewith. Federal reserve bank notes, for the most part, have been issued

to replace silver certificates canceled and retired in accordance with the provisions of the act of April 23, 1918.

I transmit herewith a copy of the Treasury Department circulation statement for August 1, 1914, and July 1, 1919, showing the amount of money of the United States in circulation on the respective dates. Data are not available in the department with respect to the amount of money in circulation in the Territories and possessions of the United States.

Respectfully,
CARTER GLASS,
Secretary of the Treasury.

The President of the United States Senate,
Washington, D. C.

In connection with this letter statistics were given showing the monetary stock and the circulation on different dates. These figures for July 1, 1914, and August 1, 1919, appear herewith:

GENERAL STOCK OF MONEY IN THE UNITED STATES

July 1, 1914

Gold coin (including bullion in Treasury)	\$1,890,678,304
Gold certificates .....	.....
Standard silver dollars.....	565,834,263
Silver certificates .....	.....
Subsidiary silver	142,315,863
Treasury notes of 1890.....	2,439,000
United States notes.....	346,681,016
National bank notes.....	750,671,899
Total.....	\$3,738,620,345

MONEY IN CIRCULATION

July 1, 1914

Gold coin (including bullion in Treasury)	\$614,321,674
Gold certificates	1,035,454,129
Standard silver dollars.....	70,314,176
Silver certificates	479,462,376
Subsidiary silver	160,263,675
Treasury notes of 1890.....	2,427,058
United States notes.....	338,839,643
National bank notes.....	718,085,637
Total.....	\$3,419,168,368

GENERAL STOCK OF MONEY IN THE UNITED STATES

	Aug. 1, 1919
Gold coin (including bullion in Treasury)	\$2,989,548,109
Gold certificates .....	.....
Standard silver dollars.....	308,978,930
Silver certificates .....	.....
Subsidiary silver	242,876,099
Treasury notes of 1890.....	.....
United States notes.....	346,681,016
Federal Reserve notes.....	2,705,423,645
Federal Reserve bank notes...	210,699,800
National bank notes.....	720,907,762
Total.....	\$7,525,115,361

MONEY IN CIRCULATION

	Aug. 1, 1919
Gold coin (including bullion in Treasury)	\$1,142,202,136
Gold certificates	485,906,357
Standard silver dollars.....	81,660,697
Silver certificates	164,258,521
Subsidiary silver	232,253,412
Treasury notes of 1890.....	1,729,558
United States notes.....	330,916,758
Federal Reserve notes.....	2,504,752,959
Federal Reserve Bank notes..	176,766,065
National bank notes.....	658,118,555
Total.....	\$5,778,565,018

Thus the general stock of money in the United States has risen from \$3,738,629,345 on July 1, 1914, to \$7,525,115,361 on August 1, 1919—an increase of \$3,786,486,016. Of this amount \$2,916,123,445 is represented by Federal Reserve notes and Federal Reserve Bank notes. In other words, this form of Government paper accounts for all but \$870,362,571 of the increase in the country's monetary stock between July 1, 1914, and August 1, 1919. There was an increase of \$1,098,869,805 in the stock of gold coin and bullion. The silver stock declined from \$748,150,126 on July 1, 1914, to \$551,855,029 on August 1, 1919. Changes in the volume of Treasury notes and national bank notes were immaterial.

Turning to the money in circulation, it appears that the amount increased from \$3,419,168,368 on July 1, 1914, to \$5,778,565,018 on August 1, 1919—a gain of \$2,359,396,650. The Federal Reserve notes and the Federal Reserve

Bank notes, which did not appear in the circulation of July 1, 1914, represented an aggregate of \$2,681,519,024, or more than the entire increase in the circulation in the period under consideration. Gold coin and certificates in circulation aggregated \$1,649,775,803 on July 1, 1914, and \$1,628,108,493 on August 1, 1919, a decrease of \$21,667,310. That is to say, while the total circulation increased to the extent of \$2,359,396,650, the gold circulation decreased by \$21,667,310, and the gain in circulation was represented by Government paper in the form of Federal Reserve notes and Federal Reserve Bank notes to the extent of \$2,681,519,024.

Speaking of this increase in the stock of money and of the money in circulation, Senator Myers of Montana, in a debate in the Senate, on July 31, said:

I am not a financial expert, but we have in this body those who are; those who have long served on the Senate Committee on Banking and Currency, who framed our present excellent banking and currency law, who have long been students of the subject; and I think we should have their views on the financial conditions which confront the country. Various committees of both branches of Congress are at work now, investigating the high cost of living. The Federal Trade Commission has been engaged in investigating it. Numerous civic associations and associations of citizens are investigating the high cost of living. I think the cause of the high cost of living is found right here in this communication of the Secretary of the Treasury, who reports that there is nearly twice the amount of money in circulation in this country that there was five years ago, and gives no indication of an early diminution of it. I think attention should be called to it, for here, I think, is the prime cause of the high cost of living. There is no use of looking further.

This may or may not be "the prime cause of the high cost of living," but surely no one will contend that over two and one-half billions of Government paper could be forced into the circulation, concurrently with a radical reduction in the required reserves of the banks, without having a very marked influence on the course of prices.



The World's Indebtedness

By NICHOLAS PETRESCU, PH.D.

THE huge amount of money absorbed by the war has been drawn mostly from loans. Practically all the countries of the world have to surmount great financial difficulties on account of their enormous debts. The question naturally arises, how the various governments will find the necessary means of facing this situation without imperiling the economic life of their peoples. Before seeking to answer this question, we must give a general survey of all the public debts.

THE UNITED STATES

Of all the countries of the world the United States will redress its financial situation with the least possible effort. In comparison with other big powers and in proportion to its national wealth, the financial sacrifices of this country have been moderate. In spite of the unprecedented expenditures during two years of war, the economic life of the United States has not reached the appalling stage of exhaustion which we find in other countries. For neither the industrial production nor the commercial traffic of the country has been disorganized. Moreover, among the participants of the great war, the United States is the only country that has no foreign debt. We must, however, observe that, while this fact is decisive for the recovery of economic equilibrium at home, it does not always mean a proof of sound finances. Germany, for instance, though without direct foreign debt, has obtained the necessary funds through artificial expedients. If there is an analogy in form between the war finances of the two countries, there is also a fundamental difference: While the finances of the United States were

built upon a sound fiscal system backed by a sufficient gold reserve, Germany's finances were built upon an artificial paper currency. Besides this, the analogy holds only for the period of the



DR. NICHOLAS PETRESCU

Dr. Petrescu, who is a native of Bucharest, Roumania, has given much time and thought to the study of world banking and economic conditions

war, since Germany has to pay indemnities to foreign countries, which is even worse than a foreign loan. One should, therefore, not make the mistake of confounding the financial self-financing of Germany during the war with that of the United States.

Let us now weigh a few facts and

figures.* The public debt of the United States has reached the amount of 24 billion dollars, or \$224 per capita (estimated population 107 millions). Of this amount about 10 billion dollars (\$9,615,400,927) which has actually been paid out represent interest-bearing bonds of foreign nations, so that the net war burden of the American people is 14 billion dollars, or \$140 per capita. Although this burden is, roughly taken, much heavier than that at the close of the Civil War (\$79 per capita), yet it does not affect the economic life of the country in the same degree as in the past. For in comparison with the national wealth and the steady financial progress of the United States at present, the burden appears insignificant. The national wealth of the United States is estimated at 300 billion dollars, and its annual income at 60 billion dollars. The public debt represents thus about eight per cent. of the national wealth, and the interest to be paid per year (\$1,000 millions), 1.66 per cent. of the income. The relatively light burden of the American people appears more absolute when compared with the war burden and financial conditions of other countries.

THE BRITISH EMPIRE

Complete figures for the total debt of the entire British Empire are not available at the present time. A close estimation of the public debt of Great Britain, its dominions and its most important colonies are, however, already known. Mr. Chamberlain, the Chancellor of the Exchequer, has made the following statement as to the cost of war to the United Kingdom from August 4, 1914, to March 31, 1919:

After making the allowance usually taken for normal peace expenditure on the one hand, and for debts due from the dominions and Allies on the other hand, and after tak-

ing account of other vote of credit assets, the net cost of the war to the Exchequer of the United Kingdom up to March 31 last, on the basis of Exchequer issues during the years ending March 31 last, may be estimated in round figures at £6,700,000,000.

The public debt of Great Britain up to August, 1914, amounted to 3 billion dollars. The public debt contracted during the war, up to the signing of the armistice, is generally given as 33 billion dollars. The total public debt amounts thus to about 36 billions; that is, almost nine times more than that at the close of the Napoleonic wars (\$1,389,582,500). The burden on a capita basis amounts to \$782.60 (estimated population 46 millions). Of the total amount over five billion dollars have been loaned to allied countries and colonies, so that the actual net war burden of the English people represents \$674 per capita; that is, almost five times more than that of the American people. The interest to be paid is 1.575 million dollars. About five billion dollars are made up of loans contracted abroad, mostly in the United States.

The national wealth of Great Britain is estimated at 120 billion dollars, and its annual income at 15 billion 5 million dollars. The public debt represents thus thirty per cent. of the national wealth and the interest to be paid per year (1,575 millions) 10.16 per cent of the income.

The public debts of the dominions up to March, 1919, have been approximately estimated as follows: Canada, \$1,996,393,000; Australia, \$1,250,000,000; Union of South Africa, \$956,000,000; New Zealand, \$885,700,000. To this should be added the public debt of India, roughly estimated at \$1,800,000,000. The total public debt of the British Empire amounts thus to about 42 billion dollars.

FRANCE

In comparison with her wealth and population, France has made the greatest financial sacrifices during the war. The gross public debt of France amounts to about 36 billion dollars (180,000,000,000 fr.). Taking as a basis of com-

*For the following figures I am partly indebted to Mr. Harvey Fisk's monograph "Our Public Debt," published by The Bankers Trust Co., New York, 1919. Mr. Fisk's figures regarding the public debt of the United States differ a little from those given by Mr. Glass, Secretary of the Treasury. The total gross debt of the United States Government up to June 30, 1919, is, according to Mr. Glass, \$25,484,506,160.05.

parison a population of 40 millions, the debt represents \$900 per capita; that is, over six times more than the per capita of the United States. Again, in comparison with the national wealth, estimated at 90 billion dollars, the debt represents forty per cent; that is, five times more than the proportion of national wealth to public debt in the United States. A considerable amount of the debt consists of loans contracted abroad, especially in the United States and Great Britain, which fact makes the financial situation of France still more critical.

On the other hand, France's public debt includes about twenty-five billion francs loaned to allied countries, mostly to Russia. To this should be added the indemnities which Germany will pay to France according to the terms of the Peace Treaty. However, these two facts do not seem materially to alleviate France's financial plight. For the Russian obligations will continue to be unproductive on account of the political chaos in that country. The truth is that since the Russian revolution the French Government has been obliged to pay from its own treasury the interest to the French holders of Russian papers. As to the indemnities which Germany will pay, they will all be used for the reconstruction of the invaded territory.

ITALY

Italy's gross public debt has reached the amount of 13 billion dollars (about 70,000,000,000 lire), or almost one-third of her national wealth, estimated at 40 billion dollars. Taking as a basis of comparison a population of 36 millions, the debt represents about \$360 per capita.

Although the proportion of Italy's war debt is inferior to that of France, yet one cannot state that the difference indicates the superiority of Italy's financial situation. There are several facts to be taken into account in this respect. First of all, the national wealth of Italy implies less possibilities of development than that of France on account of the limitation in the economic and colonial

resources of the country. Then the fact that almost a fourth of Italy's public debt is made up of loans contracted abroad (mostly in the United States, Great Britain and France), and subjected to the depreciation of her exchange, is also decisive in the financial balance of the country. If one keeps in mind these facts, one will admit with the Italian economists and financiers that Italy's financial sacrifices are the heaviest of all.

THE OTHER ALLIED COUNTRIES

If we turn to the other allied countries, we encounter a still more unfavorable situation. In the first place, Russia presents a most chaotic financial situation. It is impossible to give an exact figure of Russia's public debt after the revolution. The Kerensky administration brought some disorganization into the Russian finances, while the Bolshevik régime and the various separate governments (Ukraine, Poland, Lithuania, Finland, etc.) have completely disorganized the country's finances. However, it is known that the public debt of the Russian Empire up to December, 1917, that is, on the morrow of the advent of Lenine, amounted to \$22,774,300,000, of which a great part consisted of loans contracted abroad, namely, in France and England. Since that time the debt must have reached the amount of 30 billion dollars.

China's public debt amounts to about \$1,800,000,000. Japan is the only country whose public debt has not augmented during the war. It amounted to \$1,260,000,000 in 1914 and it is now \$1,249,372,155 (2,498,744,311 yen). This fact is due to the insignificant participation of Japan in the war, but also to the unusual development of her foreign trade during the last five years.

The public debt of Belgium, Portugal, Roumania, Serbia and Greece may be roughly estimated at six billion dollars. Belgium's public debt is nearly eight billion francs, of which the greatest part has been contracted abroad, especially in Great Britain, France and

the United States. It should be noted in this connection that 500 million dollars of the first installment of indemnities from Germany has been allotted to Belgium by the Peace Conference. Roumania's public debt up to October, 1918, amounted, according to an official statement, to 5,267,925,000 fr. To this amount should be added the public debt of the territories acquired from Austria-Hungary and Russia. The same applies to the new states of Yugoslavia, Poland and Czecho-Slovakia. The Polish Government has officially announced that it will take a proportionate share of the public debt of the former Russian Empire and thereby meet the obligations toward the French holders of Russian papers. Of all these countries Belgian and Roumania will redress their financial situation the easiest, the former on account of her industrial and credit facilities, the latter because, as Mr. Vanderlip remarks, "her existing debt is not overwhelming and her resources in oil and agriculture are very great indeed."*

GERMANY AND HER ALLIES

The public debt of Germany amounts to 40 billion marks. According to an address delivered by the ex-Minister of Finances, Bernard Dernburg, before the Berlin Chamber of Commerce, Germany's expenditures resulting from the war amount to 185,000,000,000 marks. Practically the whole public debt has been contracted at home, and a good portion of it consists of loans accorded to Turkey and Bulgaria. However, if we take as a basis of comparison Germany's wealth estimated at 80 billion dollars and her population of 64 millions (deducting 6 millions for Alsace-Lorraine, Silesia, Schleswig and some other minor territorial losses), we find that the public debt represents fifty per cent. of her national wealth and a burden of about \$620 per capita. To this should be added the indemnities which Germany will pay according to the terms of the Peace Treaty. Moreover, to realize the precarious situation of the

*"What Happened to Europe," Macmillan, New York, 1919, p. 103.

German finances one must take into account the abnormal paper issued by the Reichsbank and the Darlehenskassen, amounting to over five billion dollars against a gold stock of only \$573,000,000.

The public debt of Austria-Hungary amounted to about 20 billion dollars up to the signing of the armistice. Like in Russia, the obligations of the former Austro-Hungarian Government will be distributed among the states arisen upon the ruin of the Hapsburg Monarchy. Poland, Yugoslavia and Czecho-Slovakia will take a proportionate share of the debt. In the same sense Roumania and Italy have agreed to meet the obligations of the inhabitants of their acquired territories. The largest proportion will, however, be borne by the new states of Austria and Hungary. Since complete figures of the population and wealth of these states are not available at present, the per capita burden cannot be computed.

The public debt of the Turkish Empire up to November, 1918, amounted to about \$2,500,000,000, of which a good portion is made up of loans contracted in Germany. The distribution of the debt among Greece, Arabia, Armenia, France and Great Britain as the legatees of the Ottoman Empire, will be effected in proportion to the population of the territories acquired by each country.

Finally, Bulgaria's public debt amounts to almost two billion dollars, of which the greatest part is made up of loans contracted in Germany and Austria-Hungary.

THE NEUTRALS AND SOUTH AMERICA

The war has had a financial repercussion all over the world. The public debts of almost all the neutral countries in Europe have augmented. Switzerland is perhaps the country which has mostly been affected in this respect. Her public debt has advanced from 280,810,000 fr. in August, 1914, to 1,506,995,000 fr. in December, 1918. Holland's public debt has also augmented, on account of her international

obligations during the war, from \$600,000,000 to nearly one billion dollars. The public debts of the Scandinavian countries have increased comparatively little. Sweden has been obliged to contract several loans during the war. Finally, Spain's public debt (about two billion dollars) has remained almost stationary during the war. This fact is due partly to her geographical location and partly to the unusual development of her foreign trade during the war.

Among the countries of South America, Brazil as a belligerent, and Argentina as a neutral, have been mostly affected by the war. However, their public debts have augmented but little, and their economic life, though greatly disturbed as regards foreign trade, has not been disorganized.

THE REPUDIATION OF DEBTS

Several proposals have been advanced concerning the liquidation of public debts. Let us first examine the most anarchistic and unsound proposal. While no government, with the exception of the Bolsheviki, has repudiated its obligations, the rumor of such a drastic measure continues to persist in many European countries. It is obvious that both economically and socially a policy of repudiation is doomed to be a failure. In the first place, it would destroy the validity of the greatest principle upon which the economic structure of modern times is based, the principle of credit. Socially such a policy would lead to anarchism, for it would produce a universal discontent that no government could abate. The case of Russia is not an illustration against this statement, because the majority of the Russian obligations were held by a minority, namely, by the rich classes and by foreign investors. If the Russian peasants and workers had been investors in the same degree as the French, English or American farmers and workers, the repudiation could not have been effected.

It seems that the proposal of imposing such heavy taxes on wealth as nearly to reach the point of confiscation belongs in the same category. Such a

radical measure would necessarily destroy the economic structure of society as well as the business spirit of the individual.

THE LOTTERY PROPOSAL

An interesting, though altogether inadequate, solution is the proposal of collecting the funds for the liquidation of debts by means of an international lottery. This proposal has found many adherents in Italy and France. It is believed that, thanks to an international lottery, the public debts of all the countries could be liquidated within a limited number of years without resorting to great financial sacrifices and heavy taxations. The machinery of such a lottery would be confided to the most important banks of all the countries under the direct supervision of all the governments. It is further believed that a certain international spirit would ensue from such a co-operation and that international business relations would develop a stronger consciousness of humanity than had been possible hitherto.

From the human point of view the proposal has the indisputable merit of appealing to the majority of people. Yet, from the economic and moral point of view, it is perhaps not feasible for a government to accept the lottery system as a means of discharging its financial duties. The gambling spirit would be fostered thereby at the cost of honest work. The economic efficiency of the people at large would experience a serious setback through the introduction of the element of chance into the economic possibilities of society. Another objection may be adduced in this connection, namely, that the operation of an international lottery would necessarily bring the wealth of the richest countries into the poorest countries without helping the development of the productive forces of the latter. For all these reasons the lottery solution should remain an internal affair for each country.*

*Before the war the Imperial Government of Germany and Austria-Hungary conducted a regular lottery every year.

A FINANCIAL LEAGUE OF NATIONS

The partisans of a political League of Nations have inferred by analogy that a financial League of Nations should be founded for the economic welfare of the whole world. Such a league, it is contended, would automatically ameliorate the financial situation of the most heavily indebted countries by bringing a *modus vivendi* into the foreign trade balance of every country.

This proposal is open to the objection that it assumes a state of affairs which does not exist at present. In fact, a financial understanding would be possible on the condition that a political understanding already existed between all the countries of the world. For the political League of Nations is the only sound foundation upon which a financial League of Nations may be based. However, the clauses of the League of Nations as embodied in the Peace Treaty are far from restoring such a universal brotherhood as to enable every country to enjoy the property or at least the usufruct of the wealth of all the countries. The truth is that the pre-war values have not disappeared from international affairs. It is, therefore, evident that a financial League of Nations is unrealizable as long as the present conceptions in foreign politics continue to govern the relations between countries.

TAXATION

The soundest policy of liquidating public debts is, without doubt, that of taxation. There are, however, many obstacles to surmount in applying the principle of taxation with equity. The main question is, how far can a government impose taxes upon its people. One thing is sure. The taxation should not penalize the wealthy nor distress the poor. In other words, the tax on capital should not reach the degree of conscription, and the tax on small earnings should not go beyond the bounds of reasonableness. Such limitations are, as a matter of course, incapable of mathematical precision, but they must be respected by every administration.

In the case of liquidation of internal

debts there is less danger of economic disturbance, since the capital raised by taxation flows from the people into the treasury and thence back to the people who thus receive the money that they have lent to their own government. But in the case of external debts a heavy taxation is likely to exercise a grievous influence upon the economic life of the respective countries. The liquidation of public debts by taxation is, therefore, limited in its possibilities.

THE ONLY WAY OUT

It is obvious that the countries suffering most from financial exhaustion will be unable to liquidate their public debts without the help of other countries. If they resort to heavy taxation, their economic life will become paralyzed; if they adopt a policy of repudiation, their social structure will be upset. The danger of such disorganization will, however, not be local. The world is so organically connected that a disturbance of its part exercises a repercussion upon its whole. The European War and the Russian Revolution have clearly disclosed this truth. It is alleged by the partisans of a policy of national isolation that a wealthy and economically self-supporting country can well afford to live alone. While economically this is possible, politically it is impossible. In spite of all precautions, anarchy would spread all over the world from the part contaminated. It is much easier to repress anarchy when it starts than when it spreads.

The United States is directly interested in the liquidation of the public debts since it has become a "creditor nation" toward Europe. Besides the amount of ten billion dollars lent, the United States has, as an American banker justly points out, repaid to a large extent the loans which foreign countries made here before the war "in the shape of investments in our securities," which amount to nearly six billion dollars.*

*"The International Balance-Sheet," an address by Melvin A. Traylor, President of the First Trust and Savings Bank, Chicago, Ill., at the Convention of the Texas Bankers' Association at Galveston, Texas, May 27, 1919.

But even without having sent abroad these 16 billion dollars, the United States could not afford to remain indifferent to the economic and social conditions in Europe. The danger of social commotions arising from the financial and industrial disorganization of the European countries is too evident to be overlooked. It is perhaps the most positive merit of Mr. Vanderlip's book of having revealed to the American people "What Happened to Europe." The warning of warding off the peril of social dissolution deserves the attention of all the thinkers who have the welfare of mankind at heart.

RESPONSIBILITY OF THE UNITED STATES

The solution of the problem lies with the United States. Many American financiers have realized the moral and material obligation of this country to extend credits to Europe. Thus Mr. Melvin A. Traylor, in the address already mentioned, following the plan of Mr. Paul M. Warburg and others regarding the establishment of investment trusts which will invest their capital in foreign securities, observes that "we must educate our people to invest largely in foreign securities." Mr. Vanderlip has equally urged an extensive advance of credits to the European countries in order to enable them to restart their economic life. His principle of dealing with Europe as "an entity in the first instance of granting credit" seems to me, however, not feasible on account of the conceptions of particularism so strongly entertained by the European countries. It would be very difficult indeed to rally all Europe around a unified system of finances without a previous education of her heterogenous governments. What has been observed of a financial League of Nations holds equally true of this case. The "receiver's certificates" may much easier be obtained from the European countries than a unity of views. Every government and country would be dissatisfied with a collective treatment which would delay its result like the indemnities and food regulations framed at the Peace

Conference. Between the signing of the Armistice and that of the Peace Treaty the peoples of many allied countries have experienced famine because the machinery of the Conference, though unified in principle, could not function soon enough to help the needy countries. Under such conditions I believe that positive results may be achieved quicker and easier by approaching every government individually. The guarantee for the credits will always be found if the amount allotted is proportionate to the economic potentialities of the respective countries. A super-guarantee may be further invented, but it is not absolutely necessary. In any case there is no time for delay. The currency situation of the majority of the European countries is so abnormal that a further postponement will utterly paralyze the foreign trade of the world.*



The League of Nations

NEWARK, Ohio, July 29, 1919.

Editor Bankers Magazine.

Sir:—I have been interested in reading the editorial "Let Us Preserve the Independence of the United States," as well as others of the same tenor, in your magazine.

It seems to me you take a narrow view. In the first place, the war was not of "purely European origin." As Mr. Tyler Dennett well said, at least one-half the causes were of Asiatic origin—certainly half the results will be Asiatic in their character. It is a *world* war, and, whether we like it or not, the United States can no longer maintain its policy of isolation and "going it alone." We are neighbors to all the world. Your vision is too narrow. We can aid the world in bringing in a new era—not instantaneously, but our participation will at least make a start toward universal peace. It will be a dishonor if America deserts the Allies.

Sincerely,
HARRY SCOTT.

*At the time I am writing this paper a beginning of individual financing has been inaugurated. Some private banks and concerns in this country have advanced credits to several European countries. Let us hope that this policy will be continued on a larger scale and that the unfortunate conditions which prevail in the majority of European countries will thus soon be improved.

Joint Bank Accounts

Their Nature, Incidents, Devolution upon the Death of Title Owners Thereof; Their Liability to Federal Estate Tax, and the Indiscriminate Use of the Disjunctive "Or" for the Conjunctive "And"

By WILLIAM H. CONGER, JR., Assistant Trust Officer West End Trust Company, Philadelphia, Pa.

FOR the purpose of this article, we shall divide the accounts that partake of the nature of joint accounts into five kinds—namely:

- A. Joint Tenancy Accounts of two or more individuals.
- B. Fiduciary Accounts of two or more Trustees, Executors, etc.
- C. Partnership Accounts.
- D. Husband and Wife, or Entireties Accounts.
- E. Tenancy in Common Accounts of two or more individuals.

JOINT TENANCY ACCOUNT

A joint tenancy account is one owned and held by two or more individuals jointly and not severally, with a joint right of use and enjoyment during the term of life of the account, for the joint lives of the owners designated in the caption of the same; and upon the death of one of them his or her share, so dying, extinguishes and the whole account continues to vest in the survivor or survivors thereof, until there is only one survivor of them left, who is entitled to (as vested with at its creation) by survivorship, an absolute estate, ownership and right of disposition of the balance left therein, at the time of his or her ultimate sole survivorship. All of the owners of the account, as named in the caption of the same collectively and not severally, form one unit and not as many units, as would

be in the case of a tenancy in common account, as there are owners thereof named. So that the death of one of its members does not affect, in any way, the continued life, or legal entity of such unit.

All joint accounts are not necessarily joint tenancy accounts. Local legislative enactments should be examined, to see whether or not survivorship as an incident to joint accounts has been abolished or forbidden, as it is not any longer favored by law. In Pennsylvania, for example, this was done by the Act of March 31, 1812. The effect of the Pennsylvania Act was that tenants holding merely jointly, thereafter held as tenants in common as is hereinafter defined. However, the said act did not prohibit or forbid the intentional creation of joint tenancy accounts by express language; it merely abolished the right of survivorship, as an incident, to flow from a joint estate itself. Such accounts may still be created when such language as "A and B and the survivor of them" is used, but it has been held the following language does not go far enough to create such estate, to wit: "A and B as joint tenants." Care should be taken therefore, in the language used, in order to prevent unnecessary litigation arising therefrom. They are, in some respects, similar to Estates of Husbands and Wives or Entireties Estates, but dissimilar to them, in that the latter estates can only exist between

man and wife, and that a severance of the estate cannot be effected by the conveyance, assignment or withdrawal of funds by either the husband or wife, separately, while a conveyance, assignment or withdrawal of funds by one of the owners of a joint tenancy account would cause a severance in the estate and thereby convert it into a tenancy in common estate. All of the owners thereof should at all times therefore join in the checks upon the account, unless one or more of them jointly or severally are properly authorized or deputized to do so. This phase of administering the account is taken up later herein.

FIDUCIARY ACCOUNTS.

Fiduciary accounts vest in the survivor as surviving fiduciary, by operation of the law, unless the deed, will or other instrument by which they are created provides otherwise. Surviving fiduciaries are therefore vested, ordinarily and without the use of express language, with all of the rights of the dying or retiring fiduciaries. All must sign the checks upon the account, unless a less number are deputized, properly, to draw upon the same.

PARTNERSHIP ACCOUNTS

Partnership Accounts, strictly speaking, are neither joint tenancy, nor tenancy in common accounts, but partake of the nature of both. They are therefore ordinarily termed Partnership Estates. They are similar to joint tenancy accounts inasmuch as surviving partners, upon the death or withdrawal of a partner, are vested with absolute control of the account for partnership purposes. Where all of the partners die the executors or administrators of the last surviving partner are vested with the account and are charged with the responsibility and duty of completing the firm matters, not as owners, but as trustees in possession.

Partners must sign checks only in the partnership name, and not as individuals without the partnership or firm name accompanying their individual

signatures. Partnerships are bound by the several partners' acts when performed in the ordinary course of the partnership business.

HUSBAND AND WIFE OR ENTIRETIES ACCOUNTS

An estate in entirety, as it is usually termed, is an estate held jointly by and peculiar to man and wife only. Such estate has been recognized by law for ages and still holds good, unless abolished by legislative enactment. It cannot be either a joint tenancy or a tenancy in common, as husband and wife, in the eyes of the law, are one. And it used to be said, jokingly, before the passage of the married women's acts, that that one was the husband. Each one is seized and possessed of the whole estate and not the half of the same. Each is seized with an undivided moiety in the whole, and not the whole of an undivided moiety. Survivorship, therefore, is an indispensable, as well as an inalienable, incident and feature of the same. Upon the death of one of them, the survivor continues to be seized and possessed of the whole of what remains in the account at the time of the death of the first deceased, as not having been disposed of by them jointly in their joint lifetimes. This peculiar estate, with its unity of title and ownership, may well be likened unto a double-wicked lamp, one of the lights of which may become extinguished, but the lamp, nevertheless, with its remaining lighted wick, still burns on and continues to perform its function. The next of kin of the survivor take the whole estate to the exclusion, absolutely, of the next of kin of the first deceased. It differs from a joint tenancy account, however, in that an attempted alienation of one of them cannot cause a severance thereof and convert it into a tenancy in common account, and thereby defeat the absolute and full title thereto, of the survivor of the two.

Both must sign the checks drawn thereon, unless both of them join in a proper power and authority vesting one or both of them severally as their jointly

deputized representative to draw therein. This feature is taken up more fully hereinafter.

TENANCY IN COMMON ACCOUNT

A tenancy in common account is one held by two or more persons jointly, but without the right or survivorship, being incident to the joint holders as flowing from the estate itself; or where the right of survivorship is not such incident to joint holders, and the creators, although intending to do so, have failed to create a joint tenancy by the use of proper and express language such as "to the survivors and the survivor of them" and thereby unintentionally create a tenancy in common; or where, by alienation of one of joint tenants of a properly created joint tenancy account, a severance is effected and the account of such severance is converted into a tenancy in common account.

It is one in which there are as many units as there are owners or members, and not one collective unit, as is the case with a joint tenancy. There is unity of possession, but separate and distinct titles in each unit of it. Each owner's estate therein is separate and distinct, and he may dispose of his separate interest as he sees fit. Upon the death of each tenant his or her share will go to and vest in, respectively, the next of kin of the one so dying.

It would be foolish to create such an account intentionally, as it would only cause confusion. Separate accounts for each would be the only practical thing for them. It would therefore be created as a result of ignorance, mistake of the original depositors, or by the alienation of one of the tenants or owners of a properly created joint tenancy account.

The bank, not knowing the respective shares of each of the owners thereof, in the absence of a properly appointed attorney in fact, signed by all of them, should not honor the checks of them severally and individually, but only jointly, or if individually, only when properly apprized of the respective amount and

share therein of such individual drawing thereon.

LIABILITY OF JOINT ACCOUNTS TO FEDERAL ESTATE TAX

Inasmuch as the interests respectively of owners of tenancy in common accounts are payable to the executor or administrator of their respective estates, as are also the interests of dying partners in partnership accounts, they are no problem to the bank, as the executors and administrators are primarily liable to notify the Collector of Internal Revenue and to pay the estate tax, if any, and not the bank; neither does the bank bear any primary obligation to file the thirty-day notice with reference to fiduciary accounts. There is, however, a primary obligation and liability upon the bank with reference to joint tenancy and entireties accounts to file the thirty-day notice with the Collector of Internal Revenue.

The doctrine of survivorship with reference to Entireties Accounts of husband and wife, as well as to tenants, in joint tenancy accounts, is sound law. Ordinarily, the ultimate survivors' estates in each instance, upon such last survivor's death only, are liable for inheritance taxes in the absence of local legislation specifically, charging the first decedent's estate with the same. This principle is simple enough as the survivor does not take by or through the one, or ones, so dying, but survives to the entire estate with which he or she was originally and primarily vested. However, regardless of the local law or the principal of survivorship, the federal statute, enacting the Estates Tax Law, does make the estate of the one so dying liable to the estates tax thereon. In appraising the estate for estate taxation, the act says that "All interests held jointly or by entirety, or deposits in banks in joint names and payable to either or survivor, except only such part as may be shown to have belonged to such other person originally and never belonged to the decedent, shall be included in the decedent's gross estate." The Regulations and Decisions of the

Treasury Department at Washington further make it the absolute duty of banks, having such accounts to file the thirty-day notice upon the death of any one of the tenants of such account. The burden of paying the tax is not placed upon the bank, but it is the primary obligation of the bank to file the notice. This obligation falls upon the bank only where the beneficial interest or estate therein vests and goes to the survivor without first passing through the hands of the executor or administrator of the deceased joint tenant. Of course, if the estate of the decedent, plus his interest in the joint or entirety account, is not in excess of the fifty thousand dollar exemption, plus allowable deductions, there will be no tax assessed or levied against the estate, but that fact does not relieve the bank of its duty to file said notice with the collector.

Whether or not the several states, respectively, by legislative enactments, have in the same manner made interests of first deceased joint tenants or entirety tenants liable for inheritance or transfer taxes, can be ascertained by reference to the respective acts levying the same. In Pennsylvania, however, they are neither taxable nor liable for his debts.

USE OF "OR" AND "AND" IN JOINT AND ENTIRETIES ESTATES

The indiscriminate use of the word "or" for "and" as has been practiced by the banks in joint tenancy and entirety accounts has heretofore and is now bearing its fruit of litigation and will continue to do so until it is discontinued. A reference to the recent case of *Morristown Trust Company v. Capsick*, in the June 5, 1919, issue of the "Atlantic Reporter," will throw some light upon the subject, but it does not quite go far enough.

The use of the word "or" between the names of the owners of the account in its title or caption is only inviting litigation, whereas it may be perfectly properly used in designating the per-

sons, severally empowered to draw against the account. The caption or title of the account is one thing and the power to draw thereon is another. The intermixing of them is a dangerous practice. The caption or title of the account should cover and contain only the manner in which the title to the account is held and owned, and, in the case of joint tenancy accounts and possibly entireties accounts, where the law is not clear, how it should devolve upon the death of one or more as "A and B and the survivor of them as (joint tenants) (tenants by the entireties)," as the case may be, and thus leave no loophole for litigation as to the nature of the estate created. Were we to use the word "or" in place of "and" in the title to the account, we should fail to create that which we intend to create, for the word "or" in its ordinary and proper sense is distinctly a disjunctive and not a conjunctive and it will be so construed ordinarily.

There being an absolute and original gift and delivery made of the various deposits as credited to the properly created account designating a clear title to the fund, and there being a separate and distinct power vesting in some one or more in a quasi fiduciary capacity only to draw upon the account, whether such deputized person or persons be one or more of themselves, or a third and disinterested person, there cannot be any question raised as to a possible resulting trust created in favor of the original donor or depositor to the account, for the balance of the same at the time of the death of the original donor or depositor, remaining unused and not withdrawn by the other person or beneficiary, who might have withdrawn the same, fully, in exercise of the power and authority in him or her vested and exercisable in the decedent-depositor's lifetime.

For the same reasons just stated, an account created as is hereby recommended could not be construed as being testamentary in character and thus fall

because it is not made in the manner prescribed by statute.

Your author has devised and submits the following outlined signature card, which he believes, without doubt, will allay any question either as to the nature of the estate intended to be created or as to the time of vesting of the same, and thus forestall and prevent any litigation thereon, as it is a full and complete contract in itself:

Title to this account is owned and vested in
 and to the survivors and survivor of them as joint tenants or tenants by the entireties.
 Power to draw hereon and the authorized signatures to be accepted.
 We, the undersigned, reserve in us jointly power always to draw hereon; but I-we further, as representing us jointly, but not severally, do authorize and empower any one of us at any time during his or her life and the life of this account to draw hereon; such drawing hereon shall be construed as the act of all owners hereof jointly.
 West End Trust Company, Philadelphia
 Dated....., 19.....



The High Cost of Living

SOME very practical observations on the above topic have been put forth by Andrew J. Frame, chairman of the board of the Waukesha (Wis.) National Bank. A few selections follow:

Common sense thinkers know that capital and labor must go hand in hand or human progress halts. Profiteering is confined to the few. Government reports indicated a few years ago that out of some 317,000 corporations 40 per cent. paid no income tax and the average profits of the whole on capitals employed were but 4.3 per cent. On the other hand, no intelligent man can honestly deny that labor is better housed, better clothed and better fed in the United States than the world's history records. Therefore, let us reason together a little over our largely mental hysteria.

No sane man can afford to be unjust to labor. Capital and labor are both necessary to human progress and just in proportion as one suffers, the other suffers also.

"Be-it-enacted" theories never made two blades of grass grow where one grew before. But labor does. Longer and not shorter hours a starving world must have.

Increased production is the only true remedy for the high cost of living, and also the only true principle for added comforts in the world of progress.



The Way to Progress

By OTTO H. KAHN

THE way to progress is not to pull everybody down to a common level of mediocrity, but to stimulate individual effort, and strive to raise the general level of well-being and opportunity.

It is not material success which should be abolished; it is poverty and justified discontent which should be abolished.

We cannot abolish poverty by division, but only by multiplication.

It is not by the spoliation of some, but by creating larger assets and broader opportunity for all, that national well-being can and must be enhanced.

I wonder how many people realize that, if all incomes above \$10,000 were taken and distributed among those earning less than \$10,000, the result, as near as it is possible to figure out, would be that the income of those receiving that distribution would be increased barely ten per cent.

And the result of any such division would be an immense loss in national productivity by turning a powerful and fructifying stream into a mass of rivulets, many of which would simply lose themselves in the sand.

I wonder how many people know that the frequent and loud assertion that the great bulk of the wealth of the nation is held by a small number of rich men, is wholly false; and that the fact is, on the contrary, that seven-eighths of our national income goes to those with incomes of \$5,000 or less, and but one-eighth to those with incomes above \$5,000. Moreover, those in receipt of incomes of \$5,000 or less, pay little or no income tax, while those having large incomes are subjected to very heavily progressive income taxes.

Proposed Licensing of the Meat Packing Industry

GOVERNMENT operation of private business under the license system, as proposed under the Kenyon, the Kendrick, and similar bills now pending at Congress with the American meat packer as the immediate objective victim, is establishing an exceedingly dangerous precedent.

The Kenyon Bill is the camel nosing its way into the Arab's tent. Government operation of private business is scarcely likely to stop with the packers. Measures providing that all business, of every size and description, conducted in inter-state commerce, must be operated under Government license have been introduced in Congress. It is perfectly conceivable that every line of industrial activity may ultimately be subjected to Government control by license—including the publication of newspapers and magazines.

The Kellogg Bill is another measure providing for the licensing of corporations engaged in inter-state commerce. It would give a body like the Federal Trade Commission the power to paralyze or destroy any business pronounced by it, as guilty of unfair trading or profiteering, regardless of the real facts, after an ex-parte hearing.

President Wilson, in his recent message to Congress, advocated Government control of business by the license system.

Under Government operation all business initiative and enterprise would dry up and disappear. There would be no incentive to organize large industrial and commercial enterprises based upon efficiency in operation and economies resulting from scientific management and elimination of all waste. This has been the principal

source of the marvelous success attained by the large meat packing establishments.

American business has flourished and our products have been distributed to every country in the world. The su-



J. OGDEN ARMOUR

periority of our food products, our railroads, steel fabrications, agricultural machinery, electrical appliances, motor cars, and other industrial commodities has been due to the powerful stimulus of private energy, ambition, and efficiency.

The growth of Armour and Company and other packing enterprises has

followed the lines of other business and commercial activity in this country. It has developed as a result of capable management of factories and distributing systems, in response to public demand for packing house products of first quality, economically produced.

The only allegation which can be substantiated against the meat packing industry is that it is conducted upon a large scale—that the business in the aggregate runs into billions of dollars. There is no evidence that the packers are violating or evading a law, or that they are profiteering.

ACTIVE COMPETITION IN MEAT PACKING

There is no evidence of collusion between the packers, but there is plenty of proof that there is active competition between the five large companies. Why then should the meat packing companies be attacked by the Federal Trade Commission and the U. S. Department of Justice at a time when their profits are the lowest in their history and when only a few months ago their perfect organization and efficient practices made it possible for this country to supply the world with food—one of the most essential factors in winning the war for liberty?

The answer must be that these attacks largely are political in character. Formerly the tariff was an issue in nearly every political campaign. Several years ago it was the fashion to heckle the railroads. Now the packers have been selected as the "goat." It is the open season for the packing industry. A jumble of misinformation and unwarranted deductions has been introduced by the Federal Trade Commission and legislative bills have been presented as a complement of the commission's destructive policy. Simultaneously the U. S. Department of Justice has started suit against the packers.

There is a vague idea in the minds of some people that Government control of the packing industry would result in higher prices for live stock and

lower living costs. How it would be possible to pay higher price for live stock and at the same time decrease the cost of the meat products, no one can explain, for it has not as yet been suggested that any deficiency resulting under Government management would be met by general taxation, as in the case of the railroads.

INEFFICIENCY OF GOVERNMENT OPERATION

Experience in this country with Government operation has not been of such happy character as to impress one with the belief that Government operation of the meat packing industry would result in cheaper steaks, chops, roast beef, or sausage. Government operation of the railroad system has not been an unqualified success. The railroads for the first six months of this year show a deficit of \$250,000,000, and the deficit is constantly increasing. Freight rates are so high that they impose a material addition to the cost of living. Passenger rates are up also. Experience of Government operation of the telephone and telegraph lines has not been more reassuring. It is unfortunately true that Government operation is extravagant and inefficient. The reason, of course, is that Government operation does not have to be conducted upon an economical basis and inferior and expensive service is the invariable result.

PROVISIONS OF THE KENYON BILL

The Kenyon Bill, which embodies all the features of the Kendrick Bill, with some extra socialistic frills, is an astonishing example of projected radical legislation. This bill, which is now before the committee of agriculture and forestry of the United States Senate, gives the Secretary of Agriculture the most autocratic, arbitrary power over a business in which billions of dollars are invested. It provides that no one, until he has obtained a license from the Secretary of Agriculture, can engage in inter-state foreign commerce in any of the following lines of business:

1. Slaughtering live stock.
2. Preparing live stock market for sale.
3. Marketing live stock products.
4. Conducting or operating a stock yard.
5. Live stock commission.
6. Collecting or distributing live stock market quotations or Market News.
7. Buying, selling, or shipping dairy products, poultry, or poultry products in excess of \$500,000 a year.

Present packing houses or any future packing establishments will not be allowed to operate until they have obtained a license from the Secretary of Agriculture. After the licenses have been granted, the Secretary is empowered to make such rules and regulations for the conduct of the packing house as he may decide.

He is authorized to regulate prices, to prescribe the method of doing business, the character of the plants to be used, the method of handling live stock, and is given unlimited power to regulate every branch of the industry. Under the Kenyon Bill, if enacted into law, the licensee is compelled to agree in advance at the time the license is issued to obey every such regulation, past or future, whether it is valid or not, regardless of the effect it would have upon the industry.

If the Secretary of Agriculture so decides he can compel any packing plant to open all of its facilities to "accommodate" other manufacturers and shippers.

The result of this elaborate license system would be to place in the hands of subordinates in the Agricultural Department who are unfamiliar with the intricate details of the business, the operation and management of all packing houses in this country, regardless of their size.

The bill requires all persons who are engaged in the business of slaughtering live stock, or preparing live stock products for sale, to sell and dispose of, within two years, any stock yards or interest therein owned by them.

The evident purpose of this provision is to place the stock yards under Government control and operation with



By-Products of Armour and Company

all the inefficiency and waste that would inevitably result.

PRESENT METHOD OF CONDUCTING STOCK YARDS

The stock yards contiguous to the packing plants of the various centers of production in this country are now conducted on the highest scale of efficiency. They are receiving places for the cattle, hogs, and sheep of producers—"hotels" for live stock, as they have been called. The stock is brought in at all hours of the day and night, unloaded, watered and cared for and is sold to furnish the raw material for the packing plant, or disposed of to feeders and shipped to other market centers or farms.

Under the present system the yards furnish a fair competitive market for all interests. No one is favored, no one has any advantages over any other



General View, Chicago Plant, Armour and Company

producer or buyer. It is not difficult to imagine what would be the effect of Government management of these stock yards; Government red tape, Government circumlocution, possibly political favoritism, would prevail. There would be delays in loading and unloading, if we may be permitted to base our opinion upon Government practices in other Federal departments. There certainly would be increased costs of operation, and who would meet this cost but producers and consumers?

The only reason that packers are financially interested in the stock yards is to maintain the present efficiency of the yards. In a great many cases they have been obliged to finance the yards in connection with packing plants. The packers would be perfectly willing to relinquish their financial holdings in the yards if they were given reasonable assurance that the present efficiency would not be lessened, but they are dependent upon the regular supply of raw material in the form of meat animals for the slaughter houses and naturally fear interruption to business and interference with distribution to consumers.

LIMITING THE OPERATIONS OF THE PACKERS

Another radical feature of the Kenyon Bill provides that the Secretary of Agriculture may, if he so desires, compel the packers immediately to sell and abandon every branch of their business except that pertaining to live stock and the by-products. The effect of this would be to deprive the consuming public of the market facilities of the various packers and at the same time limit the market of the producers. The constitutional right of the American business man to engage in more than one business at the same time would be withdrawn. What would be the result? Is it not reasonable to suppose that this limitation of business, this destruction of competition, would be followed by increased cost of food products and that the consumer would be placed under a great disadvantage?

How important the packing industry distributing system with its refrigerator cars and hundreds of branch houses is to the consuming public has been demonstrated recently. The Government has undertaken to dispose of millions of dollars' worth of food products—the surplus of supplies in the hands of the War Department during the war which made it necessary for us to send millions of tons of foodstuffs overseas for the American Army and soldiers of the Allies. The Government was unable to satisfactorily

a condition arising under which the branch houses and the packing companies in such centers as Boston and other cities which are dependent entirely upon the receipt of food supplies from the West finding themselves in a state of half, or complete food famine with greatly enhanced prices.

An Inter-state Commerce Commission report a year ago made it perfectly plain that privately owned refrigerator cars are as essential to the packing industry as a modern packing plant, and asserted further that the



Hog Killing, View Showing Pig Wheels in Action, Armour and Company, Chicago

distribute this foodstuff because avenues for its disposal to the public were not available. It finally had to enlist the service of the Postal Department. Much confusion ensued.

Notwithstanding the fact that at the present time there are not enough refrigerator cars in the United States to transport the products of all the packing houses, the Kenyon Bill would deprive the packing companies of their privately owned rolling stock. There would be no guarantee under the enforcement of this provision that there would be a sufficient number of cars available at all times to transport highly perishable articles of food from centers of production to centers of consumption. It is not difficult to foresee

consuming public participated in the benefits.

The railroads have neglected to supply adequate facilities for the transportation of meat and other perishable food products and there is no assurance that these facilities would be provided.

The Secretary of Agriculture is given almost unlimited power under the Kenyon Bill. He can deprive the meat packer of his license and throw the company into the hands of a receiver on the slightest provocation. A minor employee of a packing company might commit some infraction of the rules established by the Secretary of Agriculture and as a result the license of the company would be in jeopardy.

The Kenyon Bill also limits the free

right of appeal to the courts to which every American citizen is entitled.

A STEPPING STONE TO GOVERNMENT OWNERSHIP OF BASIC INDUSTRIES

If this bill, which actually provides for Government operation of packing houses, stock yards and plants handling dairy products and poultry becomes a law, it is a stepping stone to Government ownership of every basic industry in the United States, submitting us to paternalism and socialism from which there may be no turning back.

We have seen how Government operation of the manufacturing enterprises in Russia has resulted in the practical suspension of all industry and almost prohibitive prices for food and other commodities. Are we headed in the same direction? Is it not time for the business interests and consumers of the country to make their influence count and prevent the demoralization of one of the leading industries of the country, especially as its destruction would increase the cost of living and add to social discontent?

The action of the United States Government in starting suit against the packers for violation of the anti-trust laws is welcomed by the packers. It will establish the facts that the business has been conducted upon lawful, legitimate lines, with a minimum of profits and a maximum of production, which has been in the interest of the public.

PACKERS' PROFITS NOT EXCESSIVE

All the investigations and all the legal proceedings in the world cannot alter the fact that during the war the packers made but 5.6 per cent profit on the food products regulated by the United States Food Administration or about half of what was permitted under those regulations, and the report of the Food Administration to Congress will substantiate this assertion.

Armour and Company last year earned less than two cents on each dollar of sales, and on the meat business the profit was much lower. Could

those who are criticizing and attacking the packers have conducted the business upon such a narrow margin of profit? Would it have been possible under Government control?

A fair, impartial investigation by the Government and the courts is what the packers desire. It will show that the packers are not responsible for the high cost of living. It will demonstrate the part played in high prices by production costs, including wages, raw material, freight rates and the high taxes caused by the war.

REVIEW OF THE BUSINESS OF ARMOUR AND COMPANY

Armour and Company last year did a business of \$861,000,000 on the narrow margin of 1.8 cents net profit for each dollar of sales. The profits of the company on all business were 9 per cent on the capital invested, which is in the neighborhood of \$173,000,000. The company has fifteen packing establishments, situated in Chicago; Kansas City, Kansas; East St. Louis; Fort Worth, Texas; South Omaha, Nebraska; Sioux City, Iowa; St. Joseph, Missouri; Denver, Colo.; New York; Jersey City, N. J.; Indianapolis, Indiana; Jacksonville, Florida; Spokane, Washington; South St. Paul, Minnesota, and Tifton, Georgia. It has something like 450 branch packing houses in centers of consumption throughout the country.

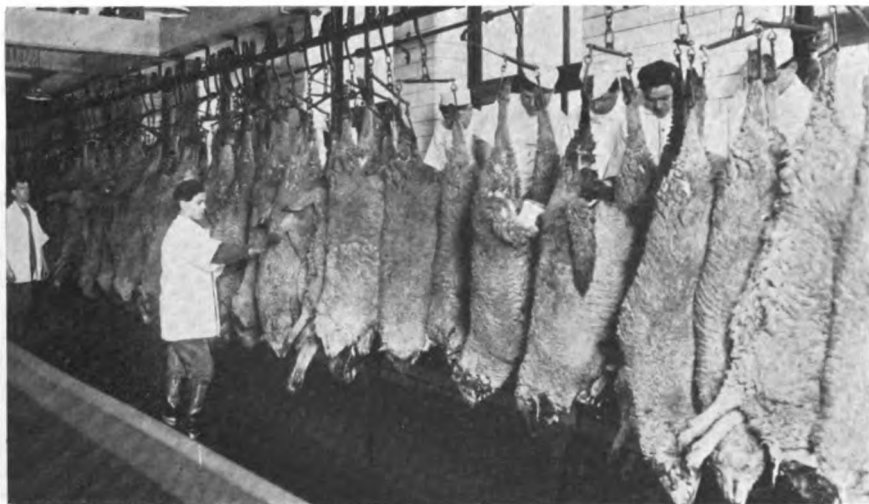
J. Ogden Armour, president of the Company, succeeded his father, the late P. D. Armour, in that position in 1901. He has made the meat packing business his chief interest in life, although he is engaged in other industrial and financial enterprises. When he left college he started to learn the business from the ground up the same as any other applicant for a position. His first work was in the mailing department of the Chicago general office at a nominal salary. He has worked in various departments in the plants until there is no detail of the business that he does not understand from personal experience.

How the business has grown in the

last eighteen years may be gathered from the fact that on the death of the late P. D. Armour, a business of only \$180,000,000 a year was being done, or about one-fifth of its present dimensions. Under his son's management the business has been largely extended. New packing plants have been established in important centers of production to meet the increasing demand of consumers, not only in this country but all over the world. The latest plant

the packing plant at Tifton, Georgia. As a result of this enterprise the producers of Georgia and surrounding states will be furnished with a regular unfailing market, reaching the millions of consumers in the eastern territory as well as European purchasers of American meat. Lack of distributing facilities formerly shut off this section to the detriment of producers as well as consumers.

During 1918 in the fourteen pack-



Sheep Killing, Armour and Company, Chicago

will soon be opened at St. Paul, Minnesota, and will represent an investment of several millions of dollars.

The establishment of these packing plants is an important aid to the development of the live stock industry. By placing meat packing plants in centers of production, long hauls are obviated, and the consequent shrinkage of live stock in transit as well as high freight rates, which reduce the revenue of the producer, is saved.

Farm land has increased in value and it has been the experience that commercial and industrial activity in these packing centers is greatly increased. Not long ago, at the request of producers in the surrounding territory, Armour and Company acquired

ing plants of the company then in operation Armour and Company had 57,303 employees. The average wage of these employees is something between \$25.00 and \$30.00 a week. For common labor the average is 48½ cents an hour. The wage rate has increased 134 per cent since the pre-war period and on the date that this was written negotiations were in progress for further increases in the plants running up to 70 cents an hour for common labor. For skilled labor the rate of course is much higher—\$1 an hour being a common rate.

During 1918 Armour and Company paid out for hogs \$245,131,715.00; for cattle \$232,709,657.00; for sheep \$24,530,610.00; for calves \$15,599,044.00.

SIZE OF THE BUSINESS INVITES ATTACK

It is this magnitude of operation which has incurred the hostility of that portion of the public which does not fully understand the unailing economic law that economy in operation only is possible when industry is conducted upon a large scale. The size of Armour and Company and other packing enterprises has made it possible to pay producers the highest market price for their live stock and to sell it to consumers at such a narrow margin of profit as would be utterly impossible were the business conducted with the small scale abattoirs such as existed in this country forty years ago. Armour and Company probably averaged about a quarter of a cent a pound on beef in 1918, so that the average person, who is supposed to consume about 180 pounds of meat a year according to Government statisticians, paid Armour and Company a net profit on all his meat of only 45 cents. If this profit were wiped out entirely meat would be no cheaper to the consumer.

THE UTILIZATION OF BY-PRODUCTS

One of the greatest examples of efficiency in the meat packing business as conducted by such large concerns as Armour and Company is found in the development of hundreds of by-products from material that formerly was discarded as waste. This could only be possible as a result of large scale operation. By utilizing the bones, hair, viscera and every other part of the meat animals it is possible to make a small profit—ranging from \$1.00 to \$1.25—on a 1,000-pound steer, under favorable circumstances, although the dressed meat of the animal, which amounts to but 565 pounds, is sold for considerably less than the animal cost the packers at live weight.

Armour and Company have extensive research laboratories where enthusiastic and hard-working scientists have evolved new and elaborate processes as a result of which all waste products are converted into valuable

commercial articles. During the war many of the pharmaceutical products were in great demand. Surgical ligatures made from the intestines of the sheep were furnished to the Government in enormous quantities. At one time the entire cheese industry in this country was threatened as a result of the scarcity of rennet, the curdling ferment made from a calf's stomach. A new product, named rennase, as a result of patient research work, was made from the stomach of the hog; it proved a satisfactory substitute and the cheese industry was saved. A pharmaceutical preparation used for shocks resulting from wounds was developed and proved a boon of incalculable worth for suffering soldiers.

The by-products are divided into two classes, the edible and inedible. The edible products come from the hearts, livers, brains, ox-tails, kidneys, sweet breads, tongues, fats, rennet blood and a few others—formerly discarded.

Among the inedible products are commercial articles from wool, hair, hides, sinews, fats, blood, glands, viscera and bones.

From the wool, hair and hides are produced all varieties of leather, brushes, plaster binders, felt, padding, hair for upholstering furniture and for mattresses, glue and lanolin.

From the sinews, fats and blood such products are derived as blood meal, filler for leather, ammoniate for fertilizer, meat meal, illuminating and lubricating oils, glue, gelatine, isinglass, benzoinated lard, lard stearine, mutton tallow.

The glands and the viscera supply such products as sausage casings, gold-beaters' skins, perfume bottle caps, tennis strings, strings for violins and other musical instruments.

Some of the most useful and interesting articles are made from bones such as buttons, combs, hairpins, umbrella handles, napkin rings, tobacco boxes, buckles, crochet needles, knife handles, dice, chessmen, electrical bushings, washers, artificial teeth, bone rings for nursing bottles, glue, case

hardening bone, gelatine, fertilizer, oils, grease, and soap.

Some of the most valuable by-products consist of pharmaceutical preparations. These include pepsin, pancreatin, thyroids, suprerenals, benzoinated lard, pituitary liquid, pineal substance, and red bone marrow.

The foregoing include but a small number of the principal by-products. There are subdivisions of these which make the list run into the hundreds. Among those which have not been mentioned are lard, soap, candles, glycerin, tallow, neats-foot oil, rennet, and oleo-

SUPPLYING FOOD IN WAR TIME

The greatest exhibition of the perfection attained in manufacturing operations and the distribution system of the large packing companies came during the war when they were called upon to feed not only millions of troops of this country and abroad, but also millions of soldiers of our Allies and countless starving people overseas.

Armour and Company recently received a letter from one of the bureaus of the War Department in Washington asking for certain details of the oper-



Canning Department, Armour and Company, Chicago

margarine. Armour and Company manufacture 30,000,000 pounds of oleomargarine a year in a model factory in Chicago.

The manufacture of fertilizer materials gives value and puts into commercial form a large variety of packers' waste not usable in glue, curled hair, felt or stock feed. The development of by-products has been made possible by recent improvement in large scale control of mechanical refrigeration and the enormous volume of business which justified the big packers in making an equally enormous investment in plant and equipment.

ations of the company during the war and the following paragraph in the communication was particularly gratifying to this company:

The food supply of the army, of course, was one of the largest problems the army had to deal with and I assure you that it is the consensus of opinion of purchasing agencies of the War Department at Washington that the war could not have been successfully carried on without the loyal cooperation of the packing concerns in Chicago.

To keep the armies of this country and the Allies in the "fed-up" condition which had such important bearing

upon military results, it was necessary to send an unceasing supply of meat products overseas. Large quantities were sent upon rush orders. The Food Administration upon numerous occasions would call up the Chicago office of Armour and Company on the long distance telephone from Washington and order the immediate dispatch of hundreds of carloads of meat products.

The call for tremendously increased production taxed the managerial resources, the capacity of the plants and the skill of every worker of Armour and Company. The Government was taking 40 per cent of the firm's food products at the time the armistice was signed. The abnormal demands made it necessary to increase the force of employees by more than 50 per cent in some plants. New buildings were everywhere erected and extensions made to the meat packing establishments. Hundreds of thousands of dollars' worth of machinery were required to meet pressing needs. It was necessary to expand the entire business. There was a shortage of labor and there was difficulty in obtaining containers and other material. Transportation at times was uncertain and the difficulties incident to continuous operation were enormous.

In spite of all these handicaps production was maintained at an amazing rate. Over 100 carloads of meat a day, or 75,000,000 pounds a month, went forward to the army. The choicest hogs, the finest beef cattle raised, were reserved by Armour and Company for the forces fighting at the front. During the entire war not a single justifiable complaint was made regarding the service or quality of the product.

During the severest fighting, a daily average of 240 carloads, 8,000,000 pounds of meat, was shipped until congestion at the Atlantic seaports became so great that the terminal facilities were unable to handle such enormous quantities of food.

Armour and Company also supplied large quantities of meat and other products to our Allies. The first order of the French Government was for 9,000,000 cans of tinned meat. The first

large order of the Italian Government was for 17,000,000 tins of meat, and it may be added that these orders were delivered thirty days ahead of time. Millions of soldiers at home had to be fed also. Large centers of population had cantonments and mobilization camps quartering from 40,000 to 50,000 men each. The refrigerator cars of Armour and Company and other packers, the branch houses and special car routes, made it possible to see that these soldiers were fed, without disarranging the great distribution system for supplying food to the civilian population of the country. It would have been impossible to feed our army and the troops of our Allies as well as to supply the domestic population without the organization and distribution facilities of the large meat packing establishments of this country.

SERVICE OF THE REFRIGERATOR CAR

The invention and development of the refrigerator car has contributed more perhaps to the success of the meat packing business in this country and the market it has afforded to producers than any other single factor. Previous to the development of the refrigerator car, the packing business was largely a pickling business. Philip D. Armour, founder of Armour and Company, who in 1874 had built the largest curing room in the world, saw the possibilities of the refrigerator car and how through its systematic operation the public would be able to obtain fresh, wholesome, tender beef at all times. He visualized the products of the western plains supplied to the cities of the East at the maximum price to the farmer and the minimum price to the consumer. He looked ahead and saw through the use of the refrigerator car in connection with cold storage fresh meats and perishable products made available both in winter and summer.

Previous to this period there had been no such thing as an adequate fresh meat supply in the East and before the late 80's such beef as was shipped

there from the western plains mostly went alive in stock cars. Production cost of cattle in the prairie sections was low but the shipment to eastern centers of population, where there was no grazing land, was costly and the means of transportation unsatisfactory. The cattle suffered in consequence of the long journey in the cars, lost weight and meat produced of this stock was likely to be of inferior grade. A 1000-pound steer so transported actually represented only 565 pounds of dressed meat and the 435 pounds of waste was included in the transportation charges.

The first refrigerator cars were built as an experiment. The railroads were not responsive to the demands for refrigerator cars and interposed many objections. The carriers never had been strongly in favor of refrigerator cars and finally Armour and Company and the other meat packing companies had to build the vehicles as they were required. This will account for the fact that most of the refrigerator cars used by Armour and Company and other meat packers are privately owned. By means of the meat refrigerator cars of Armour and Company, the hundreds of branch houses in various parts of the country and through them many thousands of retail dealers throughout the country are supplied regularly with fresh, wholesome meat and other food products. These branch houses are established in all important centers of consumption. The refrigerator cars reach these depots two or three times a week or more frequently, depending upon the importance of the house and the demand for meat.

In addition to the cars which supply the branch houses and to those which are utilized especially in export business, there are several refrigerator car

route organizations, each with a staff of about fifty men, which supply smaller cities and towns of from 500 to 3,000 people where no branch houses are situated. Two cars a week go to these smaller centers of consumption from Armour and Company, insuring a regular supply of fresh meat and other perishable products at all seasons. If it were not for the car routes, many of these smaller places especially in the West would be dependent upon pickled meat during the summer months, or at least it would be impossible for them to obtain fresh meat. Some of them, indeed, are unable to obtain ice during the summer months. It is obvious that any curtailment of the supply of refrigerator cars used by the packers would greatly demoralize the distributing system of food to the consumers of this country. In fact, there are not a sufficient number of refrigerator cars at the present time. Without the efficient operation of refrigerator cars the packing houses could not continue and the public would not be able to get its daily supply of meats and other food.

PRESENT STATE OF MEAT PACKING INDUSTRY RESULT OF GENERATIONS OF CAREFUL MANAGEMENT

It has taken generations of careful management and unceasing attention to detail to develop the meat packing business as conducted by Armour and Company and other large packers to its present stage of effective operation. Turning the complicated mechanism of such an important industry over to inexperienced Government officials would throw this complex machine out of gear, greatly increase the expenses of operation and would afford no corresponding benefit to producers, consumers or the industrial or financial world.



The Relation of Banking to Industrial Development

By **MOIS H. AVRAM, M. E.**
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Member of the Society for the Advancement of Engineering Education

President Aeronautical Society of America

The demand of the times is for an increase of production as the most effective remedy for the shortage of commodities. While the demand is correct enough, it is justly pointed out by the author of the following article that "It is an era when science and scientific analysis must be applied to industrial development in the interest of investors with a view not alone of increasing production, but with the idea of undertaking and stimulating production only of such products as are of true and lasting industrial worth." He also points out in a very interesting way how this scientific analysis may be utilized in removing invention from the realm of uncertainty to that of assured success and in generally raising the standard of productive industry.—Editor **BANKERS MAGAZINE.**

COORDINATION of industry and finance to meet the exigencies of the future is one of the most important necessities of the present. Primarily so, perhaps, because industry finds itself facing a peculiar, not to say difficult, situation which in its fundamentals is highly ideal, yet which as a measure of our own national industrial protection must be highly commercialized. Ideal because our industries will be called upon to supply the needs of nations laid waste, and rehabilitate their industrial structures that they may as soon as possible extricate themselves from a state of almost total non-production into which they have been thrown as a result of war. Commercialized, because as soon as this rehabilitation is once accomplished these nations will enter the world markets as our competitors.

It is obvious that in such a situation not a little danger exists for ourselves and that the utmost care must be taken in developing our industries to guard against any possibility of weakening our own economic position. The chief danger lies, perhaps, in over-ambitious attempts to expand our industries beyond the limits where absorption of their products may be freely had without due consideration or investigation



MOIS H. AVRAM

President

Slocum, Avram & Slocum Laboratories, Inc.

of the character or quality of the products to be manufactured. If we are to meet the future situation fully, it is of the utmost importance that our

industries be developed only along such lines as will insure the raising of the standards of quality of their products to such excellence that they will find ready acceptance in every market of the world in the face of the keenest competition of foreign competitors.

RESPONSIBILITY OF BANKERS AND CAPITALISTS

As the bankers and capitalists of the country are in a large measure responsible for our industrial growth, a proportionate responsibility rests with them as investors to subject all enterprises to which they lend financial support to most rigid investigation and analysis to determine exactly the merit and marketability of the products to be manufactured. Strangely enough this has not been the practice in the past, chiefly because under old time conditions industries thrived and prospered under circumstances which today would spell disaster. The system, however, has been tremendously costly, as many who have invested money in industrial and manufacturing enterprises can testify to their great regret.

The time has passed, however, when such practices can longer be looked upon as profitable. Changing conditions make for changing methods, and we must adjust our methods to meet the new necessities imposed upon us. We can no longer look at the world through the small end of the glass. We must adjust our lenses to give us a close-up view of conditions, that we may see them as they really are. Industry as we have known it has passed forever from the realm of hit-or-miss and is entering upon an era where it will be known only in the superlative, and in which industries and products will be organized, developed and manufactured under selected circumstances and under the supervision of scientists who will have made a rigid investigation of all factors affecting the production of the various products. It is an era when science and scientific analysis must be applied to industrial development in the interest of investors with

a view not alone of increasing production, but with the idea of undertaking and stimulating production only of such products as are of true and lasting industrial worth.

INVENTION AND INVENTIVE DEVELOPMENT

In no section of our national industrial endeavor is this more particularly necessary than in that division in which invention and inventive development play the most important role. The war has inspired thousands of inventions of various kinds and quality, for which their inventors and sponsors are seeking financial support with a view of placing them on the market. Many of them have been prompted by the temporary curtailment of supply, or non-manufacture of products which had heretofore been imported from countries which, for the time, have become non-productive. Others have been prompted by imaginary needs, and to supply the demands of an imaginary market when, as a matter of fact, no market exists, and little probability of one being created.

By this I do not mean to imply that all are without merit. Quite to the contrary, many of them have real mechanical and commercial value, and their manufacture would doubtless prove a boon to civilization. It is necessary to determine just which ones these are, however, and to concentrate our endeavor on the development and perfecting of such devices that they may as quickly as possible be adapted to commercial uses and yield at the same time adequate profits on the investment necessary to bring them to a state of quantity production.

Strangely enough capital in the past has held a peculiar attitude toward invention. Anyone with an idea, or a model of an invented device, has never found difficulty in obtaining the capital necessary for its development. Invention of any sort has seemed particularly alluring to men with money to invest, although it has always been regarded as containing a large element of risk

and uncertainty. A risk which would be unnecessary had the precaution of investigation and analysis been taken in advance and yet which has been readily discounted by investors because invention has long been regarded more or less a possession of genius, or the result of accident, when the reverse is actually true. It is based on absolute laws of exact science.

Invention, while the very essence of progress, has therefore been the most profligate source of industrial waste with which we have had to deal. Too much care, therefore, cannot be taken at this time by investors to determine the exact character of the device they are backing with their money, its practical mechanical feasibility, marketability, commercial worth, and value as an investment.

Present-day methods make it possible for all these facts to be determined exactly before a dollar is spent on experiment or development, and everyone financially or otherwise interested in industrial development of whatever character should avail themselves of such information to guard against loss. Invention and its development are governed by certain scientific laws which are inviolable. These laws must be obeyed if success is to be had, and by their application to industry much of the uncertainty which has marked its development can be eliminated.

While not widely practiced by individuals until quite recently, the principles of this scientific system of inventive analyses have long been in operation in such concerns as the Edison and the General Electric Companies. Everyone is more or less familiar with the tremendous scope of the inventive work done by these two companies, and yet few have paused to consider how their products have been made to be so uniformly successful. The answer is investigation and analyses. The development and production of no device or machine is permitted to be undertaken until it has been subjected to the most careful and exhaustive tests and analysis by scientists maintained in the lab-

oratories of those companies especially for that purpose.

Both of these organizations maintain large laboratories and experimental departments, solely for the purpose of fostering invention and in which are retained some of the greatest inventive and scientific brains of the world. Nothing is left to chance in the development of invention in those laboratories, but is worked out under the supervision of scientists following laws of absolute science.

Having been practiced successfully by these great corporations, whose contributions to the world have numbered hundreds, does it not follow that the same principles applied to the development of inventive projects by private concerns and individuals would not only minimize but practically eliminate the danger of loss or uncertainties growing out of failure of a product to meet the expectations of its inventors or backers? Through the medium of commercial industrial laboratories these facilities are now available to every one, and sooner or later the rank and file of manufacturers and investors must come to rely upon these laboratories before undertaking development of industrial enterprises, if their own and the general public good is to be best served.

The chief factors which concern most of us when engaging in such enterprises are those governing the character of the product, which should be exactly known, its mechanical practicability, commercial worth (determined, of course, by existing markets or the ability to create such markets); methods of development, all of which determine the investment worth of any product.

It has been the exception, however, when an inventor, promoter or investor availed himself of the opportunity to learn all there is to know about his product before beginning development. Chiefly because the inventor is too self-assured of the merits of his product to appeal to outside sources for approval of his plans or models. The banker or capitalist is, therefore, led to entrust his money to the promoters on their

unsupported claims. Hence the tremendous proportion of losses, financial wrecks and ruined hopes and ambitions which strew the road of inventive development.

The present position of our industries, however, demands that such tactics be abandoned. Bankers and capitalists should use care in financing enterprises to lend their support only to such projects as have been ascertained to hold reasonable promise of success. This can be determined through the means mentioned above.

RAISING THE STANDARD OF OUR INDUSTRIES

It is not alone in the number of industries that a nation is industrially strong, but rather in the quality of its industries and the character of their products. It is particularly necessary at this time that the standard of our industries be raised, and the production of larger quantities of standard products be stimulated. This may be accomplished by properly correlating industry with invention on the one hand, and the inventor, promoter and capitalist on the other, all of which may be done through the simple expedient of analysis and procedure being insisted upon by capital before undertaking to finance an industrial enterprise by asking science to investigate and produce under selected circumstances the device or machine intended for manufacture. It is a simple question of increasing the potential value of new inventions for the benefit of all fields of industry. This result can best be obtained by reducing the gigantic proportion of failures in industrial development which in the past have constituted a large part of our national waste.

Many developments fail because of the disproportionate cost of making the product ready for the market. By far the greater number of such failures are due not so much to lack of intrinsic merit in the enterprises themselves, but to ignorance of the mechanical laws affecting the development of the product. Others have passed into oblivion because of mechanical impracticability of

their products which could have been remedied had they been subjected to proper analyses before development was begun. Many such failures have possessed far more merit than numerous devices now upon the market and which, because of proper development, have achieved success and reaped rich harvests of profit for their backers.

COOPERATION OF SCIENCE WITH CAPITAL AND INDUSTRY

Science has advanced so far that it is now known as exact, and all modern invention is based on exact rules of science. Science, therefore, is prepared to cooperate with capital and industry in the development of their products by advising first on mechanical worth of inventive projects, and then upon methods of development calculated to place the article or device upon the market with the least delay, and with the least expenditure of time, money and energy.

It is upon such methods that rests the true development of our industries in the future. Inventive science no longer limits itself to the service of large corporations, but through the medium of large commercial laboratories employing the best engineering brains and skill, is at the service of all interested in industrial developments of whatever nature. In these laboratories the crude conceptions of inventors are analyzed and cloaked in the principles of science and the rules of modern design are followed exactly without departing in the slightest from the original spirit of the invention.

With such facilities available, there is no rhyme or reason for the present tremendous industrial waste to continue. The responsibility rests most largely with capital, for in it reposes the life blood of industry. When capital reposes its confidence in science, then can we face the future with optimism and the assurance that our industries are not only fundamentally strong, but their products perfectly organized to meet and surpass on equal grounds the products of any other nation in any market of the world.

The Personal Factor in Industry

The Story of a Man Who Used Twentieth Century Methods in the Application of Common Sense

By HARRY T. JONES

(Continued from the August *BANKERS MAGAZINE*)

RESULTS OF THE NEW POLICIES

GLENN OGDEN'S policies began to get results from the men immediately. Riley brought back the O. K. to Ogden on the report of the committee. The men cheered the company on their way out the gates. The fact that life had assumed a more glad-some outlook put thoughts of cooperation and helpfulness into their heads already. On the fifth pay day after the inauguration of the new schedule there was inserted into the pay envelope of each worker a printed card which read:

WE'RE KEEPING THE POT A'BOILING
BUT
WHAT ARE YOU DOING WITH THE
STEAM?

THE ABOVE WILL BE THE SUBJECT OF A TALK
TO EMPLOYEES OF THE COMPANY NEXT MON-
DAY. NOONDAY MEETING. COME AND HEAR
THINGS WHICH WILL BE SURE TO INTEREST.
CENTRAL YARD. GLENN OGDEN,
General Manager.

Of course, on that Monday Ogden was greeted with applause. His smile was apparent as usual. When he got a chance to speak, he announced that to those who were unable to hear him there would be presented the same talk on each day of the week, giving all a chance to become familiar with the occasion. And he went on:

"Boys, I was instrumental in getting a little raise for you, and now I want to ask if you won't (insofar as your limits will permit) try to save a little money."

Ogden was speaking from a raised platform erected for the purpose.

"Let's save to buy stock in the Ajax Car and Foundry Company. You are the producers and should thereby have a share in the profits. The company has evolved a scheme whereby each one of us will be enabled to buy shares of stock, on the same plan upon which you buy War Savings Stamps at the present time. I'm going to buy some out of my savings, but I am going to buy it just the way you boys will buy it—a little at a time. Thus you see that the more you save, the quicker you will be able to say that you are a stockholder in the company and thus you will the sooner realize that you are practically working for yourself. It is a profit-sharing plan which is the vogue to-day in all big industries, that brings capital and labor into closer bonds of friendship and understanding.

"Among other things which the company intends to establish is a bonus system, whereby at Christmas time every employee will receive a ten-dollar bill as present from this company. Also plans are drawn and ground is already broken, out at Big Tree, for a modern club house, where the boys may be able to enjoy almost every form of recreation. Special ladies' nights will undoubtedly be held, wherein your wives, sisters, mothers and sweethearts can partake of your club's privileges and enjoyments. This club will not be a make-believe affair, but will be equipped with every up-to-date convenience and

attribute that goes toward the making of happiness and recreational exercise.

"For instance: our shop teams, when bowling, use alleys which are situated in the centre of the city and entail great expense for their evening's use. How much better it will be when you can invite your friends and bowling teams to bowl at *your* clubhouse; something that you will be proud to do and appreciate the fact that you will be saving some needless expense at the same time.

"Another new idea which commences work to-morrow is the "Square Deal Department." Each man (myself included) in the employ of the company will be tabulated by a card system. The record will contain practically a short history of each man's activities while he has been here employed. The department will be run by a certain number of you boys and a number of the office force assisted by stenographers and typists. I will try and lend some help there, too. The working activities of all of us who make our living from the efforts of this company will be looked after and recorded by the Square Deal Department. Differences and disputes among employees will be settled by it. Every new man whom we take on must register with the Square Deal Department before he can go to work. Every man leaving our employ, of his own free will, should register his intentions with the department, two weeks in advance, in order that he shall be giving the company a square deal in so doing. We do not want to lose a man unless we have to. The department will use its functions to work both ways, in that it will endeavor to give a square deal to the company and also see that a square deal is given by the company to its men.

"I'll be on the job here to-morrow to give this little talk for the benefit of those who could not get up close enough to-day."

The men gave three cheers for Ogden. Next followed three cheers for the company. Then they went back to their several stations in the works—happy.

THE OBJECTING DIRECTOR

Mr. Johnson, director, had been an interested spectator and listener. Approaching Ogden, when nearing the office, the director said, not unpleasantly but in a manner as though he were at a loss to understand:

"Well, you may know what you're doing, but I'm damned if I can see through it. I suppose you will have me doing a chauffeur act for one of the foremen, eh?"

"No, Mr. Johnson, all you will have to do is to sit tight and breathe through your nose. That's the surest preventive against your gossiping among the employees or others. Just keep on directing directors and watch your step."

It was simply a slight hint to Johnson to keep off the grass. Ogden continued:

"Listen, Mr. Johnson: I know a man who sells sandwiches. His competitors recently saw fit to pare down their sandwiches to about two-thirds the original size, thinking to save expense due to the high cost of material. My friend, understanding the situation exactly, immediately increased the size of his sandwiches, and so notified the public. By doing this he was put to an extra expense of \$9 a day. What happened? Only this: the increased sale of his product amounted to 300 sandwiches the first day that the scheme was put in operation. Figure up 300 sandwiches at ten cents apiece, and subtract \$9, and one can arrive at the net profit of this man's courage and convictions. Work to-day is figured on huge volume and small profit, rather than small volume and huge profit. My friend of sandwich fame made his customers happy in giving them a good run for their money. They got new customers for him. He made more money. Also he taught me a lesson that I'll never forget.

"Again, take our army in the war. The volume of the job was gigantic. In order to have our boys do the right job it was necessary to keep them happy and contented. Morale, you say. Quite right. And to keep them happy cost something. Everything was provided

to keep them interested and happy, and they did the job well. That same idea should pervade these works. We will keep our workers happy. They will turn out a bigger volume of work, and the company will reap more profit."

Johnson walked away, thinking hard.

But things went on just the way in which the G. M., as they called him, had planned. The workers were saving their money and buying stock in the company. They enjoyed their clubhouse to the fullest extent and the ladies' nights were a huge success. Everybody was happy, including the company. President Ramsey showed his best enjoyment. Van Dusen smoked bigger cigars. Johnson was almost inclined to admit that the company had gotten off the scratch mark well, but reserved his decision as to the probable winner. Yet it must be remembered that he was the president of a big steel mill himself, and perhaps he had other problems on his mind.

Glenn Ogden made himself a very busy man in the Ajax Car and Foundry Company. He never lost an opportunity to be out in the works mixing in with the men. He was not too big a man to know how to smile when talking to them. He cultivated their friendship. On many an occasion he used the prefix "Mister" when addressing a worker, who would stare in blank amazement at first, but would afterward appreciate the salutation, and not only remember it, but talk about it to his fellow workers. On his tours of inspection in the yards Ogden made it a particular point to compliment men whom he found had done a good piece of work. Yet he could be firm when the occasion demanded, and no one could take advantage of his pleasant disposition. He used the term "boys" to them whenever he could, and often, when giving an order, it seemed to include himself as well as those for whom it was intended.

On one occasion Ogden brought his wife out to one of the ladies' nights at the clubhouse at Big Tree. Mrs. Ogden was attired in a simple gown entirely in good taste with her surroundings. She knew Ogden's methods and also knew how to interpret their meaning when he

called upon her to help him. Glenn Ogden introduced his wife to every man and woman in the clubhouse that evening. He did not have his wife sit in a far corner and act as a society queen, but escorted her all over the clubhouse from top to bottom, seeing that both he and she entered into the spirit of the evening just as though they had been Mr. and Mrs. Jimmy Smith or Mr. and Mrs. Johnny Jones. Could actions such as these ever be forgotten by the men? Would they not appreciate Ogden as a man who knew that they were human; would they not think well of a man in return, even though he was their general manager and boss?

Glenn Ogden, as a student of human nature, had learned nothing new. What he did and was doing was the putting into operation his thoughts, schemes and policies wherein he believed truth, sincerity and esteem, properly exhibited, would bring back a load of the same articles, multiplied a hundred fold. He wanted his men to like him and his methods; that was part of his stock in trade. He lost not a whit of dignity by his actions; he simply was a general manager who was different and he had the nerve to do what he was doing. New methods are hardly ever understood when first used, yet people readily adopt them when they see how advantageously they work.

Things and events moved along nicely. Ogden had been at work a little over a year. One morning, as he sat in his office, he was joined by President Ramsey and Van Dusen, banker-director. The three men, in perusing the year's records, ascertained that the company had made money. More money, in fact, than in any year previous. Happiness and contentment pervaded the works. They, Ramsey and Van Dusen, congratulated Ogden on the work he had accomplished. The door opened:

"Gentleman to see you, Mr. Ogden."
Ogden looked at the card. It read:

JOHN P. CALLANE, Secretary,
Amalgamated Foundry Workers of
America.

"Show him in," said Ogden.

Callane walked in. He was greeted politely.

"What can we do for you, Mr. Callane," asked the general manager.

"I understand that you are the general manager here?"

"Yes."

"Well, your men are working in this plant nine hours a day, when it is expressly stipulated that, as members of the union, they shall only work eight. As union men we require that they adhere strictly to union hours, namely, an eight-hour day."

"Mr. Riley is president of the local here. Have you talked with him?"

"Yes, he refers me to you."

"All right," said Ogden, picking up the telephone. "Send Riley in here."

Riley presented himself.

"Mr. Riley," said Ogden, "this man here represents himself to be someone in authority from your union. He is demanding that the boys work an hour less each day. Says it is compulsory. Have you heard any discontent expressed by our men as to the nine-hour day?"

"No, sir."

"Are the boys making money?"

"Yes, sir."

"Are we all happy and contented here?"

"Yes."

"Callane says that he approached you before coming to me."

"Yes, sir; I turned him over to you because I did not know what to say to him."

"All right. Now, Mr. Callane, where do you come from? Where does your office hold forth?"

"Detroit."

"And what can Detroit have to do with a place a thousand miles away, such as this, when it comes to administering the affairs of this company? Why should anyone in Detroit bother his head about things which do not concern him? If our boys are satisfied to work nine hours, and are made happy in so doing, then that is their own business, and they shall not be disturbed in doing as they see fit. When they want to work eight hours instead of nine, they

will voice their sentiments through Mr. Riley here, or through our Square Deal Department. I think we will go on in the regular way in which we have been doing, unless the president of Local 237 here informs me that a change is needed. We may consider this interview at an end now, I think, and I bid you 'Good day,' Mr. Callane."

Callane picked up his hat and glowered on them all.

"Well, that's the way you feel, eh? Well, I've given the ultimatum to Riley here, and you, too. It's an eight-hour day here or we close the works. Two weeks from to-day I'll be back for an answer. You've got the bunch here camouflaged with stuff so that they will not ask for eight hours. I'm putting it up to Riley. He'd better see the men and tell them why I called. If the answer ain't right, then you'll have a strike that'll cost a pot of money. Two weeks from today, you understand? It'll be eight hours or nuthin'. Think it over."

Callane raised his clenched fist high in the air and brought it down hard on the glass-covered table. "When we say eight hours we mean bizness, d'ye hear? The sooner you git wise, the better." And Callane strode out.

It was like a bombshell out of a clear sky. President Ramsey was the first to speak.

"Looks like we are up against it."

Ogden paid no attention to the remark. Turning to Riley, he said:

"Bob, go out and tell the men just what has happened. Tell them the truth. I've always dealt on the level with them, and I want them to think and know that I will still continue to do so. Find out what they think about this thing. You can give me an answer whenever you think it's necessary."

"All right, chief," said Riley, and he went out.

Ramsey looked toward Van Dusen. "Pretty tough to be confronted with this, eh, Van?" The banker pulled on his cigar. Glancing at Ramsey, he said:

"We're hit below the water-line, but still afloat. We've got a pretty good man running the ship, so let's carry out

his orders if he has any to give."

Ogden said nothing. Finally he realized that something was expected of him, and said:

"I've got to get the sentiment of the boys first, before I do anything. In the meantime you gentlemen will please go about your usual tasks, rest easy on the oars, and let the old ship drift down the stream until we see how far the current can carry her."

The officials left. Ogden went home, where he could think to his heart's content. And he admitted that the proposition needed a good dose of hard, constructive thinking. But the next day he had arrived at no particular conclusion.

The days wore on. No answer from Riley. Ogden was out in the yards and works every day. His smile, his demeanor, his disposition, and his actions were just the same as they always had been. But he never once questioned a man about unionism or working hours. He depended on Riley at the outset, and until he heard from Riley he would not assume the rôle of eavesdropper. But he saw things which rather puzzled him as to their ultimate meaning.

He tried to be and *was* the same Glenn Ogden that he always had been. Yet it seemed to him that the men appeared to avoid him.

What was the idea of the printed slips of paper which the men were passing around and comparing at the noon hour? What were the whisperings with several heads together? What of all the mystery that seemed to prevail among the men? And why, most of all, was there no word from Riley? Of course, Ogden could have ascertained the information as to what was transpiring, but he steadfastly refused to do so unless that information came from Bob Riley.

It was getting into the middle of the last week. Ogden sat in his office. Mr. Johnson happened in.

"Well, boy, it looks like we're still on scratch, eh?"

Johnson might have meant no offense, but he had the knack of saying the wrong thing sometimes. Ogden looked at him:

"Oh, bosh with you and your scratch!"

And Ogden left to go and hunt up Riley. He found him. He felt that he must talk with someone, and Riley seemed to be the man.

"Any news, Bob?"

"No."

"You promised to give me an answer."

"You said I could give it *when necessary*, didn't you?"

"Yes."

"Then I'll have the answer when Callane calls for his."

Ogden could not understand Riley's manner. It was absolutely foreign to the way he had always acted before.

"What are the men doing with the slips of paper, Bob?"

"Voting."

"For what?"

"Can't tell."

"All right, Bob. If you want to keep me in the dark on this thing, that is your business. You and I always understood each other pretty well on the thing we call a 'square deal,' though, and I simply thought that you were still willing to help me."

With that Ogden gave it up as a bad job and walked away. He had decided upon one thing as a result of his conversation with Riley. He would await developments until Callane called again.

The day arrived. Callane was shown into the office. It was Ogden's orders that he should be admitted. Bob Riley came in with him.

It was Callane who spoke first:

"Well, you know what I'm here for. What's the verdict?"

"I'd like to answer that question," ejaculated Riley and, not waiting for permission, he proceeded:

"Mr. Ogden, you commissioned me to tell the boys of Callane's previous visit, and how he demanded that we work eight hours instead of nine. We held a meeting. I presided as usual. You said I might bring back an answer *when I thought it was necessary*. I think that necessary means now. We could have brought in an answer the day after the meeting if we had wanted to, for we

had decided that night. Now let me offer a little explanation. Just want to tell you what we talked about at our meeting. We talked mostly about you, Mr. Ogden."

Riley was warming up to his subject. His enunciation and grammar were perfect. He continued:

"Do you suppose that I forgot how you came down to my house and helped me last winter, when my wife and kiddies were ill?"

"Do you suppose Blanchard forgot how you sent your wife down to him to help nurse his family, all sick with the 'flu'?"

"Do you think O'Brien forgot how you brought his money to him when he was sick three weeks?"

"Do you think others forgot how you sent coal to them when their bins were bare?"

"Do you think for one instant that the thousand and one other kindnesses that were done by you for the boys could ever be forgotten? We voted the answer. I pledged the men to secrecy. We did some more voting out in the open yard to deceive you. That voting was on something entirely different. I acted in a manner which you did not understand. I coached the men to act toward you in the same way. As I said before, I have the answer ready, and it consists of four words."

"What is it?" spoke Callane.

"WE WORK NINE HOURS."

"Then headquarters will wire a strike order here inside of ten hours. We'll put the plant out of business!"

"Strike orders won't affect us," spoke Riley. "We've seceded from the union. We have formed a new one called 'Ajax No. 1.' Let me introduce to you our new president, Mr. Glenn Ogden, elected by printed slips of paper, during various noonday meetings and deposited in the ballot-box at night. Election unanimous. Now, Callane, old scout, you beat it back to Detroit and try your game on any other factory. I'll bet you do not even get a smell inside the men's kitchen out there."

"Huh!" said Callane, and he vanished.

"How can I thank you, Bob?" asked Ogden.

"Don't need any thanks," said Riley. "You have acted like a man here and made men out of us. Ajax No. 1 meets to-night. Will you be there? You are supposed to preside."

"I sure will."

"Well, in case of another surprise in store for you at the meeting, better come prepared to make a speech."

And Bob Riley went out. Ogden lost himself in thought. Smilingly he soliloquized:

"And Johnson thinks we are still on scratch!"



China Prohibits Cigarette Smoking

PEKING—China's ministry of the interior has telegraphed the following circular instructions to the Shenchangs and Tutungs all over the country, according to the *Peking Daily News*:

"It has been noticed that almost everybody in the country has indulged in the use of cigars or cigarettes, which will become a worse curse to the nation than opium in former days, unless some restrictions are imposed. It is hereby decided that before taking up any measure for the total prohibition of its use, the following restrictions shall be imposed: 1. No boy or girl under 18 years of age shall be allowed to smoke cigars or cigarettes; 2. Any military or naval man using it shall be punished; 3. The use of cigars and cigarettes in all government schools and colleges shall be strictly prohibited."

Banking and Commercial Law

The following decisions are selected from the most important of the current decisions, handed down by State and Federal Courts, passing upon questions of the law of banking or negotiable instruments. The word "opinion," where used, indicates that the matter following is the opinion written by the court, in whole or in part.

Presentment of Check

Empire-Arizona Copper Company v. Shaw,
Supreme Court of Arkansas, 181
Pac. Rep. 464.

A CHECK must be presented for payment within a reasonable time after its issue, or the drawer will be discharged from liability to the extent of the loss occasioned to him by the delay.

The question raised in this case was whether the check involved had been presented within proper time. The check was drawn by the defendant corporation and delivered to the plaintiff in payment for services rendered. On the day after it was delivered the plaintiff presented it to the drawee bank, but the check was not paid. The parties disagreed as to the reason why it was not paid. The plaintiff testified that he was told at the bank that it did not have sufficient funds on hand and was requested to come back with the check the next day. The bank claimed that it offered to pay the check, but that the bills were of small denomination and that the plaintiff refused to receive them. At any rate, the plaintiff took the check with him to another state and there deposited it about ten days later. When the check finally arrived at the drawee bank the latter had failed and closed its doors. It was held that, under the circumstances, the check was presented within a reasonable time and that the drawer was liable.

OPINION

Appeal from Superior Court, Yavapai County; John J. Sweeney, Judge.
Action by R. W. Shaw against the

Empire-Arizona Copper Company and the Empire-Arizona Consolidated Copper Company. From judgment for plaintiff and an order refusing new trial, defendants appeal. Affirmed.

Clark & Clark, of Prescott, for appellants.

A. H. Favour, of Prescott, for appellee.

CUNNINGHAM, C. J. The appellee performed services as a miner for the appellants in and about the sinking of a certain mining shaft on the mining properties of appellants. On the 31st day of May, 1917, the appellee and appellants owed to appellee the sum of \$218.39, and therefore delivered to appellee a check drawn on the Commercial Bank of Parker, at Parker, Ariz. On the 1st day of June, 1917, appellee, R. W. Shaw, presented the check to said bank for payment. At the time the check was so presented for payment the appellants had an account with said bank and a fund sufficient in amount to pay said check.

The check was not paid by the bank, and the parties do not agree as to the reason why the check was not paid at the time it was presented. The payor of the check, Commercial Bank of Parker, became insolvent and suspended business on June 10, 1917, and plaintiff's check was never paid.

This action was commenced by the holder of the check, R. W. Shaw, the appellee, on or about the 27th day of July, 1917, against the drawers of the check, to recover the amount of the check, \$218.39, with interest thereon at the legal rate, and costs.

The defendants first pleaded payment, satisfaction and discharge of the

debt; then, in other later pleadings, they set forth that:

"Plaintiff was negligent in cashing and collecting the said check, and wholly lacking in ordinary diligence, and that if any loss or damage has resulted to plaintiff, it is wholly due to his own negligence and lack of diligence in presenting and cashing said check."

The cause was tried before the court without a jury, and the court rendered judgment for the plaintiff for the amount claimed. From an order refusing a new trial, and from the judgment, the defendants appeal.

The appellants assign as error the rendering of said judgment for the plaintiff for the reasons as follows:

"(1) Because appellee was bound to present the check given to him at the earliest opportunity; that he had presented it at the bank when the money was tendered him in full, and that he refused it because the bills were of smaller denomination than he wished to carry to Los Angeles.

"(2) The court erred in rendering said judgment, because there is no evidence of any valid promise on the part of appellants to make good said check to appellee.

"(3) The court erred in overruling appellants' motion for a new trial, for the reasons above stated."

One of the controversies at the trial was the inquiry into the circumstances under which plaintiff failed to get the money from the bank on the 1st day of June, 1917. All parties concede that plaintiff was in the bank with the check on that date, and that some officer or employee of the bank examined the check, and did not object to payment because the drawer, the appellants, were short of funds with which to pay. The appellants contended at the trial that the bank offered to pay the check, and produced currency in bills of small denomination, which the plaintiff did not wish to accept, and, being informed by the bank that it then had no larger bills, plaintiff asked to have the check returned to him, which was done, and he

thereupon indicated that he would take the check with him to Los Angeles, and there collect it through a bank in that city; that plaintiff did not deposit the check in a Los Angeles bank for collection until after the 10th day of June, 1917, on which date the Commercial Bank of Parker became insolvent. The appellants produced substantial evidence tending to support their said contention.

On the other hand, the plaintiff contended that when he, in person, presented the check to the said payor bank on the 1st day of June, 1917, at Parker, the person representing the bank at the time of such presentation of the check stated to plaintiff that heavy demands had been made of the bank's supply of cash, and that they had paid out so much money during the day that they did not have on hand a sufficient amount of money with which to cash this particular check at that time, and suggested to plaintiff that the bank would receive, during the night following, plenty of money, and if he, the plaintiff, would return with the check on the next morning, June 2, 1917, that the bank would then pay the check. The appellee did not wait until the next day, but proceeded to Los Angeles, and then on the 9th, 10th or 11th day of June, 1917, he deposited the check with a bank for collection. Plaintiff did not know that the Commercial Bank of Parker became insolvent until after he had deposited the check with the Los Angeles bank.

The plaintiff produced substantial testimony tending to establish all of such disputed facts.

"A check must be presented for payment within a reasonable time after its issue, or the drawer will be discharged from liability thereon to the extent of the loss caused by the delay." Paragraph 4331, R. S. Ariz. 1913, Negotiable Instruments Law.

Under the conflicting evidence, the trial court has necessarily determined that the plaintiff presented the check to the bank within a reasonable time after its issue. The determination of that fact is wholly within the province of the court trying the facts; and the

evidence, while conflicting on that question, amply sustains the conclusion reached, and, as a consequence, the conclusion reached on conflicting evidence will not be disturbed by this court because of such conflict.

The holder of the check was not bound to present it for payment "at the earliest opportunity," as contended by appellants, but he was bound to present the check for payment "within a reasonable time after its issue" to prevent the discharge of the drawer to the extent of loss arising from unreasonable delay. Paragraph 4331, *supra*. Whether the plaintiff did present the check for payment within a reasonable time in the circumstances here shown was a question of fact, and that question has been determined adversely to the appellants.

The appellants insist that the judgment is erroneous because the bank offered to pay the check and the holder of the check refused to accept the kind of money he was offered by the bank. This contention, like the former, was necessarily decided against the appellants. On this dispute, the evidence was also conflicting, as indicated above. The court necessarily found that the bank requested the holder of the check to return later for payment, as plaintiff's evidence tends to prove.

The second statement of error, to wit, "The court erred in rendering said judgment because there is no evidence of any valid promise on the part of appellants to make good said check to appellee." is set forth upon the theory that the appellee's debt, owing by appellants, was paid, satisfied, and discharged by them by the issuance of a check to their creditor. Such is not the law, unless, as a fact, the creditor accepts the check as final payment. The appellants do not claim that the appellee did accept the check as a final payment, but they insist that appellee sustained a loss because he failed to use ordinary diligence in presenting his check to the bank for payment. The appellants nowhere directly contend that they, the drawers of the check, lost anything because of the plaintiff's failure to present

the check for payment within a reasonable time after they issued the check and delivered it to him. The bank suspended business a short time after the check was issued, and the appellants had a fund with the bank subject to the said check, and sufficient in amount to pay the check at the time the bank became insolvent, and from such facts the inference may be drawn that the appellants lost a portion of their said funds by such insolvency, but no inference can be drawn from such facts that the appellants suffered a loss because of the appellee's unreasonable delay in presenting the check for payment. The appellants nowhere directly claim a loss from such cause.

Upon the whole case, we find no reversible error on the record. As a consequence, the judgment must be affirmed.



Drawee Bank May Recover Money Paid on Checks Bearing Forged Indorsement

Merchants' National Bank v. Federal State Bank, Supreme Court of Michigan, 172 N. W. Rep. 390.

Six checks, drawn by a corporation on the plaintiff bank, in some way fell into the hands of a person for whom they were not intended. He forged the indorsements of the payees on the checks and deposited them in his account in the defendant bank. The checks were collected through the clearing house. When the drawer discovered that the checks had been forged it immediately notified the plaintiff bank. This was on August 1st. Before taking any action the vice-president of the bank waited for further evidence. On Saturday, August 4th, a confession was obtained from the forger and on the 6th the plaintiff notified the defendant bank. The court decided that the notice had been given with sufficient promptness to entitle the plaintiff to recover. How-

ever, for other reasons, set forth in the opinion, the plaintiff was not permitted to recover on two of the checks.

OPINION

Error to Circuit Court, Wayne County; Henry A. Mandell, Judge.

Action by the Merchants' National Bank against the Federal State Bank. To review judgment for plaintiff, defendant brings error. Affirmed.

FELLOWS, J. This case concerns the forgeries of one Stephen I. Kux, an employee of Houseman-Spitzley Corporation, one of whose forgeries was involved in the case of Houseman-Spitzley Corporation v. American State Bank and Federal State Bank, 205 Mich. 268, 171 N. W. 543. A reference to that case will disclose the relations and transactions of the parties. The instant case involves the following checks drawn by Houseman-Spitzley Corporation: (1) a check for \$1,000 payable to Thomas H. Conway; (2) a check for \$500 payable to H. E. Funke; (3) a check for \$1,493 payable to Russ J. Cristy; (4) a check for \$700 payable to Anton Kaier; (5) a check for \$918.01 payable to Carrie Esterling; (6) a check for \$782.32 payable to E. A. Barron. Upon each of these checks Kux forged the name of the payee and deposited them with defendant, receiving credit therefor in his account. Defendant in turn indorsed them, and they were paid through the clearing house by plaintiff (in case of one check by plaintiff's assignor), and charged to the account of Houseman-Spitzley Corporation. Upon learning of the forgeries Houseman-Spitzley Corporation promptly notified its bank, the plaintiff here. This seems to have been on August 1st. The vice-president required more proof before taking action. A confession was obtained from Kux August 2nd. This was taken by a stenographer before an assistant prosecuting attorney, the transcript of which was delivered to Mr. Spitzley of the Houseman-Spitzley Corporation on Saturday, August 4th. On Monday, August 6th, notice of the forgeries was given to defendant by the

plaintiff. As to the checks (1) to and including (4) the defendant here interposed the same defense as in the other case, that it was relieved of liability by failure to more promptly give notice of the forgeries. The trial judge declined to follow defendant's counsel, but entertained the view that as matter of law the notice was given within a reasonable time. He therefore directed a verdict for the amount of these four checks. Defendant here assigns error on this direction and the refusal of the court to direct a verdict for it. In the other case we held that defendant was not relieved from liability by the delay unless it was to its prejudice, and that upon the facts it had not shown prejudice. As to the four checks now under consideration, the facts on this record are the same as those in the other case, except that the delay in giving notice was less here than there. The instant case upon this question is controlled by the opinion in the other case, which fully considers and discusses the law applicable to the state of facts here under consideration. Defendant's assignments of error are overruled.

As to the other two checks a different situation is presented. While Kux forged the names of the payees on the checks to Carrie Esterling and E. A. Barron and deposited them in his account, he gave his own check, which was subsequently cashed, to these parties for an amount greater in each instance than the amount of the checks appropriated, and the deal with each of these parties was an actual deal, a purchase from them of an interest in property; therefore Houseman-Spitzley Corporation paid, although by circuitry, for the interest in the lands which it purchased from Carrie Esterling and E. A. Barron, and was not damaged by the transaction. If the Houseman-Spitzley Corporation was not damaged by these forged indorsements, it could not call upon its own bank to make good losses it had not suffered by these particular transactions, nor recover for damages which had not been occasioned by these particular forgeries. If it could not recover from its bank, plaintiff here, it is

obvious that plaintiff cannot recover from defendant. The trial judge entertained this view, and directed a verdict for the defendant as to these two checks. Plaintiff assigns error upon this direction and the refusal to direct a verdict in its favor. Its assignments of error are also overruled.

The judgment must be affirmed.

OSTRANDER, J. (dissenting in part). Plaintiff paid a forged check which defendant had indorsed, and plaintiff sued the indorser. I am not able to see what Houseman-Spitzley has to do with the matter. True it was Houseman-Spitzley's check, and has been charged by plaintiff to its account, but how does the fact that Houseman-Spitzley got, indirectly, something of value change the situation? I am of opinion that the judgment should be reversed, and a new trial granted.



Bank Liable on Check Certified in Violation of Statute

Smith v. Hubbard, Supreme Court of Michigan, 171 N. W. Rep. 546.

The laws of Michigan, similar to the laws in many of the other states, expressly prohibit the certification of a check by a bank, unless the drawer actually has on deposit to his credit the amount for which the check is drawn.

In this case the cashier of a bank in Michigan certified a check for \$1,000 at a time when the drawer had on deposit only \$75. The cashier took the drawer's note for \$1,000, but this was a mere subterfuge by which he hoped to get around the law in case the question came up later and no record of the note or the certification was made on the books of the bank.

After passing through several hands the check was delivered to the plaintiff in payment for land. The plaintiff had no knowledge of the circumstances in which the check was certified and there was nothing connected with the transaction to put him upon notice of the fraud.

It was held that since the plaintiff was a holder in due course, the drawee bank was liable on the check, notwithstanding the fact that its cashier violated the law in certifying it.

OPINION

Error to Circuit Court, St. Clair County; Eugene F. Law, Judge.

Action by Charles Smith against Frank W. Hubbard and others, copartners doing business as the Palms Bank of Frank W. Hubbard & Co. From a judgment for plaintiff, defendants bring error. Affirmed.

STEEERE, J. In this action, commenced in the circuit court of St. Clair county on October 18, 1917, plaintiff recovered a judgment against defendants in the sum of \$1,036.25 upon the following certified check:

"No. _____.

Palms, Mich., July 27, 1915.

"Palms Bank of Frank W. Hubbard & Co.

"Pay to the order of E. W. Mapes \$1,000, one thousand dollars.

"Eli Sawdon."

Across the face of this was written the following:

"Good when properly indorsed. B. D. Wright, Cash. July 27, '15."

Indorsed upon the back of said check were the following names, in the following order: E. W. Mapes; Eli Sawdon; Flavel G. Briggs.

On July 27, 1915, when this check was certified, defendants were and had been for a number of years, conducting a general banking business at Palms, Mich., under the name of the "Palms Bank of Frank W. Hubbard & Co." Bert D. Wright was and had been cashier of said bank for about seven years. Eli Sawdon and his father-in-law, E. W. Mapes, were customers of said bank, and partners engaged in taking drainage contracts in different parts of the country. Flavel G. Briggs, one of the indorsers, was and is a resident of Arkansas, to whom Sawdon became in-

debted, and delivered the check as collateral security to notes given therefor.

Plaintiff was and is also a resident of Arkansas, who received the check from Briggs' attorney in payment for eighty acres of land purchased for Briggs. Briggs and plaintiff, who consecutively acquired this check, each testified that he then had no knowledge of any claim against its validity, but took the same in good faith, for a valuable consideration, on the strength of its being what it purported. Smith testified in part as follows:

"Q. I ask you if you are now the owner of this check? A. Yes.

"Q. What did you give in exchange for this check? A. Traded 80 acres of land. * * * I have had some experience in dealing with banks and checks. I accepted this check at face value, because it was certified and written out in the usual manner and signed. I had no intimation that there would be any defense to the payment of said check."

The date of the check, certification, and genuineness of signatures are conceded. The authority of Wright to certify the check and the innocence of plaintiff as holder are not admitted, and it is further contended that the delay which intervened between the time of issuance and time of demanding payment estops recovery.

In explanation of how this check, issued at Palms, Mich., was put afloat in Arkansas, it is shown that Sawdon secured it from Wright to use in bidding at contract lettings for drainage work, where certified checks are required to accompany the bid, and first sent it to his partner, Mapes, at Armada, Ark., for that purpose. He later went there with a dredge to do some drainage work, and at Judsonia rented a house from Briggs, and while his tenant succeeded in borrowing some money from him, turning over to him this certified check for collateral security, as Briggs and a Dr. Huntley, of Judsonia, both testify, and the court found, although Sawdon testified it was for safe-keeping. Sawdon defaulted in payment, and, learn-

ing the Palms bank declined to honor the check, Briggs employed counsel and brought suit on the paper in White county, Ark., against Sawdon, Mapes, Wright and the bank. Mapes, Wright and the bank avoided the action by a successful motion, before pleading, to quash the proceedings as to them because of defective service. Sawdon pleaded issuably, and on trial judgment was rendered against him for \$816.39; one of the findings in the judgment being that he had given Briggs the certified check as collateral to secure payment of the debt sued upon. Briggs then directed his attorney, Mr. Rachel, to realize for him upon the certified check as best he could, by either sale, suit, or otherwise, and Rachel disposed of it to plaintiff in payment on a farm land purchase which he was negotiating with him for Briggs, assuring him it was genuine and that, if desired, he would lend his professional assistance in putting it through the ordinary "due course of collection," which he did, and, payment being refused by defendant, this action followed.

The case was tried before the court without a jury, and on request of counsel findings of fact, with conclusions of law thereon, were filed. The court's findings of fact, which we have to a degree outlined, are well sustained by the evidence, largely undisputed, and conclude as follows:

"At the time Smith accepted the check he did not know that either the bank or Sawdon claimed the check to be invalid, nor did he have any reason to believe that the check was not good, nor anything to put him on inquiry as to its validity. At this time Attorney Rachel had been advised that Sawdon claimed Briggs had obtained possession of the check by a wrongful act and also that the bank claimed the check to be invalid."

Holding that under the undisputed evidence Rachel was agent of Briggs, and not plaintiff, when he paid the latter this certified check on the land purchase, the court found that plaintiff then became a bona fide holder of the check in

good faith, for full value, and the bank was bound by its certification to honor it.

Defendant's assignments of error are directed against the court's conclusions of law, refusal to make certain requested findings of proven facts, and certain findings made which are claimed to be contrary to the evidence.

For full consideration of the case, defendant was permitted to show, against timely objection by plaintiff, that, needing a certified check for \$1,000 to use in his drain bidding and only having \$75 in his account at the bank, Sawdon arranged with the cashier, Wright, to issue him this certified check and take his note for that amount; that no record of the certified check or the \$1,000 note Sawdon gave was entered in the books of the bank, nor credit given Sawdon for the note in his account, the note has never been paid, and Sawdon is, and then was, financially irresponsible. These facts, though not disputed, were rejected by the trial court as immaterial.

Of defendant's claim that plaintiff adopted Rachel as his agent in connection with the transfer of the certified check, and Rachel's knowledge is imputable to him, we think the trial court rightly found from undisputed testimony that when plaintiff became owner of the note he was dealing with Rachel as Briggs' attorney and agent, with no knowledge of any of the facts relative to the issuance of the check, and find no evidence in the record that any of those facts were known to Rachel. He and Briggs did know that the bank had declined to recognize the check in Briggs' hands, and that Sawdon was claiming Briggs had no right to it, and they knew that Briggs' claim to it as collateral to Sawdon's notes had been determined in his favor in his recent suit with Sawdon. Their testimony is positive that its payment to plaintiff on the land purchase was a bona fide business transaction, and there is no testimony to the contrary. We think the court's conclusion that Smith was a good-faith innocent holder for value is

sustained by the proofs; anything to the contrary is but surmise, based chiefly on knowledge of facts developed at the trial, of which there is no proof that any of the Arkansas parties had actual knowledge.

It may be conceded that under the facts disclosed by defendant's evidence Wright violated the banking laws when he certified this check, and as between the bank, Sawdon, and Mapes the certification is a nullity, and the note given by Sawdon was, as defendant's counsel contend, "a fictitious nullity, which is prohibited by the statutes"; but the fundamental infirmity of the defense throughout is that plaintiff was not a party to any of those proceedings and knew nothing of them.

That defendant was operating as a private bank under a partnership organization furnishes it no immunity from the well-settled rules of law applicable to certified checks issued in the customary course of banking business. It was operating as a bank, and holding itself out to the public as such. Wright was, and had been for years, its cashier in that business, dealing with the public for it in that capacity. As cashier he had inherent authority to certify checks and bind the bank thereby to the same extent as though it were duly incorporated for conduct of the same line of business. *Tripp v. Curtenius*, 36 Mich. 495, 24 Am. Rep. 610; *Morse on Banks and Banking* (5th Ed) section 413.

It is undisputed that this instrument, as issued and put afloat by defendant, was good on its face as a certified check. Certain lines of defense available against other negotiable instruments do not apply to this class of commercial paper. To it the rules relative to prompt presentment for payment have scant application within the statute of limitations. Checks are by custom certified, in order that the holders may in their business transactions make use of them as a substitute for money, and in their function to that end in the business world they are not expected to be as promptly returned to the bank issu-

ing them for redemption as ordinary checks, notes, or similar negotiable paper. When so certified and issued, any holder who has become owner of such paper in good faith for value has a direct claim and right of action against the bank which certified it, regardless of its relations with the depositor, or condition of the drawer's account with the bank, or other circumstances attending its certification. It is good in the hands of a bona fide holder for value, although the maker had no funds in the bank when it was certified. *Union Trust Co. v. Preston Nat. Bank*, 136 Mich., 460, 99 N. W. 399, 112 Am. St. Rep. 370, 4 Ann. Cas. 347; *First Nat. Bank v. Union Trust Co.*, 158 Mich. 95, 122 N. W. 547, 133 Am. St. Rep. 362. The opinion in the *Preston Case*, by Justice Carpenter, exhaustively reviews the authorities upon the subject, and covers in substance, as we think, the controlling questions involved here.

The practice and principles involved in certifying checks, and their import when issued, was long ago decisively reviewed by Justice Swayne in *Merchants' Bank v. State Bank*, 10 Wall. 604, 19 L. Ed. 1008, and has been often cited in later decisions upon the subject. This court cited and quoted from it with approval in *First Nat. Bank v. Currie*, 147 Mich. 72, 110 N. W. 499, 9 L. R. A. (N. S.) 698, 118 Am. St. Rep. 537, 11 Ann. Cas. 241.

This certified check from a bank in Michigan found its way to and was put afloat by its payor in Arkansas, had apparently passed through several hands, and bore the signature of three indorsers, the last being Briggs, a business man in White county, in that state, and, in a deal for some land in Van Buren county, was passed by his attorney and agent upon plaintiff with the assurance that it was genuine. Recognizing, from his experience in dealing with banks and checks, that it was a certified check in usual form, with "no intimation that there would be any defense to its payment," as he states, he accepted it in good faith in exchange for 80 acres of land. It was on its face under the law

an absolute undertaking of the certifying bank to honor it when presented for payment at any time before barred by the statute of limitations. No obligation rested upon him to, at his peril, make investigation into the reason for and circumstances of its certification. We find nothing in the situation presented here which relieves defendant from its obligation under the well-settled and somewhat emphatic rules of law established in recognition of the importance of the verity of certified checks as a medium of exchange in the business world under the law merchant.

The judgment is affirmed.



The Right to Rescind a Contract for Purchase of Bank Stock

Costello v. Sykes, Supreme Court of Minnesota, 172 N. W. Rep. 907.

The defendants were owners of ten shares of stock in the Calhoun State Bank. The par value of the stock was \$100 a share. The books of the bank showed that the bank had a paid in capital of \$35,000 and a surplus and undivided profits amounting to \$11,250. These figures gave the stock a book value of \$136 a share and the plaintiff bought the defendant's ten shares on this basis. At the time of the sale both the plaintiff and the defendants believed that the statements contained in the bank books were true. But after the sale it developed that the bank's capital was impaired and that it had neither surplus nor undivided profits.

It was held that these circumstances did not give the plaintiff the right to rescind his contract and recover back the purchase price. The court pointed out that the situation here is the same as where the holder of a note sells it, both he and the purchaser believing that the maker and indorser are solvent. If it later turns out that the note is worthless, by reason of the insolvency

of the parties liable on it, the purchaser has no recourse against the seller in the absence of fraud, unless the latter has made himself liable as indorser or guarantor.

OPINION

Appeal from District Court, Hennepin County; Rockwood, Judge.

Action by John P. Costello against Alice G. Sykes and another. From an order sustaining a demurrer to the complaint, plaintiff appeals. Order affirmed.

LEES, C. Appeal from order sustaining a demurrer to the complaint on the ground that it failed to state a cause of action. In substance the material allegations are as follows:

The Calhoun State Bank was a Minnesota banking corporation having, according to its books, a paid-in capital of \$35,000, a surplus of \$5,250, and undivided profits of \$6,000. Respondents were stockholders. The par value of a share of stock was \$100. If the bank's capital was unimpaired, and it had the surplus and undivided profits shown by its books, a share of stock was worth at least \$136. Respondents sold ten shares of stock to appellant for \$1,360. At the time of the sale the parties to the transaction believed that the bank's capital had not been impaired, that its assets and liabilities were as set forth in its books, that it had the surplus and profits referred to; that its books were kept correctly, and that the book value of its stock was not less than \$136 per share. In fact, it had neither surplus nor undivided profits. Its employees had kept its books so as to conceal defalcations of which they were guilty, and its assets had been depleted until its stock was worth but \$60 per share. Such employees are insolvent, and there is no way of making good their defalcations. The parties to the sale were mutually mistaken as to the assets of the bank, the actual value and the book value of its stock, and the amount of its surplus and undivided profits. Upon discovering the truth, appellant tendered the stock to respondents and demanded repayment of the purchase

price, and, his demand being refused, sues for a rescission of the contract of sale.

The sole question presented is whether the mistake alleged is of such a character as to give rise to a right to rescind.

The subject-matter of the contract of sale was ten shares of the capital stock of the bank. There was no mistake as to its identity or existence. A mistake relating merely to the attributes, quality, or value of the subject of a sale does not warrant a rescission. Neither does a mistake respecting something which was a matter of inducement to the making of the contract, where the means of information were open alike to both parties, and each was equally innocent, and there was no concealment of facts and no imposition. A leading case is *Kennedy v. Panama, etc., Mail Co.*, L. R. 2 Q. B. Cas. 580. Like the one at bar, it involved a contract for the sale of corporate stock. The corporation owned and operated a line of steamships. Both parties bona fide believed that it had obtained a valuable contract to carry government mails, but it turned out that the contract was made without authority. The government refused to ratify it, and so the value of the stock was much less than the parties supposed. It was contended, as it is here, that there was a difference in substance between shares in a company with and shares in a company without such a contract, that this was a difference which went to the very root of the matter involved, and that, therefore, the purchaser was entitled to rescind. The contention did not meet with the court's approval, and it was held that the case was one of innocent misapprehension, that a rescission could not be had, and that there was not such a complete difference in substance between what was supposed to be and what was taken as would constitute a failure of consideration. The purchaser got the very shares he intended to buy and they were far from being of no value. Such are the facts in the case at bar, for appellant got the shares he intended to buy. His

complaint is that they are worth but \$60, instead of \$136, each. The Kennedy Case has been widely and approvingly cited by courts of last resort in this country. The principles it lays down are those which have been approved in the following, among many other decisions: *Otis v. Cullum*, 92 U. S. 447, 23 L. Ed. 496; *Dambmann v. Schulting*, 75 N. Y. 55; *Hecht v. Batcheller*, 147 Mass. 335, 17 N. E. 651, 9 Am. St. Rep. 708; *Cavanagh v. Tyson*, 227 Mass. 437, 116 N. E. 818; *Sankey's Ex'r v. Bank*, 78 Pa. 48; *Wheat v. Cross*, 31 Md. 99, 1 Am. Rep. 28; *Sample v. Bridgforth*, 72 Miss. 293, 16 South. 876; *Smith v. Tewalt*, 9 Ind. App. 646, 37 N. E. 294; *Wood v. Boynton*, 64 Wis. 265, 25 N. W. 42, 54 Am. Rep. 610; *Moore v. Scott*, 47 Neb. 346, 66 N. W. 441.

Appellant takes the position that there was a mistake as to the existence of the bank's supposed surplus and undivided profits. In this connection it is argued that since banks are under the supervision of public officials, whose duty it is to examine their books and obtain quarterly reports, which are published, he had the right to rely on such books and published reports, and, that respondents are blamable because they are not correct. It is therefore asserted that the parties to a sale of bank stock do not stand on the same footing as the parties to a sale of stock in other corporations. There are a number of statutory provisions which lend support to appellant's position, but we are not convinced that a mere stockholder in a bank is chargeable as a matter of law with responsibility for the manner in which its books are kept, or that greater reliance may be placed upon their accuracy than may be placed upon the accuracy of the books of any other corporation, by a purchaser of its stock.

Thwing v. Hall, 40 Minn. 184, 41 N. W. 815, and *Cobb v. Cole*, 44 Minn. 278, 46 N. W. 364, are cited as cases committing this court to a doctrine at variance with that generally adopted in other jurisdictions. *Chapman v. Cole*, 12 Gray (Mass.) 141, 71 Am. Dec. 739, *Sherwood v. Walker*, 66 Mich. 568, 33

N. W. 919, 11 Am. St. Rep. 531, *Hannah v. Steinman*, 159 Cal. 142, 112 Pac. 1094, and cases of similar nature are also cited, and Prof. Williston's language at section 656 of his treatise on the subject of Sales is quoted to sustain appellant's contention.

Thwing v. Hall, supra, differs from the case at bar in that it was an action for the specific performance of an executory contract of sale, instead of one to rescind an executed contract, and especially in that there was a representation made by the seller to the buyer, relied on by the latter, as to a material fact which was untrue, although the seller believed it to be true.

In *Cobb v. Cole*, supra, the parties had been partners. There was a dissolution, and it was agreed that one of the partners who retired from the firm should receive from the others a sum equal to his interest in the firm "as the same then appeared upon the books." A statement was prepared from the books, which was erroneous in fact, although the parties believed it was correct. The retiring partner was allowed to recover the sum actually due him as shown by the books, after he had been paid the sum which appeared to be due him according to the erroneous statement.

We see nothing in either case indicating that this state has departed from the generally accepted rules which we stated at the outset.

In *Chapman v. Cole*, supra, plaintiff gave defendant a gold piece, believing it was 50 cents, and was allowed to recover it back on the ground, as stated by the court, that there was a mistake as to the identity of the subject-matter of the transaction.

Sherwood v. Walker, supra, and *Hannah v. Steinman*, supra, fairly sustain appellant's contention. The former case was decided by a divided court, with a dissenting opinion by *Sherwood, J.* The effect of the decision was subsequently expressly limited to the peculiar facts of the case in *Nester v. Mich. Land Co.*, 69 Mich. 290, 37 N. W. 278.

The views of Prof. Williston also favor the contention and are entitled to

respect. His views do not appear to be shared by other authors. Leake on Contracts (6th Ed.) p. 229; 1 Story, Eq. Jur. section 160; Page on Contracts, section 155; Hammon on Contracts, section 99; Black on Rescission, section 141. The weight of authority is with the respondents, so far as the general principle under consideration is here involved.

If the question were one of first impression, we should not be inclined to open up a new field for litigation by adopting the rule that a contract for the sale of corporate stock may be rescinded merely because both parties were mistaken about the nature or extent of the assets or liabilities of the corporation, if the means of information are open alike to both and there is no concealment of facts or imposition. Upon the sale of a note both parties may be mistaken as to the solvency of the maker, or of an indorser or guarantor of payment, and may deal on the assumption that the paper is good when in fact the unknown insolvency of the parties liable for its payment makes it worthless.

In the absence of fraud or inequitable conduct on the part of the seller of property of that kind, we had supposed the buyer could not have a rescission. He can always protect himself against possible loss by requiring the seller to guarantee or secure the payment of the paper. See *Day v. Kinney*, 131 Mass. 37; *Burgess v. Chapin*, 5 R. I. 225.

We think this should be the rule when stock in a corporation is the subject of a contract of sale, and conclude that the learned trial judge correctly disposed of the case, and the order sustaining the demurrer is affirmed.



Superintendent of Banking Refuses to Issue Certificate of Authorization to Trust Company

Farmers Loan and Trust Bank v. Hirning,
Supreme Court of South Dakota,
172 N. W. 931.

The plaintiff trust company brought action against the defendant, as pub-

lic examiner and superintendent of banks, to compel him to issue a certificate authorizing the trust company to commence business.

The statutes of South Dakota provide that the examiner shall withhold the certificate if he has reason to believe that the company was formed for any other than the legitimate business contemplated by the banking law.

The examiner answered that, in his opinion, the company had not been formed for legitimate purposes, but was a mere scheme of promotion, to enable the promoters to make large commissions on the sale of their stock.

In his answer he showed that the company was organized with a capital stock of \$500,000 and that the entire stock was immediately issued to the promoters. All but a few shares, which were retained by the directors, were then pledged with a savings bank for a loan of \$350,000. To this the promoters added \$150,000 in cash, thus making up the capital of the company. The par value of the shares was \$100 and the stock was sold to the public, mostly farmers, at \$200 a share. They advertised that \$100 of the purchase price was to be set aside as a surplus of the new company. This statement was untrue. As a matter of fact the sum of \$100 on each share sold was retained by the promoters for themselves. It was held that the examiner acted properly in refusing to issue a certificate and the application of the company to compel the issuance of a certificate was denied.

OPINION

Original proceeding in mandamus by the Farmers Loan & Trust Bank against John Hirning, as Public Examiner and ex officio Superintendent of Banks and Trust Companies. Application denied.

SMITH, P. J. This is an original proceeding by mandamus to compel the defendant, as public examiner and ex officio superintendent of banks and trust companies, to issue to plaintiff corporation a certificate authorizing it to commence business at the city of Sioux Falls as a banking and trust company.

The petition for the writ alleges that

since the motion of November, 1918, plaintiff has been a corporation duly organized and existing under chapter 255, Laws of 1911, and acts amendatory thereof, with its principal place of business at the city of Sioux Falls; that the capital stock of said corporation consists of 5,000 shares, of the par value of \$100 each; that upon the formation of the corporation all its said stock was subscribed for at the par value of \$100 per share, and \$500,000 from the sale of said stock was paid into and is now in the treasury of said corporation, and held by it for the purpose of transacting business under the authority of its articles of incorporation as a trust company; that plaintiff has done everything required to be done under the laws of this state to entitle it to open its doors and engage in said business, and is prepared to do everything which may be required of it by order of said public examiner under the laws of the state; that the said public examiner, after making a full investigation and examination of all the proceedings referred to, claims without right, reason, or authority that he has reason to believe, and does believe, after such examination, that the stockholders have formed said corporation for other than the legitimate business contemplated by the act authorizing its organization; and that, with the advice and consent of the attorney general he has announced that he will not issue to this plaintiff a certificate showing that it is lawfully entitled to commence business, and will not authorize or allow said corporation to engage in said business.

The questions involved are submitted to the court upon objections to the answer and return, and which are in effect a demurrer thereto on the ground that the facts stated in the return do not constitute a defense. The answer admits the corporate organization and existence of plaintiff, and that defendant, as superintendent of banks and trust companies, was called upon to, and did, make an examination into all matters pertaining to the organization and condition of said corporation, and admits its compliance with all the formal

provisions of the law entitling it to become a corporation and to engage in the business contemplated by the act authorizing the incorporation of trust companies. It is somewhat voluminous, and we shall refer only to matters contained therein which we deem decisive of the right to the relief demanded.

The answer alleges that the certificate demanded was withheld by defendant because, at all times since his examination of the affairs of said corporation, and now, he has reason to believe that the stockholders of such corporation organized it for purposes other than the legitimate business contemplated by the laws of this state authorizing the organization of such corporations, and that such certificate was and still is withheld with the advice and consent of the attorney general; that his investigation and examination disclose that said corporation was organized and promoted for the purpose of enabling its incorporators to engage in an extensive and profitable stock-selling enterprise, the principle purpose being to obtain for the original stockholders enormous profits and commissions from the sale of their original stock, especially to farmers, and that such enterprise was being carried out at the time of his refusal to grant the certificate demanded; that such conclusions are based upon the following facts ascertained and disclosed by his investigation, viz.:

That the plaintiff corporation was organized with a capital stock of \$500,000, par value; that its entire capital stock, immediately upon organization of the company, was taken over and became the exclusive property of the officers of said corporation, being the same persons who originally promoted its organization; that the promoter named as president of the corporation took over to himself 4,850 shares of stock, the person named as vice-president ten shares, the person named as cashier one hundred shares, the person named as assistant cashier ten shares, and other persons named as directors of the corporation took over the remaining shares; that the shares so purchased by the incorporators and promoters of said cor-

poration were not delivered to them at the time of sale, but, with the exception of seventy or eighty shares retained by persons who were to become directors, all of said stock was deposited in the Iowa State Savings Bank, at Sioux City, Iowa, as collateral to a loan from said institution of \$350,000, which, together with \$150,000 in cash deposited by said incorporators in said Sioux City bank, constituted the \$500,000 capital of plaintiff trust company, all of which was on deposit in said Sioux City bank to the credit of the plaintiff corporation at the time of the examination referred to, thus showing that seven-tenths of the capital of the corporation consisted of a loan of money to the stockholders secured by the stock itself or by notes; that immediately after the purchase of said stock by the incorporators they began a campaign for the sale and distribution of said stock to the public in the state of South Dakota, at the price of \$200 per share, and that many shares of said stock were sold at that price; that the amount for which said capital stock was sold to the public in excess of the par value thereof has never been paid over to said trust company to form a part of its reserves, but has been retained by the said incorporators and stockholders as profits upon such sales; that said incorporators stated in advertisements in newspapers that said trust company was to be owned, financed and controlled by the farmers of South Dakota; that it is apparent that the ownership and control of said trust company was not to be retained by the incorporators; that their main purpose in organizing such corporation was to realize a profit of 100 per cent. upon the sale of stock to the public, and leave the management of the company to the farmers of the state and others, after they had purchased the stock. It further appears, from the affidavits of persons who became purchasers of stock from the incorporators at \$200 per share, that they were informed and advised, when purchasing said stock, that \$100 of the purchase price was to be paid into and to become surplus capital of the banking and trust company, which was

untrue; such representation being made to facilitate the sale of stock.

The authority under which the public examiner acts in such cases is found in that portion of section 9, c. 255, Laws of 1911 (section 9039, Rev. Code 1919), which reads as follows:

"If, upon examination, it appears that such trust company is lawfully entitled to commence business, the public examiner shall forthwith give to such trust company a certificate under his hand and official seal. If the said public examiner has reason to believe that the stockholders have formed the corporation for any other than the legitimate business contemplated by this act, he may, with the advice and consent of the attorney general, withhold the certificate herein mentioned."

The plain import of this statute is that if, upon his examination, the public examiner becomes cognizant of facts upon which he may reasonably found a belief that the stockholders have formed the corporation for any other purpose than to themselves engage in the transaction of the business contemplated by the statute, he may withhold his certificate, even though they have in every respect complied with the precedent requirements of the statute. Such in fact is the holding in *People v. Brady*, 268 Ill. 192, 108 N. E. 1009, interpreting a statute identical, in this particular, with our own.

In that case the auditor found that a banking corporation legally organized to entitle it to engage in the banking business, and whose incorporators themselves intended to engage in that business in a suburban village about to be annexed and become a part of a larger city, in which the statute required a different capitalization, was organized for the purpose of evading the statute. Mandamus was refused; the court holding that the auditor was justified, under the statute, in refusing the certificate of authority. In defining the powers of the auditor under this statute, however, the court said:

"It is true that arbitrary power, to be exercised according to the whim or ca-

price of public officers, is inconsistent with our form of government, and any law which vests the enforcement or non-enforcement of the law in the particular case in the discretion of a public officer, unregulated by any rules or conditions, is arbitrary and invalid. *Sheldon v. Hoyne*, 261 Ill. 222 (103 N. E. 1021). The discretion vested in the auditor by the language quoted is not, however, such arbitrary power. He is authorized to withhold the certificate only in case he is not satisfied as to the personal character and standing of the officers or directors elected or appointed or when he has reason to believe that the bank is organized for a purpose other than that contemplated by the act. He may not arbitrarily withhold the certificate, alleging such a reason where it does not, in fact, exist. Such a withholding would be an act of the will, only, and not of the judgment, and would be such a palpable abuse of discretion as could be controlled by mandamus."

Upon the facts disclosed by the record in this case, we cannot say that the public examiner had no just reason to believe that the original stockholders had in fact formed the corporation for purposes of their own other than that of carrying on a trust company business.

When the law requires a public officer to do a specified act in a specified way, upon a conceded state of facts, without regard to his own judgment as to the propriety of the act, and with no power to exercise discretion, the duty is ministerial, and may be controlled by mandamus. Where the law requires an administrative officer to make a quasi judicial decision, viz., the determination of a question of fact, mandamus will not lie to control that decision, nor will it reverse such decision, unless it clearly appears that it was so plainly without support in the evidence as to amount to an arbitrary abuse of such quasi judicial authority. While the act of the public examiner in issuing the certificate of authority is purely administrative, the performance of that duty is conditioned upon the investigation and de-

termination of a question of fact, viz., whether he has reason to believe that the stockholders have formed the corporation for any other purpose than the legitimate business contemplated by the provisions of the statute, which authorizes the formation of an incorporated company for the purpose of carrying on the trust company business contemplated by the statute.

The finding and determination of the public examiner that the promoters of the plaintiff corporation did in fact form such corporation for a purpose other than that contemplated by the statute is not without support from the facts and circumstances recited in the answer to the writ, and which stand conceded upon the record before us.

The application for the writ must therefore be denied; and it will be so ordered.



Number of Railway Stockholders

STOCKHOLDERS of the railways of the United States, according to the Bureau of Railway Economics, numbered 647,689 on December 31, 1917, as compared with 612,889 on December 31, 1916, and 626,122 on June 30, 1915. The average holdings per stockholder, par value, amounted to \$13,966 in 1917, as compared with \$14,321 in 1916 and \$13,796 in 1915.



Short Shrift with the Idle Rich

THE idle rich are absolutely useless for all good purposes. They understand nothing but their own desire to live without the trouble of contributing anything to the welfare of the country, and the sooner they are remitted to the kind of life for which alone they are fitted the better it will be for us all.—*London Statist.*

LE GÉNÉRAL COMMANDEANT
 L'ARMÉE FRANÇAISE DE L'EST
 PROPOSITION DE NÉCESSITÉ
 AU GRADE D'OFFICIER DE LA LÉGIION D'HONNEUR
 à établir en faveur de M. H. D. GIBSON

M. GIBSON Harvey-Dow : 36 ans - orig. A. Américain.
 né : NORTH-CONWAY (New Hampshire), U.S.A.
 Commissaire pour l'Europe de la Croix-Rouge Américaine
 Militaire comme Colonel.

Engagé volontaire en Mai 1917.

A organisé aux Etats-Unis tous les services de la
 Croix-Rouge Américaine, et pris part à campagne menée en
 faveur des Alliés, et particulièrement de la France.

A succédé, en Juin 1918, au Major PERKINS, comme
 Commissaire pour la France, puis pour l'Europe, de la
 Croix-Rouge Américaine, et dirigé avec le même zèle que
 ses prédécesseurs l'ensemble des services de cette admi-
 nistration en France.

A notablement contribué à l'amélioration du ma-
 tériel et moral des troupes françaises, et fait
 assister les familles désemploées, les blessés, les
 tuberculeux, les orphelins, les prisonniers et les
 évictés.

A prouvé surtout de grandes qualités d'organisateur
 et témoigné de son vif désir de multiplier ainsi, par tous
 les moyens, à la population civile et aux troupes fran-
 çaises.



REPRODUCED above, is the official citation of President Gibson as an officer of the Legion of Honor, together with the badge itself. This is next to the highest rank in the Legion. A translation of the French document is given below :

General Grand Headquarters
 of the
 French Army of the East
 The Marechal of France
 Commander-in-Chief.

Proposing for Nomination
 to the Grade of Officer of the Legion of Honor
 to be Declared in Favor of Mr. H. D. Gibson

M. GIBSON Harvey-Dow : 36 years old, American Subject.
 Born - North Conway, N. H., U. S. A.
 Commissioner for Europe of the American Red Cross
 Military Commission as Colonel.

Volunteered his services in May, 1917.
 Organized in the United States all the American Red Cross
 activities and worked in conjunction, in the country engaged, in favor
 of the Allies and particularly France.
 Succeeded in June, 1918, to Major Perkins, as Commissioner to
 France, then for Europe, of the American Red Cross and directed
 with the same zeal as his predecessors, the organization and service of
 that Administration in France.
 He notably contributed to the betterment of the material well-
 being and morale of the French Troops and gave assistance to the
 needy families, the wounded, the tubercular patients, the orphans, the
 prisoners and the evicted, and above all, he showed excellent qualities
 as an organizer and showed his lively desire to come to the aid of the
 civil population and French Troops in every possible way.

American Bankers Association Forty-Fifth Annual Convention

St. Louis, September 29—October 2, 1919

THE Forty-Fifth Annual Convention, while important like its predecessors, will probably be more successful from many standpoints than any convention held during the past four or five years, owing to the fact that during the period of the war the banks of the country have been exceedingly busy, and have been actively engaged in promoting various Liberty Loans, which seriously interfered with the usual attendance.

The four days allotted to the convention will be active. In addition to the four sessions of the general convention, the seven sections will be addressed by Government officials, bankers and economists, and full and free discussions will take place.

Prominent financiers, together with business men and statesmen—both of national and international prominence—will take part in the program of the general convention. It is too early yet to announce positively a full list of those who will make addresses. Acceptances, however, have been received from Henry P. Davison, of the firm of J. P. Morgan and Co., New York city, and former head of the American Red Cross, and whose effective work in that connection is well known. Also from P. P. Claxton, Commissioner of Education, Washington, D. C.

It is expected that all phases of the present situation, as applies to the reconstruction period of this country, will be presented by able speakers.

The Hotels Statler, Jefferson and Planters have been designated as head-quarter hotels. General registration will take place in each of these hotels. At the Statler will be quartered the

executive council, speakers, association officers, commissions and committees and members of the trust company and state secretaries' sections. The savings bank and state bank sections will be quartered at the Jefferson, and members of the national bank and clearing house sections will be located at the Planters.

The general convention sessions will be held in the Shubert Jefferson Theatre, while the various committee meetings, of which there will be about fifty or sixty throughout convention week, will be held at the headquarters hotel.

In addition to the speakers above mentioned, the following have expressed their willingness to address the convention:

Hon. John Barrett, director-general, Pan American Union, the official international organization of the American republics, and former United States minister to the Argentine Republic, Panama and Colombia. Mr. Barrett's subject will be "Pan American Financial and Commercial Relations: America's Great Future Opportunity."

Senator Albert B. Cummins, Washington, D. C., "The Railroad Problem."

Dr. Irving Fisher, Yale University, New Haven, Conn.

THE PROGRAM

The tentative program follows:

Tuesday, September 30, 1919.

First Day's Session

THE JEFFERSON THEATRE

Convention called to order at 9:30 o'clock sharp by the President, R. F. Maddox.

Invocation.

Addresses of Welcome. Speakers to be announced.

Response to Addresses of Welcome. Speaker to be announced.

The Annual Address, R. F. Maddox, Atlanta, Ga., President of the Association.
 Annual Report of the General Secretary, Fred E. Farnsworth, New York City.
 Annual report of the Treasurer, James D. Hoge, Seattle, Wash.
 Annual Report of the General Counsel, Thomas B. Paton, New York City.
 Annual Report of the Protective Department, L. W. Gammon, Manager, New York City.
 Annual Report of the Library, George E. Allen, Librarian.
 Amendments to the Constitution.
 Address. Speaker and topic to be announced.
 Address. Speaker and topic to be announced.
 Report of the Insurance Committee, H. G. Parker, Chairman, New Brunswick, N. J.
 Annual Report of the Executive Council, R. F. Maddox, Chairman, Atlanta, Ga.
 Communications.
 Announcements.
 Adjournment.

Wednesday, October 1, 1919

Second Day's Session

THE JEFFERSON THEATRE

Convention called to order at 9:30 o'clock sharp by the President, R. F. Maddox.
 Invocation.
 Report of the Trust Company Section, J. W. Platten, President, New York City.
 Report of the Savings Bank Section, V. A. Lerner, President, Brooklyn, N. Y.
 Report of the Clearing House Section, T. B. McAdams, President, Richmond, Va.
 Report of the American Institute of Banking Section, J. C. Thomson, President, Minneapolis, Minn.
 Report of the State Secretaries Section, F. H. Colburn, President, San Francisco, Cal.
 Report of the National Bank Section, C. J. Sands, President, Richmond, Va.
 Report of the State Bank Section, C. B. Hazlewood, President, Chicago, Ill.
 Address. Speaker and topic to be announced.
 Address. Speaker and topic to be announced.
 Report of the Currency Commission, Hon. A. Barton Hepburn, Chairman, New York City.
 Report of the Committee on Federal Legislation, Waldo Newcomer, Chairman, Baltimore, Md.
 Report of the Committee on State Legislation, W. M. Peck, Chairman, Concordia, Kan.
 Communications.
 Announcements.
 Adjournment.

Thursday, October 2, 1919

Morning Session

THE JEFFERSON THEATRE

Convention called to order at 9:30 o'clock sharp by the President, R. F. Maddox.
 Invocation.
 Report of the Committee on Trade Acceptances, R. F. Treman, Chairman, New York City.
 Report of the Agricultural Commission, Joseph Hirsch, Chairman, Corpus Christi, Tex.
 Action on the Report.
 Report of the Committee on Commerce and Marine, John McHugh, Chairman, New York City.
 Report of the Committee of Seven, William George, Chairman, Aurora, Ill.
 Report of Committee on Federal Reserve Membership Campaign, J. H. Purlicher, Chairman, Milwaukee, Wis.
 Report of Special Committee of Five, T. B. McAdams, Chairman, Richmond, Va.
 Address. Speaker and topic to be announced.
 Address. Speaker and topic to be announced.
 Report of the Committee on Nominations.
 Action on the Report.
 Communications.
 Announcements.
 Adjournment.

Recess for luncheon.

Thursday, October 2, 1919

Afternoon Session

Convention called to order at 2 o'clock sharp by the President, R. F. Maddox.
 Committees and Committee Membership.
 Invitations for next Convention.
 Unfinished Business.
 Communications from the Executive Council.
 Resolutions.
 Address. Speaker and topic to be announced.
 Communications.
 Announcements.
 Adjournment, sine die.

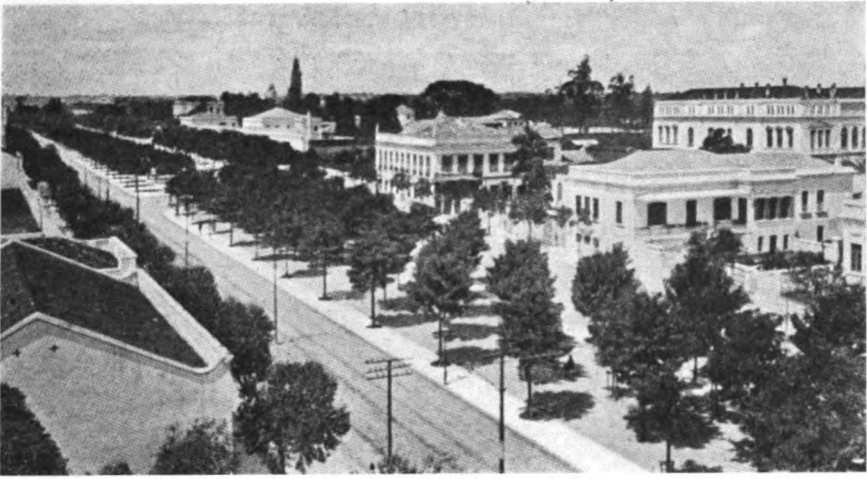


Origin of Our Railroad Trouble

By HON. MYRON T. HERRICK, President
 Society for Savings, Cleveland, Ohio

WAR-TIME control of the railroads by the Government, necessary though it was, and much as it has added to the perplexities of the situation, was only the culmination of the trouble. The beginning lies much further back, in years of unwise Government interference, political baiting, and ill considered regulation, but for which the railroads would never have required Federal control. If the Government had not so mishandled the railroad problem in the years before the war the railroads would never have fallen behind the general industrial development of the country and would have been in shape to meet the abnormal physical and financial demands which the war made upon them.

Instead of aiding and leading industrial growth, the railroads have for years retarded it because their facilities have not kept pace with the development of the country. The question now is, therefore, not merely that of returning the roads to their owners, but of returning them under such conditions that they can catch up with the progress of the nation. That is going to take some years of endurance and patience, for an evil that has grown up through years is not cured in a day.



A Principal Resident Street of Sao Paulo

City of Sao Paulo

By ELEANOR KERR

THE City of Sao Paulo, capital and chief city of the Brazilian State of the same name, is one of the most important cities of the new world. It is situated on the high table-land lying back of the mountain range, which parallels the southern Brazilian coast, and has a climate cool enough for comfortable living but warm enough so that killing frosts are unknown, and sub-tropical vegetation flourishes the year round.

It is, as every one knows, the center of the coffee lands of Brazil, and through this city, carried into it by a network of railroads which converge at this point, flows over one-half the world's supply of coffee. From the City of Sao Paulo it is carried to the Port of Santos, over the famous Sao Paulo Railway, that marvel of engineering skill which finally conquered the cliffs of the maritime range.

Sao Paulo, although founded almost four hundred years ago, is a modern city with fine streets and beautiful buildings, large commercial interests, and its prosperity may be judged from

the fact that the city's funded debt amounts to about \$35 per capita, as compared with \$57 per capita in Pittsburgh, \$114 per capita in Baltimore, \$85 per capita in Cleveland, \$75 per capita in Los Angeles,—all these being cities with approximately the same population.

The municipality has no floating indebtedness, and is said to have about \$1,000,000 in cash on deposit with the banks. The municipal debt has been incurred principally for public improvements, such as sewers, paving of streets, schools, etc.

While we think of Sao Paulo as the great coffee state, it should be borne in mind that the diversification of crops is steadily gaining ground in Brazil, and large crops of wheat, corn, beans and rice are raised, producing considerable surplus for export, while the meat industry, although apparently new, ranks second only to that of coffee.

For a number of years the City of Sao Paulo has had a considerable industrial development, especially in the production of textiles, and is the center of



Luz Railway Station, Sao Paulo

the manufacture of the State. Since 1915 the value of the manufactured products of the state have more than doubled, being valued in 1917 at approximately \$148,000,000. The principal products are cotton, wool and jute textiles, hats, shoes, etc. So important has the textile industry of Sao Paulo become that exports were not only made to other parts of Brazil and South America, but last year goods were sent even to France.

A large public utility company operates 108 miles of electric tramways in the city, as well as supplying the power to local industries, and for lighting purposes. The power is generated at a hydro-electric plant situated at the falls of the Tiete River.

About one-third of the foreign commerce of Brazil is carried on by the State of Sao Paulo. During the war the usual shipping difficulties arose, but normal conditions are being resumed and for the first three months of 1919 the foreign trade, through the Port of Santos, was over three times that of the corresponding period of 1918.

The advantage of location, climate and surroundings of the city of Sao Paulo make it not only one of the wealthiest cities in South America, but one whose possibilities promise the greatest development in the future expansion of our enormously rich South American ally.



Coffee Picking in Brazil

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION



BANKS having need of counsel for the solving of customers' problems or machinery for the handling of their export and import transactions will find in the Irving's Over-seas departments an effective specialized service always ready to co-operate with them.

**IRVING
NATIONAL BANK**

WOOLWORTH BUILDING, NEW YORK



THE EQUITABLE TRUST CO.
OF NEW YORK
MADISON AVENUE AT 45TH STREET

Our Uptown Office located at Madison Avenue and 45th Street is a complete and modern banking institution offering every convenience necessary in rendering a well rounded banking service.

Resources—Facilities—Service

**THE EQUITABLE
TRUST COMPANY
OF NEW YORK**

MAIN OFFICE, 37 WALL STREET

New York Offices:

MADISON AVE. AT 45TH ST.
222 BROADWAY

Foreign Offices:

LONDON: 3 KING WILLIAM ST., E. C., 4
PARIS: 23 RUE DE LA PAIX

TOTAL RESOURCES, \$296,194,959

Scandinavia Presents Opportunity for American Trade*

AMONG the important results of the war has been the loosening of German control of the trade of Norway, Sweden, and Northern Europe, and the growth of a more intimate trade relation between the United States and the Scandinavian countries. The rupture of old trade bonds, and the industrial and commercial demands of the past few years, have been the means of creating new opportunities for Norway, Sweden and Denmark. From being mere distributing agencies for much of the European trade formerly controlled by Germany they have now a national commerce practically free from alien control. It appears unlikely that they will ever permit a return of the pre-war conditions under which they served as way stations in Germany's highly organized system of trade routes.

INTEND TO MAINTAIN FREEDOM

The merchants of the North purpose for the future to derive full benefit from the advantages of geographical position enjoyed by the Scandinavian ports and to establish those ports as trade centers and distributing points for the entire Baltic and North European territory. Copenhagen is already prepared to hold her present independent position and to contest with Hamburg for supremacy as a transshipment port. Plans are being perfected for the establishment of free ports at Trondhjem, Malmo, and other Norwegian and Swedish ports, with the object of insuring direct control of the Scandinavian trade formerly handled through Hamburg, Lubeck and Bremen. These plans include the linking up of the rich trade of Northern Russia and the economic penetration of the trade territory represented in Finland, Esthonia, Livonia and Courland.

WHAT A SURVEY OF THE SITUATION SHOWS

A general survey of the existing situation, both as regards the future development of Scandinavian commerce and industry and with respect to wider markets for American goods, should convince us of the extent and importance of the opportunities now within our reach.

Sweden, Norway and Denmark are among the nations which have emerged from the war in strong financial position. Bank reports and other sources of information are eloquent of large increases in incomes of the people and in general revenues. The resources of the older banks have been greatly expanded; deposits have increased rapidly; four-fold in the case of banks in Denmark. New banks have been formed and a number of powerful trading corporations have been organized. These various developments furnish reliable indices of expanding national prosperity.

WHAT IS NEEDED

Their present lack is not of money but of raw materials. The natural resources of both Sweden and Norway are practically limited to iron and timber. Their need of other raw materials constitutes the greatest handicap to their plans for industrial development. It is for a supply of those raw materials, now more essential than ever, in view of their future program for industrial development, that Norway and Sweden look to the United States.

The ending of the war found them with no real resources of manufactured goods owing to the constantly increasing difficulty of obtaining cotton, cop-

*Prepared by the Publicity Department of the National Shawmut Bank of Boston.

National Bank of Commerce in New York

PRESIDENT

JAMES S. ALEXANDER

VICE-PRESIDENTS

J. HOWARD ARDREY
JOSEPH A. BRODEBICK
GUY EMERSON
HERBERT P. HOWELL
LOUIS A. KEIDEL
D. H. G. PENNY
JOHN E. ROVENSKY
FARIS R. RUSSELL
STEVENSON E. WARD
ROGER H. WILLIAMS

CASHIER

RICHARD W. SAUNDERS



ASSISTANT CASHIERS

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GASTON L. GHEGAN
E. F. HIGGINS
W. F. HOFMAYER
JOHN J. KEENAN
EDWARD W. McDONALD
A. F. MAXWELL
FRANZ MEYER
DON L. MOORE
A. J. OXENHAM
R. H. PASSMORE
EDWARD H. RAWLS
EVERETT E. RISLEY
H. W. SCHRAEDER
E. A. SCHROEDER
H. C. STEVENS

CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$50,000,000

per and other materials. There is very little German Government owned merchandise being delivered to Scandinavian buyers. In fact there is but a scant supply of such goods available. In consequence of these conditions, Scandinavia represents a quick market not only for raw materials but for manufactured goods of every description, including great quantities of farm machinery for Russia and the Baltic provinces.

Finland and the Baltic provinces of Livonia, Esthonia and Courland are all in a fairly sound condition and practically free from the full madness of Bolshevism which has brought ruin to Russia. Throughout these countries there is an insistent demand for large quantities of farm implements and machinery, and for every description of household goods, to replace losses due to the ravages of war and the cutting off of supplies. The buying power of their farming population has been greatly increased by the enormous prices they have been enabled to exact for their products by reason of the war. Distrust of Germany and of German made goods which is now intense among the mass of the people of these provinces means opportunity for American exporters and equal opportunity for the merchants of Sweden as distributors.

FORMER POSITION OF GERMANY

A review of the situation that existed with regard to the Scandinavian and Baltic markets previous to the breaking out of the war, shows Germany in almost complete control of both import and export trade. Shipments of American goods destined for Scandinavia and Russia went through the docks and warehouses of Hamburg and figured in the total of German trade. Increased cost to American exporters and oversight of their trade were among penalties of our dependence upon German transshipment agencies.

OUR PRE-WAR POSITION IN THIS FIELD

The former position of the United States in the Scandinavian market is indicated in the statement that we supplied less than eight per cent. of Sweden's imports and took about four per cent. of her exports in a total trade of approximately \$415,000,000. Germany's share represented thirty-five per cent. of Sweden's imports and she took thirty per cent. of the exports. Germany formerly controlled about one-quarter of the total trade of Norway, amounting to over \$250,000,000. Previous to 1914, Denmark was one of Germany's best customers, being largely dependent upon her for all kinds of manufactured goods. She, too, has

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learned the value of economic independence and is turning to the United States; her purchases from us having more than trebled in the past four years.

In 1918 we were credited with a Russian trade of but \$45,189,000, or about three and a half per cent. of Russia's total trade of \$1,361,000,000. In that year Germany's total trade with Russia amounted to \$564,108,000, or more than forty per cent. of the total. Germany and Great Britain, between them, took more than one-half of Russia's exports. It is an important feature of this situation that a considerable percentage of Germany's former exports to Russia was made up of American merchandise distributed through Hamburg and other transshipment ports.

It is interesting to note that London formerly enjoyed, in the matter of financing Scandinavian trade, an advantage similar to that maintained by Hamburg as a transshipment port. In

the years preceding the war London had a practical monopoly on the exchange business between Sweden and the United States, amounting to about \$25,000,000 annually. The creation of the Federal Reserve System was instrumental in removing that handicap to trade development between this country and others as well as with Sweden.

SHIPPING AND FINANCIAL PLANS

A comprehensive shipping program, in all three of the Scandinavian countries, supplements their port development projects. Denmark secured a strong position in the world carrying trade during the war. The extent of her activity in this direction is illustrated by the opening of a new line to San Francisco. A Norwegian shipbuilder stated recently that the ship yards of Norway had enough contracts for new bottoms to keep them busy until 1925. Contracts for much additional Scandinavian shipping have been



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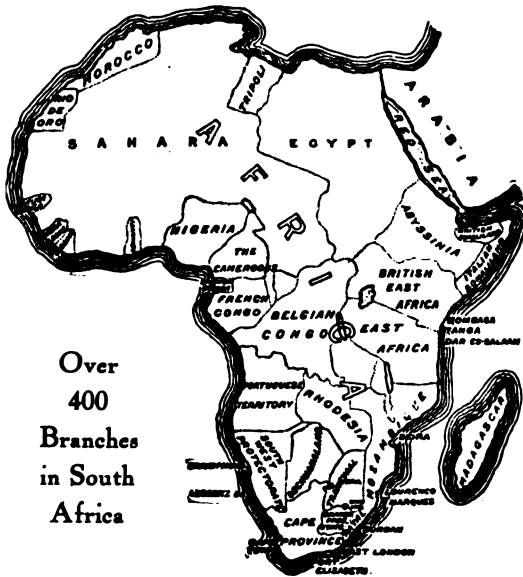
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placed in the United States and Great Britain.

Paralleling similar organizations in Great Britain and other countries, a number of powerful trade bodies have been formed, some of them backed by government support. Several of these companies have been formed in Sweden to aid in foreign trade development, among them the Swedish Ocean Co., organized two years ago to conduct large operations in foreign trade. An Importers and Exporters Company of Norwegian merchants plans to establish agencies in all the large trade centers throughout the world. In Denmark the Trans-Atlantic Co. for the development of foreign trade is constantly extending its organization and is gradually centralizing foreign trade in the hands of a powerful financial and commercial group.

WAY NOW OPEN TO UNITED STATES

Everything points to the importance of our taking advantage of our pres-

ent position in the Scandinavian and Baltic market. It is not to be expected, however, that we will be permitted to secure a preponderating interest in those markets without a contest. The merchants of Great Britain are keenly alive to the wealth of opportunity represented in that great trade field and are, even now, making strenuous efforts to secure it to themselves. In the first two months of this year, Scandinavian shipping clearing with cargoes from British ports showed an increase of 300,000 tons as compared with the same period last year. That the British financial and business leaders are worried over the increasing American influence in Scandinavia emphasizes the need for quick, aggressive action on our part.

FOREIGN TRADE ONLY A PART OF OPPORTUNITY

It should be remembered that foreign trade is but a part of the opportunity awaiting us in Northern Europe. Scan-

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THIS Bank announces the expansion of its foreign banking facilities through the opening, on September third, of a branch office in New Orleans.

THE New Orleans branch believes that, with the coöperation of the New Orleans and middle west bankers, it can be of distinct aid in promoting the foreign trade interests of the Mississippi Valley. It operates solely as a foreign trade bank and does not accept deposits. Its aim is to supplement the facilities already provided by local banks.

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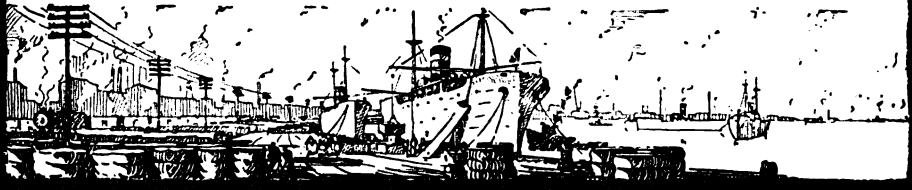
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dinavia, the Baltic provinces and Northern Russia to-day represent what promises to be the richest field for industrial development in the world. It is a vast reservoir of raw material, the development of which will offer employment for large amounts of invested capital.

It is natural to assume that government concessions will be eagerly sought, especially in Russia. Something is known of the so-called Hannevig concession for North Russia which includes widespread projects for mining, lumber, shipping, railroad, and banking concessions. It is rumored that this concession, which is said to have the backing of American capital, has already been granted to one Broissoff, a Russian, and Hannevig, a Norwegian citizen. In any event, we may be certain that this rich prize will eventually be secured by either the Hannevig or some similar group.

American capital invested in Scandinavian commercial and industrial enterprise on a basis of joint ownership would be a powerful aid in our plans for winning a larger share of Baltic trade. American banking interests are fully alive to the possibilities of this territory, and the needs of the Scandinavian countries for supplies of materials of all kinds. A banking syndicate has recently offered the Swedish Government a \$25,000,000 loan, the proceeds to be spent in the purchase of commodities in the United States.

The combination of Scandinavian and American trade organization with the large financial backing which we are in a position to supply would enable us to meet successfully any organized competition of Cartel or similar groups that may be formed in other countries. The free ports and other development projects should prove of inestimable value as a means of centralizing our import and export business with the Scandinavian markets and might aid our merchant marine by creating permanent sources of cargo freight. Whatever their future form, our plans for extending our sphere of influence in Russia



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and Northern Europe should be based upon a policy of close coöperation with the Scandinavian nations.



Union Bank of Manchester, Limited

NET profits of this bank for the half-year ending June 30, 1919, were £91,068 18s. 3d., to which there was to be added £18,669 14s. 3d. brought forward from last profit and loss account. A dividend of £75,000, less income tax, £22,500, was paid out of this, £7,500 allocated to bank premises and a like amount to pension fund, while £40,000 was applied to income tax, making a total of £107,500, and leaving £40,681 16s. 10d. to be carried forward.

Economic Conditions in France

THE NATIONAL BANK OF FOREIGN TRADE

THE bill concerning the establishment of a National Bank for Foreign Trade has been signed. This new financial institution, with a capital of 100 million francs entirely subscribed, purposes to help the development of foreign trade by facilitating credits abroad for the benefit of commerce and industry. It intends to open several branches in all the countries with which France sustains commercial relations. Mr. Clémentel, the French Minister of Commerce, has stated that a subvention and an advance without interest will be allotted to the bank by the Government through the Banque de France. The control of the new bank will be exercised by two commissaries of the Government.

BANQUE FRANCAISE ET ITALIENNE POUR L'AMERIQUE DU SUD

The earnings of the Banque Française et Italienne pour l'Amérique du Sud amount, according to a statement made at the general assembly of the stockholders, to fr. 5,540,750 after deducting all expenses of administration. The augmentation of capital from 25,000,000 francs to 50,000,000 francs voted during the assembly of last December, has entirely been subscribed. The new 500,000 shares of 500 fr. are distributed among the old stockholders. The assembly has proposed to fix the dividend at forty-five francs per share. An amount of fr. 1,500,000 has been allotted to the reserve fund. The bank has opened several branches abroad and has especially developed its relations with Chile through the intermediary of Banque Française du Chili. New branches will be opened at Rio de Janeiro and Buenos Aires.

THE WAR PROFITS

A new parliamentary commission has been appointed to investigate the profits obtained from various operations and businesses in connection with the war. A special commission will revise all dealings superior to 100,000 francs, concluded from July, 1914, to the signing of the armistice. Profits of contractors should not exceed ten per cent. and those of middlemen should not be above two per cent. The surplus of profits should be remanded to the state.

THE AUGMENTATION OF TAXES

In order to redress the situation of the budget of 1919, Mr. Klotz, the French Minister of Finance, has foreseen the following augmentation of taxes: 503 millions and a half for wine, coffee, sugar, mineral water, gas and electricity; 150 millions for tobacco; 15 millions for the augmentation of the price of matches; 170 millions for registry taxes; 200 millions for customs taxes; and 242 millions obtained from sanctions against the smugglers. The total of the new taxes amounts thus to 1,280 million and a half francs. Moreover, Mr. Klotz intends new taxes regarding the right of succession, the incomes superior to 10,000 francs, and a monopoly of petroleum.

The total credits needed for 1919 will reach 30 billions 210 millions of francs. This figure is inferior to that of 1918 by about 12 billions. The reduction in the military expenditures represents almost 43 per cent. of the expenditure of last year.

BANQUE NATIONALE DE CREDIT

The capital of the Banque Nationale de Crédit has been augmented from 150 millions to 200 millions of francs. The

Foreign Exchange Department

Letters of Credit Negotiated

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Capital \$3,000,000

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new 100,000 shares of 500 francs, together with a premium of 100 francs for the reserve fund, have been entirely subscribed by the stockholders.

The bank has given its financial support to the French Treasury during the war. Its subscriptions to the four per cent. loan of 1918 amount to 800 million francs. Moreover, the Banque Nationale de Crédit has promoted the development of industry and commerce

since the cessation of hostilities. It has opened seven new branches, mostly in Alsace-Lorraine. The dividend per share has been 14 fr. 25 for 1918 against 13 fr. .06 in 1917. The total of its balance was three times greater than that of 1915. In fact, it has augmented from 386,755,826 francs in December, 1915, to 1,064,000,000 francs in December, 1918.



Economic Conditions in Italy

THE FOREIGN EXCHANGE REGULATIONS

SOME of the regulations concerning the Italian foreign exchange have been relaxed. The National Institute of exchange, which in the past exercised an absolute control over foreign exchange, will now limit its authority by leaving the issuing of foreign exchange to the most important banks of

the country. Thus the Banca Commerciale Italiana, the Credito Italiano, the Banca di Sconto, and the Banco di Roma will take charge of the operations of exchange in the future.

The decree published in the Italian *Official Gazette* states, however, that the approval of the Institute of Exchange is required for issues which concern the transfer of Italian capital to

foreign countries. Besides this the Institute will continue to exercise a certain control over other operations pertaining to foreign exchange.

COMMERCIAL RELATIONS WITH RUSSIA

In view of the development of commerce with Russia, a new company has been established in Rome. The capital of the company is 2 million lire, subscribed by the Banco di Roma, the *Sindacato Coloniale Italiano* and the *Russo-Asiatik Bank*. The seat of the company is at Rome, but it will have several branches in Russia and in other eastern countries. The company intends to promote the interests of Italian industry and commerce in Russia, by securing the import of raw materials and the export of Italian manufactured goods.

ECONOMIC RELATIONS WITH AMERICA

The Economic Committee Italo-American, founded at the end of last year, has inaugurated an active policy toward improving the economic relations between Italy and the United States. Among the most important points of its programme are the following:

1. The establishment of an accord between the productions of the same order in the two countries in order to eliminate competition and to bring closer coöperation into their commerce abroad.
2. An accord regarding the augmentation of selling the products which

are exempt from competition, and the opening of new markets.

3. The development and introduction in Italy of new industries with mixed capital, American and Italian, in order to develop the opportunities of labor and capital.

4. The placement of American and Italian capital in the utilization and development of the natural resources of Italy and her colonies.

In other words, the Italo-American Committee is established upon principles of reciprocal coöperation.

THE COAL PROBLEM

The coal problem in Italy is still unsettled. The resuming of work in the industrial centers of the country depends now upon the quantity of coal that can be imported. In 1918 the total imports of coal into Italy amounted to 6,400,000 tons, of which over two-thirds were shipped from England. Since the labor troubles and the decrease of coal production in that country, Italy finds herself in great need. In order to remedy this situation, the Italian industries have endeavored to secure coal from the United States. This measure has, however, proved difficult on account of the shortage of shipping tonnage, as well as on account of the differences of prices. American coal costs more even when carried on Italian ships. On the whole, the Italian industries are facing a serious situation as long as the conditions of coal production in England are not settled.



Economic Conditions in Belgium

THE FINANCIAL SITUATION OF BELGIUM

THE Belgian Minister of Finance, M. Delacroix, has made the following statements regarding the financial situation of Belgium created by the terms of the Peace Treaty. There are five financial conditions which affect Belgium: (1) The liberation of the war loans imposed by Germany during the

occupation of the country; (2) restoration, reparation of damages, and indemnity; the complete indemnity will, however, be effected only within thirty-two years; (3) priority of two and one-half billion francs and restitution of material stolen for an equal amount; delivery of coal and raw materials is also included; (4) the German papers

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sequestrated in the allied countries will serve as guarantee for the execution of the preceding clause; (5) the amount of German marks introduced in Belgium during the occupation (about one and a half billion dollars) as equivalent for the goods purchased by Germany, will not be returned. This amount is, however, immobilized on account of the unfavorable exchange situation of the mark.

Thanks to the priority of Belgium with regard to indemnities, the public credit of the country comes out from the war with a privileged situation. On the other hand, the financial situation of Belgium continues difficult. The budget for 1919 reaches the amount of 8,524,110,318 francs, of which the greatest part is absorbed by the military expenditures with regard to demobilization and pensions of the war sufferers.

THE SCHELDT AND THE COMMERCIAL INDEPENDENCE OF BELGIUM

The revision of the Treaty of 1839 regarding the navigation of the Scheldt has been urged by the Belgian delegates at the Peace Conference as indispensable for the security of Belgium's economic development. Belgium desires a free outlet to the sea for her main commercial port, Antwerp. According to the treaty mentioned, the mouths of the Scheldt are in Holland's territory and that country has the power of closing them whenever its interests require it. Under such conditions the hinterland of Antwerp should belong to Belgium. Furthermore, it is explained that the inferiority in oversea traffic of the port of Antwerp in comparison with Rotterdam is due to the same fact. If Belgium were free to dispose of the mouths of the river Scheldt, a good portion of English and American cargo destined for Central and Eastern Europe would



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THE NATIONAL SHAWMUT BANK OF BOSTON

Resources over \$200,000,000

flow through Antwerp. The Chamber of Commerce of Antwerp has inaugurated a propaganda on behalf of Belgium's rights to control without restrictions the navigation of the Scheldt.

BANQUE DE CREDIT COMMERCIAL D'ANVERS

This financial institution, founded in 1865, and whose activities have been paralyzed during the war, has taken several measures in order to regain its important rôle in the economic affairs of Belgium. In the first place it has augmented its capital from 15 to 20 million francs. Under the leadership of its new president, Mr. Rensburg, the former general secretary of the Banque Internationale, the Banque de Crédit Commercial d'Anvers intends to take an active part in the development of foreign trade. With this purpose in view it contemplates several branches abroad, as well as an extension of its relations with foreign banks.

Bank of New South Wales

THE net profits of the Bank of New South Wales, as shown by the one hundred and thirty-seventh half-yearly report to the half-yearly general meeting of proprietors held at the chief banking house, Sydney, N. S. W., May 30, 1919, were £277,057 2s. 10d., to which was to be added £131,046 1s. 10d. undivided balance from last half-year. An interim dividend at the rate of ten per cent. per annum was paid on February 26 out of the half-year's profits, leaving a balance of £310,456 14s. 8d., which the directors recommended be applied as follows: Quarterly dividend to March 31, 1919, at the rate of ten per cent. per annum, £97,811; interest at five per cent. per annum to March 31, 1919, on capital paid in advance on other than the fixed dates in respect of the new shares in the London share register, £332 9s. 1d.; to reserve fund, £75,000; carry forward. £137,313 5s. 7d.



Head Office Asia Banking Corporation, 35 Broadway, New York

Asia Banking Corporation's Home Office

IN the new offices of the Asia Banking Corporation, at 35 Broadway, a distinctive note has been attained in the decorative effect and arrangements, giving a typical Oriental aspect to the main banking room. It has been worked out in a scheme of black-and-gold lacquer for the columns and wainscoting, and for the officers' private rooms. The general treatment for the ceiling and walls is of a biscuit color, enlivened by Chinese Chippendale dec-

orations picked out in Chinese blue. The directors' room and the conference room are treated in varying shades of neutral green, with mahogany furniture.

The lighting throughout is effected by semi-indirect bowls suspended from the ceilings. Upon entering the bank, the lighting strikes one as being unusually effective, due to the reflection afforded by the lacquered columns, which have been liberally sprinkled with gold under their finish coat.



An Oriental Effect is Carried out in the Decorations of the Main Banking Room

The treatment of the walls is quite unusual. Instead of the application of the ordinary oil or water paint, they have been treated with a lime paint, such as was used by the Italians in the Middle Ages. It is what is known as a *tempora*, which gives a much softer finish than could possibly be obtained by the use of an oil paint.

The floor in the public lobby, outside the railing and cages, is of black and white squares of dreadnought flooring, so that sounds produced by mechanical devices, such as adding machines, etc., do not vibrate.

The ground-floor offices cover approximately 7,000 square feet, and there are about 2,000 square feet of



The Officers' Section is Spacious and Readily Accessible to Customers



Meeting Room of the Board of Directors

basement space. The ground-floor space runs from Broadway back to Trinity Place, a depth of about 190 feet, and the rear is double the width of the front. One of the features of the new offices is a room reserved for the exclusive use of representatives of firms in China who are travelling in this country; telephone and correspondence facilities are provided.

Altogether, the bank touches a new note among New York banking institutions. The architect and engineer for the undertaking was Alfred C. Bossom.

ORGANIZATION AND SERVICES OF THE BANK

The Asia Banking Corporation, which is presided over by Charles H. Sabin, president of the Guaranty Trust Company of New York, was organized in November, 1918. Its first foreign branch was established last February at Shanghai, which is the headquarters in the Far East. Following in order, branches have since been established at Hankow, Peking, Tientsin and now, at Hongkong. Like all the other Far Eastern branches, the Hongkong

office follows the Chinese in the matter of decoration, but the quarters are laid out in the manner of the typical American bank.

The Asia Banking Corporation is rendering to American importers and exporters a direct personal service in matters relating to credit and financing, and is proving of great usefulness in developing our rapidly-growing commerce with the Far East, and especially with China. The institution is owned by a representative group of American banks, including the following: Anglo & London Paris National Bank, San Francisco; First National Bank, Portland, Oregon; National Bank of Commerce, Seattle; Bankers Trust Company, New York, and Mercantile Bank of the Americas, New York. Its officers are: President, Charles H. Sabin, president Guaranty Trust Company, New York; vice-presidents, Albert Breton and Ralph Dawson, vice-president and assistant secretary, respectively, of the Guaranty Trust Company of New York; secretary, Robert A. Shaw; treasurer, F. R. Sandford, Jr.; assistant treasurers, E. C. Brownell and Robert Buchan.

Developing Commerce With the British Colonies

The African British Crown Provinces are potentially the richest colonial possessions of Great Britain. Large exporters of natural products, they import manufactured articles in practically every known character of goods. Imports into Nigeria alone during the past year in nine important articles of commerce totalled more than \$15,000,000, divided as follows:

Cotton Goods	\$7,500,000
Coopers Stores	1,750,000
Tobacco	1,500,000
Salt	1,500,000
Flour	500,000
Sacks and Bags	1,000,000
Kerosene Oil	350,000
Bread and Biscuits	160,000
Iron and Steel	1,250,000

Exports in four leading commodities were divided as follows:

Palm Oils	\$5,000,000
Palm Kernels	5,000,000
Tin Ore	4,000,000
Hides and Skins	3,500,000

American merchants and manufacturers will find in British West and North Africa rich markets capable of wonderful development. To all desiring to enter them the bank of British West Africa extends its fullest facilities for co-operation and service in developing trade with that territory.

BRANCHES:

Egypt	Sierra Leone	Togoland
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Our New York Agents will be glad to provide information on trade to these colonies.

Bank of British West Africa

Limited

New York Office—100 Beaver Street.

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Subscribed Capital \$10,000,000

Paid Up \$4,000,000

Surplus and Undivided Profits \$2,000,000

Canada's Commerce and the Union Bank

From Prince Rupert, new and growing, on the Pacific, to Halifax, settled and historic, overlooking the Atlantic, are 367 branches of the Union Bank of Canada. In frontier towns in peaceful farming districts, and in bustling cities, they stand at strategic points in the pathways of Canadian trade and commerce, linking East with West, North with South.

The nation-wide banking service of the Union Bank of Canada is always at the disposal of American exporters and importers doing business with Canada. They will find its New York Agency fully equipped to render efficient service.

A list of our branches in Canada upon request.

Union Bank of Canada

Head Office
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New York Agency, 49 Wall St.

W. J. Dawson, F. L. Appleby, W. M. Forrest,
Agents

Capital & Surplus
\$8,600,000

New York and London as Financial Centres

IN a recent issue of the *London Times* appeared an article by Edgar Crammond in regard to the possible displacement of London as the world's financial centre by New York. Mr. Crammond enumerates the sources of London's strength as a financial centre—political, economic, and especially the experience accumulated in four hundred years of international trade. Geographical position, the shipping and financial machinery, etc., etc., all contributed to make London the centre of the world's trade and finance. Mr. Crammond says that while the foreign investments of Great Britain have been reduced in some directions on account of the war, they have been increased in others, so that whereas such investments prior to the war aggregated £4,000 millions, they now amount to nearly £3,000 millions. He does not regard the net debt of some £800 millions to the United States as

constituting a serious burden. He points out that the restrictions against capital issues in the United Kingdom have been removed and that the foreign trade is gradually turning toward normal conditions.

Passing to a consideration of the qualifications of New York as London's successor as the world's financial centre, Mr. Crammond says:

The question naturally arises as to how stable are the foundations upon which New York can rest her claim to become the money center of the world. It is true that the United States has made a large addition to her mercantile marine, but its quality and efficiency cannot be as high as that of the British mercantile marine, and, in so far as American competition has been substituted for German competition in the carrying trade of the world, British shipowners appear to view the prospect with confidence.

Under the abnormal conditions created by the war America has made extraordinary progress in the development of her shipbuilding, but when these artificial conditions have ceased to operate, the output can hardly fail to decline, and the reports which are reaching this country as to the quality of the United States tonnage indicate that

America is paying for her experience in this highly technical industry, just as the other great shipbuilding countries have had to do.

The geographical position of New York is such as to render it highly improbable that that city can develop a great European entrepot trade, particularly in view of the high level at which the cost of transport bids fair to remain for many years to come.

New York can hardly be said yet to possess the economic machinery requisite for the handling of a huge volume of international trade, and it must be remembered that in the case of London it required four centuries of intensive trade with the world to evolve this machinery; nor is it yet apparent that America has acquired a sufficient measure of the good will of the world to insure the transfer of so much power from London to New York.

The purely American outlook of the United States investor and his disinclination to entertain or understand foreign investments is another great handicap for New York, and even after four years of trade with Europe on a colossal scale American investors do not seem to have become familiarized with the idea of the investment of capital outside of the United States.

The instability and narrowness of the American money market is a further obstacle. In the past the New York money market has been liable to violent fluctuations, and the recent "money flurries," with rates up to twelve or fifteen per cent., have indicated that the old bad conditions of instability have not yet been overcome.

The high rate of the American dollar exchange is a powerful hindrance to her export trade, and it can hardly fail to have the effect of compelling Europe to limit her purchases to the irreducible minimum.

On the whole, I am convinced that if our people are reasonable and industrious, New York has no real prospect of displacing London from being the chief money center of the world; and I am equally convinced that the wisest course for America to adopt at the present time would be to re-invest the capital which is now at her disposal in approved Anglo-American enterprises having for their object the economic reconstruction of Europe. New York will find London fully prepared to cooperate with her on these lines.



American Banks for Switzerland

THE American Consul General stationed at Zurich, Switzerland, in a recent report, has the following to say regarding the desirability of American

banking institutions being established in Switzerland:

During the confused commercial and financial conditions which will exist in all central and eastern European countries for some years to come, the merchants and bankers of those countries will doubtless tacitly adopt some stable medium of international border exchange. There are only two such mediums at present (due to the depreciation of the pound sterling), the dollar and the Swiss franc; and the Swiss franc is not only known in those countries as a stable value, but is a familiar type of currency as well. To properly support American commercial and financial interests which may be located in the central and eastern European countries, American banking institutions should be established in Switzerland to supplement the commercial banking work done by branch banks and correspondents in those countries and to keep the parent institutions more fully in touch with the broader phases of the financial problems arising in or between those countries. The Swiss financial market is now, and undoubtedly will remain in the future, more sensitive to the rapid changes in the financial, exchange and commercial situation in central and eastern Europe than any other market, and Switzerland therefore presents the most central and favorable point of vantage for observing and accurately reporting on general trade conditions in those countries.



America's Financial Responsibility to Europe

REFERRING to the critical financial situation existing in Europe, Charles H. Sabin, President of the Guaranty Trust Company of New York, has made the following statement:

I have been deeply impressed by the recurring reports which come to us daily from authoritative sources concerning the critical condition of Europe's financial affairs. They sharply drive home the lesson that this country must act and act quickly, not only to save the business situation in other countries, but also in its own interest, because of the extent to which we are involved in their affairs, and the absolute dependence of our prosperity upon their rehabilitation. Unless the United States can find foreign markets for its present highly stimulated production there will inevitably be a business recession in this country.

We have in a large sense the welfare of

The Union Bank of Manchester, Limited

Head Office
17 York St., Manchester, Eng.

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and branches covering the whole of the district tributary to these two cities, and also WEST YORKSHIRE; including LEEDS, SHEFFIELD, BRADFORD, SALFORD, BIRKENHEAD, OLDHAM, BOLTON, BURY, ROCHDALE, STOCKPORT, HALIFAX (ENG.), HUDDERSFIELD, etc., etc.

Nominal Capital	\$12,500,000
Paid-up Capital	3,750,000
Reserve Capital	3,750,000
Subscribed Capital	7,500,000
Reserves	2,825,000
Surplus over Liabilities	<u>10,325,000</u>

Bankers in the United States and Canada are invited to make use of the Bank's services for all kinds of banking business in the district where the Bank operates, and in Great Britain generally. Collections promptly dealt with, and proceeds remitted by draft or cable transfer on New York, or as desired. Favorable terms.

North American Mails are usually delivered in Manchester and Liverpool earlier than in London.

the whole world in our keeping to-day, and upon the wisdom and farsightedness which we show in discharging this obligation will depend, in large measure, not only the progress of other nations, but our own future as well. I do not mean to speak as an alarmist in the situation, because I believe absolutely that if the established countries of Europe are given the cooperation which we are able to give at this time, there will be no question of their making good upon their obligations and justifying any credit or consideration which we may extend to them, but the fact is that we over here are "fiddling while Rome burns."

The need of European countries is immediate and every day's delay makes their situation more difficult. Their pressing needs are for food, raw materials, coal and machinery. These can only be supplied to them through extension of credit on our part, as they have neither the gold nor the goods with which to make immediate payment. Food for the hungry and work for the idle must be provided if they are to maintain stable political conditions and begin production. These bald facts are obvious to all who have studied the situation, but failure to appreciate their bearing upon our own affairs has apparently delayed action on our part.

It is certain that American banking insti-

tutions cannot handle the credit demands presented without cooperation. Such cooperation must be accorded by our Government, our manufacturers and producers. By team-play between these important factors in the situation, Europe can be put on its feet financially and industrially and this country will be placed in a position of unchallenged leadership in the business affairs of the world. The amounts involved are far too large for any other method of handling.

Just what form this cooperation should take is a matter of detail which can be worked out in common conference, but there are some steps which it seems to me can be taken immediately and should not be delayed. Recognizing the importance of the problem presented to American business interests, the last Congress appropriated one billion dollars for the extension of American foreign trade, and placed the amount at the disposal of the War Finance Corporation, but, as it has worked out some of the restrictions placed upon the use of this fund have made its extensive employment impracticable. The restrictions which limit the amount of these loans and specify that they can be made only through American corporations and upon their endorsement throw the whole credit burden upon our home institutions, which is not fair to them and makes them hesitate to take advantage of

the offer. In my judgment, this law should permit the extension of credit to foreign buyers in good standing, with the endorsement, if need be, of foreign banks and foreign governments, and our Government should assume whatever credit risk is involved in the situation, which should be negligible.

As there is the twofold purpose of promoting American trade and of meeting the crying needs of Europe, and this is in the interest of our people as a whole and of Europe as a whole, it seems to me to be a situation in which Government responsibility must be assumed and Government leadership, with the cooperation of our financial and business institutions, must take up the burden in the general interest.

There is also a large fund still available for food provision, which should be used as rapidly as possible for the prevention of famine and the restoration of normal health and working conditions in the war-swept countries.

This is a time when all thought of profits, particularly exorbitant profits, represented in either commodity prices or interest charges, should be forgotten, and the simple necessities of the situation faced. Our first and single duty now is to restore the world to normal conditions. If we are able to do our part properly in bringing that about, the question of profits will be cared for in the future. This country is facing the greatest opportunity and the greatest obligation in its history, and if the sacrifices which have been made in the war are not to be in vain, we must rise to meet them. I am sure that if our people generally and our repre-

turers, merchants and shipowners, and its programme includes foreign exchange, also insurance and shipping agency business.



British Investments in Argentina

REFERRING to news reports alleging friction between Great Britain and Argentina due to extensive English investments in the latter country, the National Bank of Commerce in New York says that \$2,000,000,000 has been considered a conservative estimate of the amount of such investments.

Owing to the newness of the country and the character of its industries, the bank says, Argentina has always been a heavy importer of foreign capital. A report recently issued by the Director General of Commerce and Industries of Argentina clearly shows the predominance of British capital in the industrial organization of the republic. The total amount of British investment there is not known, but two billion dollars has been considered a conservative estimate. The following figures include only the realized capital of limited liability companies:

	National	British	Other Countries	Total
Railways and other commercial enterprises.....	\$314,810,931	\$1,324,902,683	\$112,581,830	\$1,752,295,444
Industrial enterprises.....	128,879,242	78,793,248	15,041,120	222,713,610
Total	\$443,690,173	\$1,403,695,931	\$127,622,950	\$1,975,009,054

sentatives at Washington could have the appreciation of the situation which has been forced upon us by those who have studied it first hand in our interest, there would be no delay in meeting it.



New Bank in London

AN important new bank has been registered in London, entitled the Anglo-Baltic & Mediterranean Bank, Ltd., capital £1,002,500, in 200 ordinary shares of £5 and balance in founders' shares of £1. The aim is to provide facilities for British manufac-

It is known that British capital in railways alone amounts to \$1,138,756,484. This represents about ten times the railway investments of any other foreign country in the Argentine.

The close trade relations between Argentina and the United Kingdom are shown by the fact that for a long period almost one-third of the total imports into Argentina were received from Great Britain, to which one-third of Argentina's total exports were sent. The war has resulted in a small reduction in the amount of imports from Great Britain, but exports to her show a tendency to increase.

London and River Plate Bank, Limited.

HEAD OFFICE: 7 PRINCES STREET, E.C. 2, LONDON.

Agency: MANCHESTER, 86 Cross Street

Paris Branch: 16 Rue Halevy.

Lisbon Branch: 32 Rua Aurea

Antwerp Branch: 22 Place de Meir

	(\$5=£1.)
CAPITAL (Authorized) - - - - -	\$20,000,000
SUBSCRIBED CAPITAL - - - - -	15,000,000
PAID-UP CAPITAL - - - - -	9,000,000
RESERVE FUND - - - - -	10,500,000

DIRECTORS.

E. ROSS DUFFIELD, Esq.
RICHARD FOSTER, Esq.
FOLLETT HOLT, Esq., M. Inst. C.E.
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Correspondents in all other places of importance in these South American Countries.

Documentary Bills Bought, Advanced Upon or Received for Collection.

Drafts and Cable Transfers Sold on all Branches and Agencies.

Commercial and Travelers Letters of Credit Issued.

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Better Pay for American Consuls

IN the following, from *The Corn Exchange*, published by the Corn Exchange National Bank of Philadelphia, a strong plea is made for more adequate pay for American consular representatives:

Wanted: A man who speaks several languages. Must possess a good college education, have a broad knowledge of world affairs and sufficient business experience to properly represent a billion dollar corporation in foreign fields. Salary, \$3,000 a year.

Such an advertisement to-day would be regarded as a joke. It would be the subject of derision and mild ridicule. \$3,000 at 60 cents on the dollar, or a pre-war equivalent of \$1,800 a year, seems like a nominal consideration for a position of this kind; but this is all many of our foreign consuls are receiving from Uncle Sam.

For the quality of service rendered, no business concern in this country pays salaries so low as those paid the foreign busi-

ness representatives of this \$250,000,000,000 country.

During recent months, this bank has been visited by American consuls and commercial attaches who have been stationed in every part of the world. We have had unusual opportunities for appraising the type of these men, and getting a close line on the qualifications required in this branch of Government work.

It becomes a business proposition in view of the fact that a large part of the work done by our American consuls is devoted to the interests of American trade. Few people realize what our consuls do to constructively promote American business abroad.

They are required to keep files of catalogues of American manufacturers and to use every possible endeavor to not merely promote the sale of American goods, but also to carefully and analytically investigate the local markets to see why the sales of certain American goods are not progressing. Many consuls know four or five languages well. On a salary so low as \$3,000 or \$3,500, with possibly a large part of it spent for entertaining, there is not much leeway, for ordinary living expenses, let alone anything put aside for a rainy day, especially in those countries where the cost of living is often much more than it is here and



The National Bank of the REPUBLIC OF CHICAGO

OFFERS exceptional service in exceptional times,
and invites the accounts of responsible people
requiring Chicago facilities.

Capital

and

Surplus

\$3,000,000

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John A. Lynch - - - President	Wm. B. Lavinia - - - Asst. Cashier
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Walter L. Johnson - - - - -	- - - - - Asst. Cashier

where the expenses for entertainment are very large.

Salaries of the secretaries of legations and embassies are considerably lower, averaging about \$2,500 annually and many receive only \$2,000.

It is reported that funds provided for traveling expenses are generally insufficient, while in very few instances does the Government provide a home or residence of any kind.

It must be remembered that years of preparation are necessary for these positions of responsibility.

Then there is the field of commercial service handled by the commercial attache who covers the entire country to which he is accredited. There are also the special agents sent out by the Department of Commerce for investigation along special lines, such as investigating a particular line of industry. Their salaries are relatively as low as those paid to the consuls.

England has in her Department of Commerce more than a mere bureau of information. She has a closely coordinated organization abroad, which links up private enterprise in her own country with trade opportunities in other countries. Nor does she stop there, for she looks closely after the possibilities of the interchange of commodities and the development of her importing

business as well as her exporting business.

But she pays her consular and diplomatic officers on an average of one and a-half to twice what ours receive; and she goes further than that. These officials are the beneficiaries of a pension system which takes care of their old age and a pension service which takes care of the wife should the husband die.

In the present age, more than at any other time in history, there is emphasized on the part of our great industries a policy which conserves business brains and business productive ability by suitable reward. No \$10,000 a year man is going to sacrifice his future for the pleasure of serving the Government for \$3,000 a year. It is incumbent upon the Government in the interest of the business public that its Department of State and Commerce should have better men in its service than any other government in the world. We say this without any intention of reflecting on the men now in the service, but unless Congress assumes a less penurious policy and pays our foreign workers salaries more commensurate with the character of the work involved and establishes a system upon a basis which looks as well after the future welfare of its employees, the efforts of our Government in the foreign trade field will lag far behind the individual enterprise of American busi-

The Bank of the Philippine Islands

(ESTABLISHED 1851)

MANILA, P. I.



BRANCHES: ILOILO AND ZAMBOANGA

ELISEO SENDRES, President

RAFAEL MORENO, Secretary

D. GARCIA, Cashier

O. M. SHUMAN, Chief Foreign Dept.

Authorized Capital	(pesos) 10,000,000.00
Capital fully paid-up	6,704,600.00
Reserve Funds	3,577,300.00

(\$0.50 = 1 peso)

Transacts general banking business. Buys and sells exchange on all the principal cities of the world.

AGENTS

London: Nat'l Bank of Scotland, Ltd.
 Spain: Banco Hispano Americano
 Hongkong: Netherland India Com'l Bank
 San Francisco: Wells Fargo Nevada Nat'l Bank
 New York: National City Bank, The Guaranty Trust Company and The Equitable Trust Co.

Paris: Comptoir Nat'l d'Escompte
 Australia: Bank of New South Wales
 Shanghai: Bank of Canton, Ltd.
 Chicago: Continental & Commercial Nat'l Bank
 Japan: Yokohama Specie Bank, Ltd., Bank of Taiwan, Ltd., and Sumitomo Bank, Ltd.

ness, and to that extent, in competing with other nations, will our foreign trade policy be handicapped.



America's Interest in Italy

SPEAKING recently of the economic situation in Italy, Signor Francesco Nitti, the Prime Minister, who is a distinguished economic authority, said:

Italy's past fills pages of history with glory and renown. In a democracy one does not live upon the vanished past but upon the work and effort which the past created—which the present must strive at all costs to perpetuate. It is in this task that the Governments of to-day are most deeply concerned—the building and restoring of the material wrecks of war to insure healthier enjoyment of the principles so clearly defined.

It was in that aim to perpetuate free institutions that Italy threw in her all. No country suffered more from the conflict or the sacrifice with greater will. Half a million dead testify in silence more strikingly than any other evidence to Italy's spirit. A million disabled, living in pain, consti-

tute another of our offerings in the cause of freedom. Five and a quarter million men went out to battle out of a 35,000,000 population in 1915. Every available man in Italy was called to the colors.

Had America been called upon to contribute this proportion she would have summoned 16,000,000 men to arms. Italy's army was given willingly—eagerly—on the altar of liberty to bear witness that right is more precious than peace.

Before the war our annual national debt amounted to \$3,000,000,000; our advent into the war has seen it rise to \$16,000,000,000. In comparison with other countries' war debts it might not seem stupendous, but keeping in mind Italy's resources, it represents the greatest sacrifice of them all. Italy's national wealth aggregated but \$20,000,000,000. Had we been called upon for further sacrifices we would have willingly given even to the limit of our existence.

Italy does not want a revolution, and, above all, her working classes do not want it. My cherished ambition is that the workmen's leaders should participate in the affairs of the government, persevering persistently to solve the problems of increased production and better living conditions for the families of workers.

These would constitute a veritable bulwark against the violent intransigents whose like have been asserting themselves

COTTON—WOOL—GRAIN

are three commodities
in which New England
is largely interested.
Business resulting from
the handling of these
commodities is solicited

THE FIRST NATIONAL BANK OF BOSTON

CAPITAL, \$7,500,000

SURPLUS and PROFITS, \$20,000,000

DEPOSITS, \$175,000,000

Banco Internacional de Cuba



EFFICIENT banking service in Cuba is assured by this institution, with its head office in Havana and thirty-four branches throughout the Island, enabling us adequately to serve your Cuban banking requirements in regard to collections, credit information, commercial credits and foreign exchange. Inquiries are cordially invited.

in all parts of the world. It is sound policy that strict guardianship of public order must be assured. There is no democracy without order.

Our war debt of sixteen billion dollars is being met with fortitude and stoicism that belittles the gigantic effort of other countries. The nation, to pay for this war, is groaning under the burden, but it is bearing it with great determination. Our last budget aggregated nearly two billion dollars, so that the annual per capita tax for every man, woman and child in Italy approximated \$45. I believe that figure challenges the record for high taxation in any allied country, but we hope to be able to reduce the budget to about one and a half billion dollars.

Despite our high taxation during the war, another measure which will insure our financial stability is before the country. We are arranging for the collection of additional taxation in the form of a progressively graduated levy on incomes. Announcement of the Cabinet's purpose in this direction had its immediate effect on Government securities, which have increased in value ever since this programme was made public.

Our courage in facing our debt we hope will be rewarded by national financial firmness which will stand unquestioned. We purpose to begin, as early as is consistent with sound economic commercial policy, a

genuine reduction in our paper currency amounting to \$2,000,000,000. We anticipate in the course of a few years Italy's return to pre-war conditions, when our paper money was held at a premium on gold.

The interest of America in Italy must heighten when the great markets that are offered her are considered. Before the war Italy's foreign commerce amounted to more than a billion dollars. This was divided chiefly among the European Powers, with Germany leading all the rest both in imports and exports. The war left this market in a chaotic state. It is now ready for exploitation for American business, ready, open-armed for all their wares, and longing for commercial intercourse which will alike benefit both the United States and Italy.

We need raw materials for industrial enterprises which will allow us to restore our industry. We need foodstuffs, fats, coal and semi-finished materials. Our country is teeming with industrial possibilities. The streams from the Alps and the Apennines contain enough unbridled electric force to supply the needs of a continent. There is an abundance of labor ready to set its hand to the plough or the forge. Italy is the great gateway in the Mediterranean basin, connecting the Balkans, southern Russia, Asia Minor and Egypt to western Europe and the Americas.

NOYES & COMPANY

Established 1879

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PARIS - FRANCE

Our hearts and hopes are extended to America, where many of Italy's sons contribute their skill and toil, for whom many of Italy's sons fought with no unworthy prowess the battles just concluded.

British Cooperative Movement

FROM *Anglo-American Trade*, published by the American Chamber of Commerce in London, it is learned that a recent Cöoperative Congress held at Carlisle, England, brought out some interesting facts in regard to the cöoperative movement in Great Britain. It was stated by the president of the Congress that the cöoperative movement had been the chief protector of food supplies and the limitation of prices in Great Britain during the war.

At the outbreak of the war, the distributive societies had about 3,000,000 members. To-day the membership is nearly 4,000,000. In the years 1913-18 their retail trade increased from \$415,000,000 to \$780,000,000, and their wholesale trade from \$200,000,000 to \$400,000,000. In the same period the value of the productions of the two wholesale societies had increased from \$55,000,000 to more than \$115,000,000. These facts must be of interest to American business men.

At the present time the activities of these societies in Great Britain include

the operation of a coal mine, many factories for production of textiles, margarine and other commodities, thousands of acres of land at home and abroad, and a special agriculture department.



A Year's Growth of the London Joint City and Midland Bank, Ltd.

THE statement of accounts issued by the London Joint City and Midland Bank, Limited, shows the following figures for June 30, 1919, and June 30, 1918:

	LIABILITIES	
	June 30,* 1918	June 30. 1919
Capital paid-up . . . }		£8,289,072
Reserve fund }	£13,833,698	8,289,072
Current, deposit and other accounts . . .	294,797,450	371,054,601
Acceptances	10,871,356	16,068,206
Total	£319,502,504	£403,700,951
	ASSETS	
Cash in hand and at Bank of England. }	£63,811,127	£79,426,772
Cheques in transitu. }		2,192,145
Money at call and at short notice	31,116,403	76,068,108
Investments	55,529,824	62,171,961
Bills of exchange. . .	50,105,022	34,132,652
Advances on current and other accounts }	103,440,467	116,874,427
Advances on war l'ns }		12,249,162
Liabilities of custom- ers for acceptances	10,871,356	16,068,206
Bank premises	3,868,615	3,757,828
Belfast Bank shares. .	759,690	759,690
Total	£319,502,504	£403,700,951

*Combined figures of London City and Midland & London Joint Stock.



New Orleans Branch of Mercantile Bank

THE opening on September 3 of the New Orleans branch of the Mercantile Bank of the Americas of New York, the purpose of which is to be of every possible aid and assistance in the advancement of foreign trade, marks another step forward in the numerous strides which New Orleans has been taking of late in its endeavors to be-

BANKAKTIEBOLAGET SÖDRA SVERIGE

Head Office : HELSINGBORG, Sweden

Branches STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS and in 62 other
Places in Sweden

(\$0.26 = 1 Kr.)
Capital Paid Up . . . Kr. 30,000,000
Surplus About . . . Kr. 17,200,000
Resources About . . . Kr. 373,000,000

The organization and excellent relations of this Bank secure to its clients the most efficient handling of their business on moderate terms

Inquiries and applications for terms are cordially invited and will find prompt attention

Principal New York Correspondents { The Mechanics & Metals National Bank
The National City Bank of New York

come the southern gateway for the foreign trade of the United States.

This branch has been completely equipped to take care of the foreign banking needs of merchants and manufacturers not only in New Orleans, but in the entire Mississippi Valley region. As the aim of the Mercantile Bank of the Americas is solely to provide the necessary banking facilities for handling the business of foreign trade, it does not accept deposits and hence is not in competition with local banks, but on the contrary supplements their facilities and, by working with them, assists their clients in developing their foreign business.

The Mercantile Bank of the Americas organized by a group of bankers in all parts of the United States has, in the short time since its establishment, opened affiliated banks in twenty-five cities in South and Central America and Cuba and has also established branches in Paris and Barcelona to assist South American trade in the European markets.

Through this branch in New Orleans, merchants and manufacturers in this region will find a comprehensive organization close at hand ready to aid them in selecting proper agents, in finding outlets for their goods and in collecting drafts for merchandise shipped. In short, it is the sole desire of the Mercantile Bank of the Americas through its New Orleans branch to cooperate with them in every way possible in the financing of their business in South and Central American countries.

New Orleans at this time, when trade with South and Central America is paramount in the minds of many, demands careful consideration. Located at the



M. S. SENTON

Manager New Orleans Branch Mercantile Bank of the Americas

delta-head of the Mississippi River and in close proximity to the important trade centres in South and Central America, it really can be called the geographical centre for shipping between

North and South America. With its numerous steamship lines and its trunk railway lines it combines the necessary facilities for making it an important point of trans-shipment.

New Orleans possesses the largest cotton warehouse in the world. It operates a modern grain elevator, loading four shipments simultaneously. It has forty-one miles of harbor frontage and owns docks and warehouses which cover an enormous area.

For these reasons, and many others, the Mercantile Bank of the Americas, in establishing its first branch in this country has chosen a city whose foreign trade development bids fair to become of vast and far-reaching importance.

M. S. Senton, who has been appointed manager of this branch, has for the past twelve years been an officer in the Commercial Trust and Savings Bank of New Orleans.



Bank of Adelaide

SHAREHOLDERS of the Bank of

Adelaide held their fifty-third annual meeting on May 7 in the board room at the head office, Adelaide, South Australia. The directors submitted a report showing that the balance of profit and loss for the year ended March 31 was £69,349 7s. 9d., out of which an interim dividend at the rate of ten per cent. per annum was paid in November last, absorbing £25,000, and bank premises account was reduced by £3,000, leaving £41,349 7s. 9d., from which a further dividend was proposed at the rate of ten per cent. per annum, calling for £25,000, and to transfer £15,000 to reserve fund, making the total of that account £570,000. After deducting these allocations, a balance of £1,349 7s. 9d. remained to be added to the balance of profit and loss account to March 25, 1918, now transferred to this year's account (£12,527 14s. 7d.), giving a balance of £13,877 2s. 4d. to be carried forward.

During the year a branch was opened at Sydney to facilitate the working

of the Bank of Adelaide's growing exchange business with Europe, America and the East.



Bank of Liverpool & Martin's Limited

PROPRIETORS of this bank held their eighty-eighth annual general meeting at the head office, Liverpool, July 22, 1919. Net profits, after the usual provisions, for the year were £494,415 18s. 2d., which with the amount brought forward made a total of £688,301 1s. 1d.

This sum the directors have appropriated as follows:

To the payment of two half-yearly dividends of seven per cent. and nine per cent. respectively (making sixteen per cent. for the year), subject to deduction of income tax.....	£327,422	8	0
To reserve fund.....	250,000	0	0
Balance carried forward to next account.....	110,878	13	1
	<hr/>		
	£688,301	1	1

The reserve fund on June 30, 1918, stood at.....	£900,000	0	0
To this have been added the following sums:			
By transfer of the reserve fund of Martin's Bank, Ltd.	185,000	0	0
By transfer from profit and loss account as shown above.....	250,000	0	0
By transfer from the bank's internal contingent fund	65,000	0	0
	<hr/>		

Making the present balance of reserve fund.....£1,400,000 0 0

The directors have also transferred £100,000 from contingent fund to bank purchase account, reducing the balance standing at debit of the latter account to £100,000.

During the war the directors made special additions to the bank's contingent fund and to the balance of profit carried forward. Under peace conditions they have decided to transfer from these sources to the reserve fund and bank purchase account the respective sums shown above, still leaving in contingent fund and at credit of profit and loss account balances which they consider ample for all purposes.

THE MERCANTILE BANK OF INDIA (LIMITED)

Head Office: 15 GRACECHURCH STREET, LONDON, E. C. 3.

Capital Authorized	£7,500,000
Paid-up	3,250,000
Reserve Fund	3,000,000

BANKERS: Bank of England; London Joint City and Midland Bank (Limited)

Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan and Mauritius

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances.

The amalgamation with Martin's Bank, Ltd., has been successfully carried through, and the Bank of Liverpool and Martin's Limited is now a member of the London Bankers' Clearing. The directors are well satisfied with the result of the amalgamation.

With three exceptions, all the offices closed during the war have been reopened. A new branch has been opened at Brampton, and new sub-branches at Carlin How, Cottingley, Nenthead and Pelton. Seven branches, which were either closed or worked temporarily as sub-branches, have been reopened as full branches, and, in addition, three sub-branches have been converted into full branches.

The directors greatly regret to announce that the total number of members of the staff who have lost their lives in naval or military service is ninety-one.



Union Bank of Australia, Limited

THE annual general meeting of proprietors of the Union Bank of Australia, Limited, was held at the head office, 71 Cornhill, London, E. C., July 28. Directors of the bank submitted a balance-sheet to February 28, 1919, duly audited, which, after provision for doubtful debts and contingencies, exhibited a net profit for the half-year of £258,614 4s. 7d., inclusive of £78,273 17s. 11d. brought forward from the previous half-year.

From this the directors have made the following appropriations: £20,000 in reduction of the bank premises ac-

count in Australia and New Zealand; and £20,000 as an addition to the bank's reserve fund, which is thereby increased from £2,050,000 to £2,070,000.

From the balance remaining (£218,614 4s. 7d.) the directors resolved upon the declaration of a dividend at the rate of 14 per cent. per annum, equal to £1 15s. per share—free of income tax—absorbing £140,000 and leaving £78,614 4s. 7d. to be carried forward.

Since the last meeting the branch of the bank at Yerong Creek, in New South Wales, has been closed.

W. R. Mewburn, Esq., and F. G. Parbury, Esq., are the directors who retire by rotation in accordance with the articles of association, and offered themselves for reëlection.

The bank's auditors, Messrs. Whinney, Smith and Whinney, also retired, and offered themselves for reëlection.

In accordance with the powers conferred upon them by the proprietors at the general meeting of February 11 last, the directors on February 15 last, made the issue of 20,000 shares (£25 paid) then authorized, the proportional allotment being one new share to every four existing shares. This issue of new capital has been fully subscribed.

In accordance with the views expressed at the annual general meeting on July 27, 1914, action on which was deferred owing to the war, the directors have now decided to ask the proprietors' sanction to the sub-division of each of the bank's shares of £75 each—£25 paid, into five shares of £15 each—£5 paid.

Sir Edward Holden's Successor

THE election is announced of Reginald McKenna as chairman of the London Joint City and Midland Bank, to succeed the late Sir Edward Holden, Bart.



Bank of New Zealand

THERE was presented at the ordinary general meeting of proprietors of this bank at the meeting in Wellington, N. Z., June 13, 1919, the following report of directors:

The directors submit herewith the balance-sheet and profit and loss statement of the bank for the year ended March 31 last.

The profits, after providing for expenses of management, all bad and doubtful debts, and after making provision for the annual donation to the provident fund and for a special grant thereto, also for bonus to staff, are.....£459,221 4 4

From this has to be deducted:

Interest on guaranteed stock.....	21,199	10	10
	£438,021	13	6
Of this sum the directors have allocated in reduction of bank premises and furniture	50,000	0	0
Leaving balance of profit for the year.....	388,021	13	6
To which has to be added:			
Balance brought forward from last year.....	145,702	12	3
	533,724	5	9
From which there has been paid:			
Interim dividend at six per cent. on "A" and "B" preference shares	£45,000	0	0
Interim dividend at six per cent. on ordinary shares	60,000	0	0
	105,000	0	0

Leaving available for distribution.....£428,724 5 9

This the directors propose should be disposed of as follows:

Dividend at the rate of four per cent. on "A" Preference Shares	£20,000	0	0
Dividend at the rate of six per cent. on "B" Preference Shares	15,000	0	0
Dividend at the rate of six per cent. on Ordinary Shares	60,000	0	0
Bonus at the rate of three per cent. on "B" Preference Shares	7,500	0	0
Bonus at the rate of three per cent. on Ordinary Shares	30,000	0	0
Transfer to Reserve Fund.....	150,000	0	0
(Making Reserve Fund £2,350,000.)			
Leaving balance to be carried forward.....	146,224	5	9
	£428,724	5	9

Owing to the shortage of staff caused by the war, the branch at Buckley has been closed, and the branch at Pongaroa made a receiving agency of Pahiatua.

An agency has been opened at Ngatea, and the agency at Pleasant Point has been reopened.

Asia Banking Corporation In- creases Capital Stock

THE New York State Banking Department has authorized the Asia Banking Corporation to increase in its capital stock from \$2,000,000 to \$4,000,000; at the same time it was arranged that the surplus should be increased from \$500,000 to \$1,100,000. A certain amount of the new stock was set aside for the Continental and Commercial National Bank of Chicago, National Shawmut Bank of Boston, and the Guardian Savings and Trust Company, Cleveland, which institutions were invited, and expressed a desire to become stockholders in the corporation. The banks named will, together with

Liberty Trust Company

8, Place Edouard VII.

Total Resources Over

\$10,000,000

PARIS - FRANCE

the banks who were the original stockholders, center their efforts in furthering the fast-increasing volume of trade between the United States and China, which is the prime purpose of the Asia Banking Corporation, with its six branches in vital trade sections of the Far East.



New Branches in Cape Province

ANNOUNCEMENT has been made of the establishment of new branches of the Standard Bank of South Africa, Ltd., at the following places: Cofimvaba, Kei Road, Napier, Ugie, Wynberg, Durbanville, Kuruman, Sandflats and Vosburg, all in Cape Province.



Hibernian Bank, Ltd.

ACCOUNTS for the half-year ending June 30, 1919, were presented at the ordinary general meeting of shareholders of the Hibernian Bank, Limited, held at the head office, College Green, Dublin, July 28. After providing for rebate on bills, interest on deposits, bad and doubtful debts, net profits for the half-year were £34,439 1s. 3d., to which was to be added £9,691 19s. 0d. brought forward from last ac-

count. Of this amount there was transferred to the reserve fund £10,000, making that item £150,000. The directors recommended that £20,000 be applied to the payment of a dividend for the half-year at the rate of eight per cent. per annum (subject to deduction of income tax), that £2,000 be applied to the reduction of bank premises accounts, and that £12,131 0s. 3d. be carried forward.



Bank of Taiwan Doubles Capital

MR. M. ESAKI, agent of the Bank of Taiwan, Ltd., 165 Broadway, has announced the receipt of a cable advice from the head office that on September 1 the bank's capital was increased from yen 30,000,000 to yen 60,000,000, in accordance with the shareholders' vote at the fortieth semi-annual meeting held at Tokyo; also declaration by the president of a ten per cent. dividend of its stock, yen 500,000 being reserved and added to the surplus, making the total surplus now yen 7,080,000. Undivided profits of yen 978,000 were carried forward to the next term. The net profits for the last half year ending June 30 were yen 2,880,000. The resignation of one of the directors, I. Sada, was accepted, T. Ikeda, former secretary to the president, being appointed as successor.



International Banking Corporation

ABRANCH of this institution has been opened at Hankow, China.



Hongkong Branch of Asia Banking Corporation

THE fifth branch in China of the Asia Banking Corporation was opened at Hongkong on July 21. The

other branches, already in operation, are at Shanghai, Hankow, Peking, and Tientsin.



Anglo-Finnish Bank is Formed in Great Britain

A NNOUNCEMENT is made of the formation in London of an important new bank, called the Anglo-Finnish Bank, for the purpose of assisting in the development of trade with Finland and for assisting in overcoming exchange difficulties.

Additional Cuban Branches of National City Bank

THE National City Bank of New York announces the opening of two new branches, one in Remedios, Cuba, and the other in Yaguajay, Cuba.



Opens New Branch in Brazil

THE New York Agency of the London and River Plate Bank, Limited, has announced the opening of a branch of that bank at Porte Alegre, Brazil.



"I've Got Money in the Bank and its Mine"

OVER in France, it was common for an American soldier to spend quite a little money, and frequently it became necessary for a man to cash a draft on a bank at home. This was especially the case with men separated from their organizations and who had not been paid for several long months. But cashing a draft was not the easiest thing to do in France during the stay of the A. E. F.

A certain financial institution in Paris did a large business with these American draft cashers. A knowing old man had charge of the window, and he was wise to American ways. The usual line of lieutenants filed before his window one night, trying to get a draft honored.

One of the men said that his firm at "home" was rated at half a million dollars by big financial agencies; another vouched that his firm had equal credit, and so on. Each seeker for funds was SURE that HIS draft would be accepted, and each laid great stress on the strong financial rating at home of the institution drawn upon, and the excellence of the paper.

But the window teller listened without enthusiasm. He had been there be-

fore, and like going over the top, the job had lost some of its excitement for him. Finally the last lieutenant in line came along.

"How much is YOUR firm rated for?" he asked the young man.

"I don't get you," said that officer.

"I suppose you have a credit for half a million in Bradstreet," the man ventured again, not without suspicion in his voice.

"Nope," said the lieutenant, "lay off that stuff. I ain't rated anywhere that I know of, but I've got eight hundred dollars in the bank at home, and it's MINE."

He got his money!

That fellow cashed in on his character, where others had failed to cash on their connections. It's always the way. If you can name a sum of money, legal United States currency, and say "It's mine," your character speaks for itself. You are on the road that bears a finger post pointing toward success.

A bank account is the beginning of the highway.—3rd District News, published by the Industrial Branch of the Hibernia Bank and Trust Co., New Orleans.

Banking and Financial Industry

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



THE LIBERTY NATIONAL BANK *of* NEW YORK

CAPITAL - - - - \$3,000,000.00
SURPLUS - - - - 3,000,000.00
UNDIVIDED PROFITS 1,750,000.00

OFFICERS

HARVEY D. GIBSON	President
DANIEL G. REID	Vice President
CHAS. W. RIECKES	Vice President
ERNEST STAUFFEN, Jr.	Vice President
JOSEPH A. BOWER	Vice President
JAMES G. BLAINE, Jr.	Vice President
JOSEPH S. MAXWELL	Vice President
GEORGE F. MURNANE	Vice President
SIDNEY W. NOYES	Vice President
FREDERICK W. WALZ	Cashier
FREDERICK P. McGLYNN	Assistant Cashier
THEODORE C. HOVEY	Assistant Cashier
LOUIS W. KNOWLES	Assistant Cashier
JOHN P. MAGUIRE	Assistant Cashier
RAYMOND G. FORBES	Assistant Cashier

Increased Deposits

A number of banks which have erected new buildings or improved their old quarters were recently asked what effect these changes had caused in their volume of business.

In nearly every case the answer was—

“Increased Deposits and more depositors”

People like to do business with a bank whose equipment is up-to-date. It gives them confidence in the efficiency and completeness of your service.

We have recently served or are now serving the following banks in expressing through their banking quarters a distinctive individuality

Seaboard National Bank, New York
National Bank of Commerce, New York
Asia Banking Corporation, New York
Mercantile Trust Company, New York
American Exchange National Bank, Dallas, Texas
Charlotte National Bank, Charlotte, N. C.
Greenwich Trust Company, Greenwich, Conn.
Colonial Trust Company, Philadelphia, Pa.
Titusville Trust Company, Titusville, Pa.
First National Bank, Richmond, Va.
Lynchburg National Bank, Lynchburg, Va.
Hibernia Bank & Trust Company, New Orleans, La.

Why not let us look into your own particular requirements? We will gladly make suggestions and this implies absolutely no obligation on your part.

Alfred C. Bossom

Bank Architect and Equipment Engineer

366 Fifth Avenue, New York



Park-Union Foreign Banking Corporation, 56 Wall Street, New York

Park-Union Foreign Banking Corporation

VIEWED from the standpoint of population, the countries of the Orient undoubtedly offer the most inviting field for both finance and trade. It is true, of course, that the activities in these lines are as yet by no means in a corresponding ratio in the Far East when contrasted with other parts of the world. But the actual advance in industry and finance already made by some of the Eastern nations—notably by Japan—and the

multiplying signs of awakening in China and elsewhere in the Orient are prophetic of greater things to come in the very near future. Already is this greater development of trade evidenced in practical form by the increasing commerce with China, Japan, the Philippines, the Dutch East Indies, Australia, the Straits Settlements, and, in fact, with all parts of the Far East.

To provide banking and financial facilities for this present large and

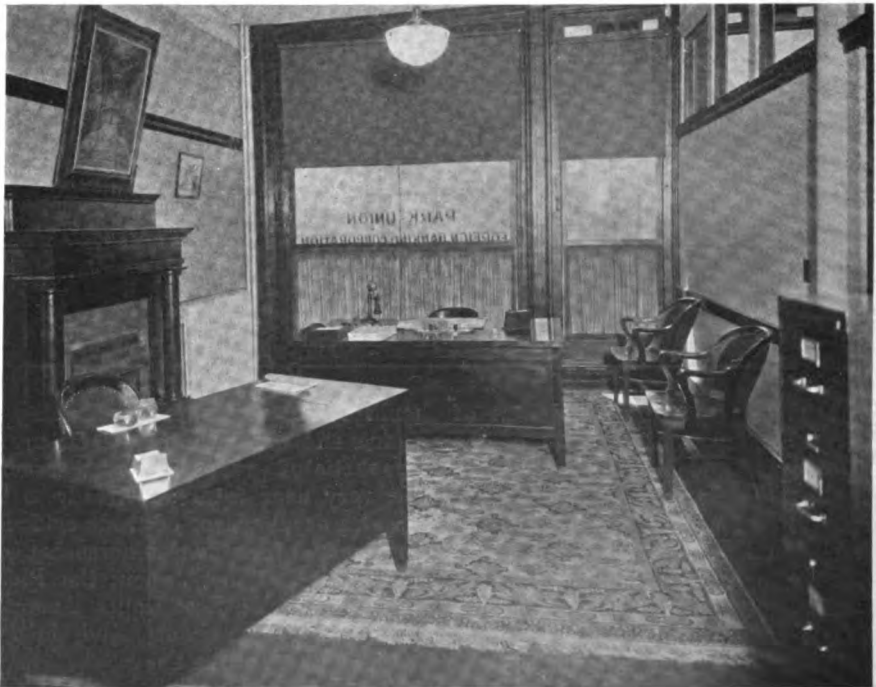


CHARLES A. HOLDER

President Park-Union Foreign Banking Corporation

ever-growing commerce was the inspiring purpose back of the organization of the Park-Union Foreign Banking Corporation, whose activities, however, will by no means be confined to the Oriental countries, but will extend over the entire field of international banking. The institution derives its authority from the provisions of the Federal Reserve Act, which specifically set forth how banks for foreign trade may be organized and operated by other banks. To be successful, such a foreign bank needs to have the support at the outset of banks of established strength, whose experience in the domestic and foreign fields, and whose equipment in capital and personnel, establish beyond question the ability to carry out the somewhat exacting requirements of international banking.

These conditions are fully met in the case of the Park-Union Foreign Banking Corporation, which is owned by the National Park Bank of New York and the Union Bank of Canada, institutions whose joint resources are nearly \$500,-



Private Office of the President

000,000. The capital of the Park-Union Foreign Banking Corporation itself is \$2,000,000, and the surplus \$250,000.

THE MANAGEMENT

At the head of the institution is Dr. Charles A. Holder, who has an experience and knowledge of foreign trade affairs possessed by few men, and of superior value at this time when American business is seeking expansion to the foreign trade fields.

Mr. Holder was born in New York City. He was for nine years a member of the Consular service, for which he forsook the practice of his profession of medicine. As a result of his wide experience as a consular officer he has a clear insight into international trade affairs, having served successively as United States Consul at Rouen, France; Consul-General at Christiania, Norway; Consul at Cologne, Germany, and Vice-Consul-General at London. His activities during eight years as a consular



T. FRED ASPDEN

Vice-Pres. Park-Union Foreign Banking Corporation



Office of the Vice-President, Secretary and Treasurer



Public Lobby in Main Banking Room

representative of the United States had much to do with the solving of international trade problems. While vice-consul-general at London during 1914, the first year of the war, his success in solving the complexities of European trade at that time caused his recall to the United States and his assignment as Foreign Trade Adviser to the State Department. During his incumbency of that office, Mr. Holder was instrumental in unraveling many of the complications between American business men and the British Government, and succeeded in obtaining the release of vast quantities of shipping consigned to American importers which had been tied up in the various European ports as a result of the order in council. Mr. Holder resigned as Foreign Trade Adviser July 1, 1916, to become vice-president of G. Amsinck and Company, of New York. He severed his connections with this company in February of this year to take active charge of the Park-Union Foreign Banking Corporation.

T. Fred Aspden, vice-president of the Park-Union Foreign Banking Corporation, was formerly a vice-president of the American Foreign Banking Corporation of New York. Mr. Aspden has devoted a great deal of time to the study and development of business with foreign countries and is also considered a specialist in this line. He is a native of Manchester, England. He entered the employ of the Merchants Bank of London, Ontario, in 1881, where he remained until 1888. From then until 1904 he was with the First National Bank of Chicago, and then engaged in special work for the Canadian Bank of Commerce, travelling in connection with foreign business on the European continent. He was supervisor of the Bank of Commerce, looking after foreign accounts and international relations, until July, 1917, when he became vice-president of the American Foreign Banking Corporation, New York, resigning this position to become vice-president of the Park-Union Foreign Banking Corporation.



Officers' Quarters and Main Banking Room

The exceptional strength of the institution, and its peculiar adaptability to the service undertaken, may be further seen from the following list of directors, with the financial or other affiliations of each:

Board of directors:

Charles A. Holder, chairman of the board; Richard Delafield, president and director National Park Bank, New York; Stuyvesant Fish, director National Park Bank; Gilbert G. Thorne, vice-president and director National Park Bank; Cornelius Vanderbilt, director National Park Bank; R. H. Williams, Messrs. Williams & Peters, Coal Merchants, and director National Park Bank; E. C. Hoyt, chairman of the board of directors, Central Leather Co., and director National Park Bank; A. P. Villa, president, Messrs. A. P. Villa & Bros., Inc., New York; Sir William Price, Quebec, Canada, president Price Bros. & Co., Ltd., and honorary president Union Bank of Canada; H. B.

Shaw, general manager Union Bank of Canada, Winnipeg; Robert McCulloch, president the Goldie & McCulloch Co., Ltd., Galt, Canada, and director Union Bank of Canada; Stanley E. Elkin, managing director, Maritime Nail Co., Limited, St. John, N. B., and director Union Bank of Canada; Stephen Haas, president George H. Hees Sons & Co., Toronto, Ont., and director Union Bank of Canada; F. E. Kenaston, president Minneapolis Threshing Machine Co., Minneapolis, Minn., and director Union Bank of Canada; W. J. Dawson, agent Union Bank of Canada, New York; F. L. Appleby, agent Union Bank of Canada, New York; T. Fred Aspden, vice-president, Park-Union Foreign Banking Corporation, New York.

HEAD OFFICE AND BRANCHES

The head office of the Park-Union Bank is 56 Wall Street, New York. Branches have been opened in the United States at Seattle, Washington,



Directors' Room

and at San Francisco, California; in France, at Paris (1 Rue Taitboul); in China, at Shanghai, and at Yokohama, Japan; in the latter country, branches

will soon be opened at Tokyo and Kobe, as also at Hongkong, Hankow and Tientsin, in China, and at Singapore, Straits Settlements.



Book Reviews

THE WORLD TO-MORROW. The Mechanics and Metals National Bank, New York.

This is a thoughtful analysis of the economical relations of the peace era as they affect the world at large, and may be read with interest and profit. While fully mindful of the many perplexing questions brought to the fore by the war, a hopeful view of their solution is maintained.



BOLSHEVIK AIMS AND IDEALS. The Macmillan Co., New York.

Here are the aims and ideals of the Bolsheviks as set forth in "The Round Table." It is claimed that the simple truth is presented in a brief and impartial form.



THE SHANTUNG QUESTION. Chinese National Welfare Society in America, San Francisco.

As the Shantung question is now occupying a large share of public attention, this book will be welcomed as a presentation of at least one side of it. The volume contains China's claim; together with important documents submitted to the Paris peace conference.



SOME ASPECTS OF FINANCIAL AND COMMERCIAL AFTER-WAR CONDITIONS.
By Leopold Springer. P. S. King & Son, Ltd., London.

The author examines the claim that a world crisis is likely to follow the great war, and finds many reasons for believing that such a crisis may be avoided. One chapter deals with the redistribution of gold, and the volume of the world's after-war trade.

WHY WE FOUGHT. By Capt. Thomas G. Chamberlain. The Macmillan Co., New York.

In the opinion of the author of this volume, one of our principal aims in the war with Germany was to bring about a durable peace through a League of Nations.



THE MODERN BANK. By Amos Kidder Fiske. D. Appleton Co., New York.

In the revised edition of this well-known work an additional chapter of considerable extent has been devoted to setting forth the main features of the Federal Reserve system, and the body of the book has been adjusted, where necessary, to the changes which this system has introduced. The work ranks among the most instructive and dependable in its special field.



THE LEAGUE OF NATIONS: THE PRINCIPLE AND THE PRACTICE. Edited by Stephen Pierce Duggan. The Atlantic Monthly Press, Boston.

Sixteen associates have cooperated with Mr. Duggan in preparing this work, which is perhaps the best presentation yet made in this country of the principles underlying the attempt to establish a League of Nations. The matter bearing directly upon the subject and the information along collateral lines render the book an invaluable aid to all who wish to be thoroughly informed on this great problem.



EXPORTING TO LATIN AMERICA. By Ernst B. Filsinger. D. Appleton Co., New York.

This volume is written by a business man for business men, and is free from

the theoretical statements that characterize so many studies of Latin American commerce.

In the range and accuracy of its information the volume constitutes a valuable treatise on this important subject.



GERMANY'S NEW WAR AGAINST AMERICA. By Stanley Frost. With an introduction by U. S. Attorney-General A. Mitchell Palmer, formerly Alien Property Custodian. E. P. Dutton Co., New York.

There is much evidence in this book that Germany is preparing for a new economic conquest of the world—an enterprise for which her industrial establishments are said to be in a fit condition. The methods by which Germany has built up trade in the past, in this country and elsewhere, are fully described.



EXPRESSIVE ENGLISH. By James C. Fernald. Funk & Wagnalls Co., New York.

An inspiring book by a leading authority on the English language.

Presents an unusual, a satisfying, a practical aspect of the language which shows how it may be used with the greatest beauty and effect.

To all lovers of vigorous practical English it will be as a pool of water in a desert of rhetorical sands.



CORPORATION MANUAL. Edited by John S. Parker and J. B. R. Smith. 20th edition. United States Corporation Co., New York.

This comprehensive manual contains, as in former editions, the statute laws to date relating to domestic and foreign

business corporations. These are arranged under uniform classification for the several States and Territories.

The uniform stock transfer act now in use in fourteen States is given, also the investment company laws (blue sky laws) in force in thirty-seven States, all the Federal and State anti-trust laws and a very complete collection of corporate precedents and forms.



HEATON'S ANNUAL FOR 1919. By Heaton's Agency, Toronto.

An annual handbook of general information on Canada that is in its fifteenth year.

Commercial maps of each Province, educational guides and an up-to-date encyclopedia of the natural resources with cross references to Government publications are new and valuable features.

Canada's war record, authoritative articles on the customs tariff, postal information, insurance directory, shippers' guide and commercial and exchange tables are included. Indexed.



BUSINESS BAROMETERS USED IN THE ACCUMULATION OF MONEY. 11th edition. By Roger W. Babson. Babson Service Co., Wellesley Hills, Mass.

An invaluable book treating of economic influences on the money market and the value of fundamental statistics for the business man, investor, and banker.

This new edition gives the recent changes in the business structure and brings each barometer subject up to date. In addition is included for the first time a chart showing the rise and fall of commodity prices during the Napoleonic wars.



Bank Advertising Exchange

Those listed herewith are willing to exchange booklets, folders and other advertising matter issued by them. Subscribers can get on this list free of charge

Watch for New Names and Other Changes

A

Adams, F. R., Will County National Bank, Joliet, Ill.
American National Bank, Pendleton, Oregon.
American Savings Bank, Springfield, Mo.
Ansley, D., Central Trust Co., San Antonio, Tex.

B

Bader, A. F., assistant cashier, Old State National Bank, Evansville, Ind.
Baker, I. W., Mgr., Advertising Dept., Guardian Savgs. and Tr. Co., Cleveland, Ohio.
Bailey, C. W., cashier, First National Bank of Clarksville, Clarksville, Tenn.
Banco Mercantil Americano Del Peru, Lima, Peru, S. A.
Bankers Magazine, The, New York.
Bauder, Ray E., manager new business department, National City Bank, Chicago, Ill.
Baugher, E. M., president, The Home Building Association Co., Newark, Ohio.
Bennett, H. D., assistant cashier, Capital National Bank, Lansing, Mich.
Bernheim, E., Ph.D., Foreign Dept., The National Shawmut Bank of Boston, Mass.
Billings, K., asst. advertising mgr., Scandinavian American Bank, Tacoma, Wash.
Bize, L. A., president Citizens Bank and Trust Co., Tampa, Fla.
Bollman, H. C., cashier, First National Bank, Collinsville, Okla.
Branham, D. R., director publicity, Hellman Commercial Trust and Savings Bank, Los Angeles, Cal.
Brooks, T. J., vice-president, The Guaranty Trust and Savings Bank, Jacksonville, Fla.
Brown, R. A., assistant cashier, Citizens National Bank, Raleigh, N. C.
Bunch, F. B., cashier, Merchants and Farmers Bank, Statesville, N. C.
Burton, E. C., vice-president, Penn National Bank, Chester, Pa.

C

Conhalm, Herbert J., publicity manager, Fort Dearborn National Bank, Chicago, Ill.
Cotton Belt Savings & Trust Co., Pine Bluff, Ark.
Cox, Ray, cashier, American Savings Bank, Springfield, Mo.
Crowson, M. Clarence, cashier, Home Banking Co., High Point, N. C.
Culbreth, Eugene E., Commercial National Bank, Raleigh, N. C.

D

Davis, Clark B., asst. secy., Franklin Tr. Co., 166 Montague St., Brooklyn, N. Y.
Dayton, T. S., publicity manager, Guaranty Trust Co., New York City.
Dely, H. E., Tradesmen's National Bank, Philadelphia, Pa.
Dysart, W. R., assistant cashier, First National Bank, Ripon, Wis.

E

Eberspacher, J. C., assistant cashier, First National Bank, Shelbyville, Ill.
Ekirch, A. A., secretary, North Side Savings Bank, New York City.
Ellsworth, F. W., vice-president, Hibernia Bank & Trust Co., New Orleans, La.

F

Finch, E. W., assistant cashier, Birmingham Trust and Savings Co., Birmingham, Ala.
Fisher, C. J. (Miss), Hoggson Bros., 485 Fifth Avenue, N. Y. C.

G

Germo, Eleanor, manager publicity department, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
Grimm, H. B., director, Dept. of New Business, St. Joseph Valley Bank, Elkhart, Ind.
Groves, J. W., advertising manager, Minnesota Loan and Trust Co., Minneapolis, Minn.

H

Hall, J. Comly, Farmers and Mechanics Trust Co., West Chester, Pa.
Hamsher, C. F., president First National Bank, Los Gatos, Cal.
Haskell, E. G., Barnett National Bank, Jacksonville, Fla.
Hatton, E. A., cashier, First National Bank, Del Rio, Tex.
Hillyer, E. L., secretary, Union Trust Co. of D. C., Washington, D. C.
Hodgins, J. H., Statistical Dept., Union Bk. of Canada, Toronto, Canada.
Hoffman, A. C., manager, department of publicity, Security Trust & Savings Bank, Los Angeles, Cal.
Hckanson, N. M., advertising manager, State Bank of Chicago, Chicago, Ill.
Holdam, J. V., advertising manager, Chattanooga Savings Bank, Chattanooga, Tenn.
Hunter, Harold G., Secy and Treas, Kansas City Terminal Trust Co., Kansas City, Mo.

I

Imhoff, Charles H., vice-president, Union National Bank, Newark, N. J.

J

Jarvis, Charles D., publicity manager, Savings Bank of Utica, Utica, N. Y.
Jesup, Theodore, assistant cashier, Woodlawn Trust and Savings Bank, Chicago, Ill.
Johnson, E. W., Warren National Bank, Warren, Pa.
Jones, Marshall H., asst. cashier First and Citizens National Bank, Elizabeth City, N. C.

K

Kahn, A. T., vice-president, Commercial National Bank, Shreveport, La.
Keller, C. B., Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
Kittredge, E. H., publicity manager, Old Colony Trust Co., Boston, Mass.
Kommers, W. J., vice-president, Union Trust Co., Spokane, Wash.

L

Lanier, B. W., asst. treas., United States Tr. Co., Jacksonville, Fla.
Lanng, Edgar R., advertising manager, Hibernia Bank and Trust Company, New Orleans, La.
Logan, John, cashier, Columbus State Bank, Columbus, Mont.
Lovett, W. R., Atlantic National Bank of Jacksonville, Jacksonville, Fla.
Lyons, Chas. S., Puget Sound Bank and Trust Co., Tacoma, Wash.

M

McCorkle, Josephine C., publicity manager, The City National Bank, Evansville, Ind.
 McDowell, J. H., American Trust and Banking Co., Chattanooga, Tenn.
 Mann, Ralph H., treasurer, Park Trust Co., Worcester, Mass.
 Marvel, Charles S., cashier, The First-Second Savings and Trust Co., Akron, Ohio.
 Matthews, Dave S., advertising manager, Farmers and Merchants Bank, Stockton, Cal.
 Matthews, H. B., advertising manager, S. W. Straus & Co., 150 Broadway, New York City.
 Mead, Harold O., asst. cashier, The Bkg. Corporation of Montana, Helena, Mont.
 Merrill, Frank, advertising manager, Northwestern National Bank, Minneapolis, Minn.
 Meyer, A. J., publicity department, Union Trust Co., Rochester, N. Y.
 Mills, W. C., New Business Department, Metropolitan Trust Co., 60 Wall Street, New York.
 Montieur des Interets Materiels, 27 Pl. de Louvain, Brussels, Belgium.
 Muralt, Henry de, secretary, Swiss Banking Association, Zurich, Switzerland.

N

Nye, Frank T., cashier, First National Bank, Northboro, Iowa.

O

Overton, J. A., cashier, National Bank of Smithtown Branch, Smithtown Branch, N. Y.

P

Pierce, Matthew G., publicity manager, Harris Trust and Savings Bank, Chicago, Ill.
 Poole, John, president, Federal National Bank, Washington, D. C.
 Potts, W. W., secretary and treasurer, The Federal Title and Trust Co., Beaver Falls, Pa.
 Powell, V. M., cashier, Home Savings Bank, Brooklyn, N. Y.
 Pratt, Thomas B., Henry L. Doherty & Co., 60 Wall Street, New York City.

R

Raven, F. J., American Oriental Banking Corporation, Shanghai, China.
 Reid, Carol S., publicity manager, People's Bank, Ltd., Hilo, T. H.
 Rittenhouse, C. M., Farmers Loan and Trust Co., New York.
 Ruff, William J., cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

S

Sacramento Bank, Sacramento, Cal.
 Schlenker, Almot, cashier, First National Bank, Brenham, Tex.
 Sclater, A. G., Union Bank of Canada, 49 Wall St., New York.
 Scott, Walker, vice-president, Virginia Trust Co., Richmond, Va.
 Shepherd, George W., c/o International Trust Co., Boston, Mass.

Shoven, A. M., cashier, Kankakee County Trust and Savings Bank, Kankakee, Ill.
 Smith, A. C., vice-president, City National Bank, Clinton, Iowa.
 Smith, Allen T., manager Special Service Department, Industrial Savings Bank, Flint, Mich.
 Staker, F. M., manager, safe deposit dept., Commerce Trust Co., Kansas City, Mo.
 Starr, E. L., publicity manager, Wachovia Bank and Trust Co., Winston-Salem, N. C.
 Stein, Rudolph, assistant cashier, John Nemeth State Bank, New York City.
 Stewart, F. E., 1505 Jefferson St., Toledo, Ohio.
 Stoner, T. H., cashier, The Peoples National Bank, Waynesboro, Pa.
 Stover, J. C., secretary-treasurer Indiana Savings and Loan Association, South Bend, Ind.
 Sutton, Frederick T., publicity mgr., Mercantile Bank of the Americas, New York.

T

Taylor, C. E., Jr., president, Wilmington Savings and Trust Co., Wilmington, N. C.

V

Van Blarcom, Wessels, assistant cashier, Second National Bank, Paterson, N. J.
 Van Name, Miss M. L., 515 Stephen Girard Building, Philadelphia, Pa.

W

Wadden, John W., president, Sioux Falls National Bank, Sioux Falls, S. D.
 Wilkes, W. M., assistant to the president, National Bank of Commerce, St. Louis, Mo.
 Williams, F. H., treasurer, Albany City Savings Institution, Albany, N. Y.
 Williams, J. E., assistant cashier, Third National Bank, Scranton, Pa.
 Winship, Addison L., vice-president and manager, New Business Department, National Shawmut Bank, Boston, Mass.

Z

Zimmerman, Frank A., treasurer, Chambersburg Trust Co., Chambersburg, Pa.
 Zimmerman, Paul E., cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAMES

Gehrken, George A., manager, New Business Dept., Seaboard National Bank, New York.
 Holderness, M. E., vice-president and adv. mgr., First National Bank in St. Louis, Mo.
 Hutchins, E. M., Seaboard National Bank, New York.
 Tidewater Bank and Trust Company, Norfolk, Va.
 Wadden, Thomas A., vice-president, Lake County Bank, Madison, S. D.

Keep us in touch with your publicity work. Each month current advertising is reviewed and commented upon, ads are reproduced and criticised in **BANKING PUBLICITY**



The Shawmut Corporation of Boston

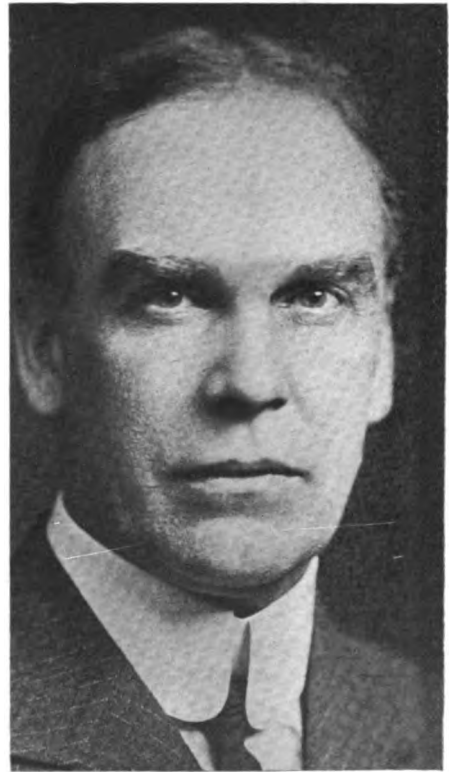
IT is an encouraging sign that the financial and business leaders throughout the country are making practical preparation for the task of rebuilding Europe's economic structure and for the equally important work of developing American export and import trade. These preparations include the organization, by some of the larger banking institutions, of strong financial corporations, such as, the Shawmut Corporation of Boston, which opened for business on May 26 to conduct a general foreign banking business.

The importance of New England in the foreign commerce of the United States is a well established fact. It is the largest importer of wool from Argentine, Australia, South Africa and the Far East. Hides and skins from South American countries, from India and the Far East are imported in large volumes to supply the demands of her great boot and shoe industry. Jute, burlap, and Egyptian cotton in considerable quantities are brought here every year for consumption in one or another department of New England's vast textile industry.

Cotton and woolen goods, leather, boots and shoes, machinery, and packing-house products are among the more important items which make up New England's contribution to the export business of the nation. The preeminence of New England as one of the most intensively developed industrial districts in the world, and her supremacy, measured by value of annual produce, in more than twenty of the principal industries of the country, make it imperative that there be developed for her benefit the complete and efficient financial and commercial equipment demanded for the proper development and expansion of her future foreign trade.

As one would infer from the character of the various interests represented

on its board of directors, one of the principal purposes of the Shawmut Corporation of Boston will be to facilitate the export and import of merchandise from and to the New England States, although its field will in no sense be confined to New England.



ALFRED L. AIKEN
President Shawmut Corporation of Boston

It plans to furnish needed support for the building up of an exchange market, through the issue of commercial letters of credit in dollars and in foreign currencies, and the purchase, sale and collection of bills of exchange, and cable transfers payable in all the commercial centers of the world.

The National Shawmut Bank of Bos-



ROBERT S. POTTER

Vice-President Shawmut Corporation of Boston



CARL A. LEHMANN

Vice-President Shawmut Corporation of Boston

ton is a majority stockholder in the Shawmut Corporation of Boston, and the following institutions are also financially interested: Guaranty Trust Company, New York; Merchants' National Bank, Worcester, Mass.; Rhode Island Hospital Trust Company, Providence; Union Trust Company, Springfield, Mass.; Worcester Bank and Trust Company, Worcester, Mass.

CAPITAL AND MANAGEMENT

The authorized capital of the corporation is \$5,000,000, of which amount \$1,235,000 has thus far been paid in for capital stock issued, while \$247,000 has been paid into the surplus fund. The balance of subscriptions is subject to immediate payment on call. The affairs of the corporation are under the supervision and control of the Federal Reserve Board.

The directors of the corporation are as follows:—

Rudolphe L. Agassiz, president Cal-

umet & Hecla Mining Co.; Alfred L. Aiken, president National Shawmut Bank, Boston; John Bolinger, vice-president National Shawmut Bank; Jacob F. Brown, Brown & Howe, Boston; F. A. Drury, president Merchants National Bank of Worcester, Mass.; William A. Gaston, chairman board of directors, National Shawmut Bank; W. E. Gilbert, president Union Trust Company, Springfield, Mass.; Henry S. Howe, Lawrence & Co., Boston; George E. Keith, George E. Keith Co., Brockton, Mass.; Robert S. Potter, vice-president National Shawmut Bank; Eugene W. Stetson, vice-president, Guaranty Trust Company, New York; Thomas H. West, Jr., vice-president, R. I. Hospital Trust Company, Providence, R. I.; John E. White, president Worcester Bank & Trust Co., Worcester, Mass.

The officers of the corporation are: Alfred L. Aiken, President; Robert S. Potter, John Bolinger and Carl A. Lehmann, vice-presidents; Frank

Houghton, treasurer; John Canfield, assistant treasurer.

The experience of the past five years has compelled New England bankers and merchants to recognize the necessity of providing adequate facilities for handling in the most efficient and economical manner every phase of New England's rapidly growing foreign trade. Through the financial interest and active cooperation of affiliated financial institutions located outside of Boston it will be possible for the corporation to extend to the various sections of New England the advantages of direct representation. It will thus place at the disposal of the merchants and manufacturers in those communities the necessary facilities for conducting successfully their foreign commerce through their local banking institutions.

The gentlemen representing the several New England banking interests on the directorate of the Shawmut Corporation of Boston will lend their experience and counsel, actively, in the management of the corporation's affairs. They will also, through their affiliation with the corporation, be in a position to develop in their own banking institutions organizations properly equipped to care for all matters pertaining to

foreign commerce which may originate within their own communities. In short, the Shawmut Corporation of Boston will endeavor to render to the local banking institutions, in this or that section of New England, such cooperation and assistance as will permit of the foreign business of the manufacturing and production sections of New England being developed and properly financed within their own boundaries. Supplementing the local financial and commercial equipment, there will always be available, in case of need, the facilities of the corporation, which have been fully extended and developed since organization.

The directors and officers of the Shawmut Corporation of Boston expect it to be of material value, not only in facilitating the foreign business now transacted, but in promoting the future development of New England's commerce as well. Judging from the spirit of cooperation underlying its organization, the character of its directorate and its association with leading banking institutions in foreign countries, the Shawmut Corporation of Boston is admirably equipped for its work of aiding merchants and manufacturers in their efforts to extend and broaden the field of their foreign affairs.



Society Looks to its Leaders

By GEORGE E. ROBERTS,

Vice-President National City Bank, New York

IAM coming to the conclusion that the leaders and managers of American industry, the men who by reason of their abilities hold the positions of power and influence in the community, must accept a greater responsibility for the common welfare than they have felt in the past. If they want society to develop a common outlook and spirit, they must exert themselves to that end. They must show that spirit themselves. They

must show themselves outside the circle of their own private interests, and identify themselves with the common interests. They must help give that direction and supervision to community interests which are so much needed.

They have to take the responsibility whether they like it or not. Whatever goes wrong with society for want of intelligent guidance and affects the living conditions of the people unfavorably re-

acts upon business. The average man does not think very deeply or reflect very profoundly about causes; he judges mainly by visible results. It is up to the leaders of industry and society to produce results. It is up to them to show the common man how to be efficient, to make him prosperous, and to satisfy him that he has a stake in the country. It is up to them to win the confidence of the masses. That may not be easy, but in all fields that is one of the conditions of leadership. The man who cannot measure up to the requirement simply fails as a leader.

There must be hope and a prospect of improving conditions to inspire men to work with hearty spirit. If the necessities of life are growing dearer, if employment is irregular, if the conditions of life grow harder, if the outlook for

the children is no better, there will be discontent; and the leaders of affairs, who appear to have power in their hands, will be held responsible. There is bound to be a perpetual contest between the leaders and organizers of society on the one hand, and the critics and agitators on the other—a contest in which the constructive forces are always winning, although always harassed. They win because they alone can produce results; but they will win more surely and easily if they recognize this responsibility to produce results. They must beat the agitator to it, keeping ahead of his power for mischief. They must find a way to make it clear to the common man that his interest is one with theirs; that orderly, efficient, uninterrupted industry will bring him better results than turmoil and confusion.



America's Fortunate Position

[From an address by LEWIS F. PIERSON, Chairman of Board, Irving National Bank, New York

IT is not easy to grasp the bigness, the seriousness of our present situation. History is filled with instances of unusual distinctions being conferred upon individuals and nations. It is safe to say that there is "nothing new under the sun" either in human relationships or otherwise. Still it does seem that somehow our nation and our people find themselves just now in a position, the like of which is difficult to find in all history. We seem to have everything which could be desired—youth, national health, unparalleled prosperity, a background without a flaw, the respect of all nations; the actual friendship of most of them, and not least important because it is a human world in which we live, strategic advantages, full exercise of which not only will operate to our

benefit and credit but will make most of the nations of the world the beneficiaries of our commercial and industrial activities.

But the law of compensation holds good in this as in other situations. It would be difficult to imagine an advantage we possess under present circumstances which is not accompanied by a correspondingly grave responsibility. It would be nearly impossible to imagine any honor coming to us through proper administration of our world stewardship which would be more conspicuous or more ineffaceable in history than the disgrace we would suffer if our leaders in the Government and in business failed to recognize our national responsibility or to fulfil its requirements.

Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



UNION COMMERCE *National Bank* OF CLEVELAND

Capital, Surplus and Undivided
Profits \$7,500,000.00

WHETHER the financial transaction which demands a banking service be around the corner or half a world away, the Union Commerce National Bank will serve your purpose.

Our service—consistent, careful, prompt and considerate—is at your command.

OFFICERS

WARREN S. HAYDEN	Chairman	HARRY E. HILLS	Asst. Cashier
GEORGE A. COULTON	President	CARL R. LEE	Asst. Cashier
GEORGE S. RUSSELL	Vice Pres.	FRANK A. WHITE	Asst. Cashier
WILLIAM E. WARD	Vice Pres.	FRED W. COOK	Asst. Cashier
CHARLES L. BRADLEY	Vice Pres.	GEORGE O. HALL	Asst. Cashier
ELMER E. CRESWELL	Vice Pres.	EZRA W. BOURNE	Asst. Cashier
WALTER C. SAUNDERS	Cashier	JAMES DUNN, JR.	Mgr. Income Tax Dept.

UNDER JOINT OWNERSHIP WITH
THE CITIZENS SAVINGS AND TRUST CO.
COMBINED RESOURCES OVER \$145,000,000.00

Banking and Financial Notes

NEW OFFICERS FOR GUARANTY TRUST COMPANY

George T. Scherzinger was appointed an assistant treasurer, and John R. Kimball an assistant manager of the bond department at a recent meeting of the executive committee of the board of directors of the Guaranty Trust Company of New York.

Mr. Scherzinger was born in New York city thirty-two years ago, and was educated in the public schools. In 1905 he entered the employ of the National Bank of Commerce as a messenger and served in various departments there until November 15, 1915, when he came

to the Guaranty as a clerk in the loan department. He became loan clerk in January, 1918.

Mr. Kimball was born at Kenosha, Wis., on February 12, 1881, and was educated at the University of Wisconsin. He came to New York in 1907 and for two years was with the Manhattan Construction Company, of which he became a vice-president. He then went to Pittsburgh as a bond salesman for J. S. and W. S. Kuhn. In June, 1911, he went to Chicago as a bond salesman for the National City Bank. In January, 1916, he went to George N. Bechtel & Company of Chicago as manager. He entered the army in October, 1917, as a captain in the Ordnance Department. Upon being discharged last January he came to the Guaranty.



Irwin G. Jennings
Our first President

Merchants National Bank

RICHMOND, VA.

Capital \$400,000
Surplus and Profits over 1,600,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"

IRWIN G. JENNINGS RESIGNS FROM METROPOLITAN TRUST COMPANY

Irwin G. Jennings, assistant secretary of the Metropolitan Trust Company of New York for the last three years, has resigned to become business director of the Glass Containers Association of America. This association was recently organized by prominent manufacturers of glass and allied lines throughout the United States and Canada.

The selection of Mr. Jennings to this important post is the result of his ability as an organizer and his broad business experience. He served as judge and later as United States Commissioner in Ohio; then as special milk investigator in New York City for the Bureau of Municipal Research; as an officer and director of one of the largest milk companies in the country, and finally as an officer of the Metropolitan Trust Company. Mr. Jennings is a member of the board of trustees, Trust

**Has
Stood The
Test of Time**

During the past century this bank has unwaveringly met every responsibility entrusted to it, and is now seeking new business on its record.

Capital paid in	\$ 300,000
Capital earned	2,700,000
Surplus earned	10,000,000
Deposits	86,000,000
Resources	130,000,000

**The
Chemical National Bank
of New York**

(Established 1824)

Company Forum, New York Chapter of the American Institute of Banking, and his articles on business topics have attracted wide attention. He was recently awarded the degree of doctor of philosophy by Columbia University. He will take up his new duties at once.

**TRUST DEPARTMENT OF THE NATIONAL
PARK BANK**

The National Park Bank of New York has just issued a new booklet entitled "The Trust Department of the National Park Bank," which is now ready for distribution. This booklet, which is very attractively bound and printed, outlines in simple terms the complete trust facilities now offered by this bank.

The National Park Bank has for over half a century been closely affiliated with the commercial and financial life of the nation, and on its record of banking service, now invites trust business of every type.

The bank announces that it would be glad to furnish a copy of the booklet to anyone interested in matters relating to trusts or estates.

**MERCANTILE BANK OF THE AMERICAS
APPOINTS NEW OFFICERS**

At a meeting of the board of directors of the Mercantile Bank of the Americas, New York, held on August 14, in addition to the present vice-presidents of the bank, Frederick Strauss, Albert Breton and Jason A. Neilson, there were elected as additional vice-presidents: Alfred Meyer (who will have the joint title of vice-president and general manager); L. S. Wyler, Walter M. Van Deusen and William B. Mitchell.

**ITALIAN DISCOUNT AND TRUST COMPANY
PAYS BONUS**

The Italian Discount and Trust Company has authorized the immediate payment of a bonus, amounting to ten per

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$700,000

OFFICERS

JULIAN P. FAIRCHILD, D. W. McWILLIAMS, WILLIAM J. WASON, JR.,	} Vice-Presidents	JULIAN D. FAIRCHILD, <i>President</i> THOMAS BLAKE, <i>Secretary</i> HOWARD D. JOOST, <i>Assistant Secretary</i> J. NORMAN CARPENTER, <i>Trust Officer</i> GEORGE V. BROWER, <i>Counsel</i>
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ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS.

cent. of six months salary, to all employees of the institution. This extra compensation is designed to aid employees in meeting increased living expenses.

The company has also announced that hereafter it will make no distinction in its loan rates between mixed collateral and industrial collateral. The Italian Discount and Trust Company is the fourth New York banking institution to announce the adoption of this policy.

FOREIGN CREDIT CORPORATION ELECTS OFFICERS

The Foreign Credit Corporation, recently incorporated with a capital of \$5,000,000, and a paid-in surplus of \$1,000,000, has announced the election of the following officers:

Grayson M.-P. Murphy, vice-president of the Guaranty Trust Company of New York, president; G. M. Dahl, vice-president; D. Raymond Noyes, vice-president and manager.

Although the company is not the first formed in this country to do an acceptance business, it is nevertheless believed to be the first New York corporation formed primarily for that purpose and it will accept drafts of both foreign and domestic clients. The company, which has been formed under New York laws, will devote itself chiefly to the financing of exports, though under its charter it will have other broad powers. The charter was obtained some time ago, but it is understood that the organization was not completed on account of the

discussion relative to other plans for financing foreign requirements.

The directors of the company will be representatives of the several banking institutions interested as stockholders, which include the Guaranty Trust Company of New York, the Chase Securities Company, and a few banks in New York and other large financial and commercial centers of the country.

E. V. Thayer, president of the Chase National Bank, will be chairman of the board of directors, and Albert Breton, vice-president of the Guaranty Trust Company of New York, will be chairman of the executive committee. Mr. Noyes, who will have charge of the company's operations, was for ten years associated with Brown Brothers & Co., and later was a partner of Jackson & Curtis, which firm he left to enter the United States air service.

MESSAGE TO COUNTRY BANKERS

The following message has been sent to the country bankers of the United States by Andrew J. Frame, ex-chairman of the Country Bankers League:

"To the Country Bankers of the United States:

"Awake to your peril! Bill No. 170 limiting branch banking to cities has passed the U. S. Senate. It undoubtedly is an entering wedge to Canadianizing our whole democratic banking system.

"As you value your business, each banker should at once protest to his

Where Service Counts—

Seaboard service is backed by thirty-seven years of experience in handling accounts of banks and bankers, corporations, firms and individuals throughout the United States.

It is the kind of service that gives personal, individual attention to every account—large or small—and will satisfy every particular requirement and financial need that your business may demand.

OFFICERS

S. G. Bayne.....	President
W. K. Cleverley.....	Vice-President
B. L. Gill.....	Vice-President
L. N. DeVausney.....	Vice-President
C. H. Marfield.....	Cashier
O. M. Jeffers.....	Assistant Cashier
C. C. Fisher.....	Assistant Cashier
J. D. Smith.....	Assistant Cashier
B. I. Dadson.....	Assistant Cashier
J. E. Orr.....	Assistant Cashier

The Seaboard National Bank

of the City of New York

Capital, Surplus and Undivided Profits over \$5,000,000

State Congressman against the passage of this insidious but deadly 'cream skimming' bill. Act promptly.

"The American Bankers Association voted against 'Branch Banking in any form.'"

SAVINGS BANKS OF NEW YORK STATE GROW

It is stated by Superintendent of Banks George I. Skinner that the tabulation of the semi-annual reports of the 141 savings banks of New York State as of June 30, 1919, has been finished, thus completing the tabulation of the statements of the state banking institutions which reported as of that date. These reports show that the savings banks have had their full share in the very remarkable growth of the state banking institutions during the last year.

The total deposits with the savings banks of the state on July 1, 1919, were \$2,179,034,582, a gain since July 1,

1918, of \$187,314,233. The increase since January 1, 1919, notwithstanding the large amounts said to have been withdrawn for transmission abroad, amounted to \$137,023,478, by far the largest gain ever reported.

The total resources of the savings banks on July 1, 1919, amounted to \$2,367,040,001, an increase during the year from July 1, 1918, of \$197,162,637.

During this period the amount deposited with the savings banks, not including dividends credited, amounted to \$653,275,892, an increase over the amount deposited during the previous year of \$204,507,691.

The amount withdrawn during this period was \$542,272,087, an increase of \$20,973,724 over the amount withdrawn during the previous year.

The amount of dividends paid and credited during the twelve months ended July 1, 1919, was \$76,328,837, or \$3,422,919 more than the amount of dividends credited in 1918.

**THE
CHATHAM
AND
PHENIX**



**NATIONAL
BANK**
OF THE
CITY OF NEW YORK

100 YEARS OF COMMERCIAL BANKING

LOUIS G. KAUFMAN , President	RICHARD H. HIGGINS Vice-President
GEORGE M. HARD , Chairman	BERT L. HASKINS Vice-Pres. and Cashier
FRANK J. HEANEY Vice-President	C. STANLEY MITCHELL Vice-President
WILLIAM H. STRAWN Vice-President	ROLFE E. BOLLING Vice-President
NORBORNE P. GATLING Vice-President	GEORGE R. BAKER Vice-President
H. A. CLINKUNBROOMER Vice-President	WALLACE T. PERKINS Vice-President
MAX MARKELL Vice-President	HENRY L. CADMUS Asst. Cashier
WILLIAM MILNE Vice-President	HENRY C. HOOLEY Asst. Cashier
JOHN B. FORSYTH Vice-President	JOSEPH BROWN Asst. Cashier
WALTER B. BOICE Asst. Cashier	HARVEY H. ROBERTSON Asst. Cashier
VINTON M. NORRIS Asst. Cashier	

**ACCOUNTS INVITED
RESOURCES 150 MILLION DOLLARS**

The total number of open accounts on July 1, 1919, was 3,579,057, a net gain of 132,168. The number of accounts closed during the period from July 1, 1918, to July 1, 1919, was 540,969 or 13,747 less than the number closed during the preceding year.

NEW POST FOR W. G. AVERY

The Asia Banking Corporation has appointed W. G. Avery as general manager of its Far Eastern branches, with headquarters at Shanghai. Mr. Avery, who was formerly assistant treasurer of the Guaranty Trust Company of New York, left New York August 19, and will sail from Vancouver on September 4.

NATIONAL BANK OF COMMERCE IN NEW YORK TO STUDY ECONOMIC CONDITIONS IN CENTRAL EUROPE

Henry C. Stevens, assistant cashier of the National Bank of Commerce in New York, and George W. Curtis, of its foreign department, have sailed to spend several months studying financial and economic conditions in Central Europe.

NEW VICE-PRESIDENT FOR CHASE NATIONAL BANK

The Chase National Bank of the City of New York has announced that at

a meeting of the board of directors held August 6, Reeve Schley, formerly a



REEVE SCHLEY

Vice-President Chase National Bank, New York

member of the firm of Simpson, Thacher & Bartlett, was elected a vice-president.



In New York

We would like to demonstrate to
out of town banks the full value of
a New York banking connection
which renders personal service

Phineas C. Lounsbury, Chairman
Herman D. Kountze, President
Edward K. Cherrill, Vice-Pres.
Gilbert H. Johnson, Vice-Pres.
Kimball C. Atwood, Vice-Pres.
Charles F. Junod, Vice-Pres.
Frank E. Andrus, Cashier
John P. Laird, Asst. Cashier
John H. Brennen, Asst. Cashier
John H. Trowbridge, Asst. Cashier

ATLANTIC
National Bank
Broadway-Opposite City Hall

SAVINGS BANKS AND THE RAILROADS

The Savings Banks Association of New York State, comprising practically all of the savings banks doing business in the state, through its executive committee, has adopted resolutions endorsing the plan of the National Association of Owners of Railroad Securities (Warfield Plan) for the return of the railroads. Samuel H. Beach, president of the Rome Savings Bank, of Rome, N. Y., is president of this association, the vice-president for New York city being John J. Pulleyn, president of the Emigrant Industrial Savings Bank.

In connection with the passage of the resolutions the executive committee called attention to the fact that more than nine million savings depositors in the 625 mutual savings banks of the country are interested to the extent of \$92.22 each, in the maintenance of the financial stability of the railroads, represented by their investment in railroad securities owned by the banks. These banks are non-capital stock institutions

and are therefore owned by the depositors. They have aggregated resources equivalent to half the total of time and demand deposits of the 7,388 national banks of America.

The committee in giving out this statement stated that after careful consideration of the most conservative institution investors of the country, who have no thought other than the interests of the public, the resolutions were adopted, as follows:

Whereas, The solution of the problems of the railroads is the most important question now before the country, and the proper and permanent settlement of these problems is of vital importance to the Savings Banks Association of the State of New York, with 3,500,000 depositors in this state and hundreds of millions of dollars invested in railroad securities—upon the stabilization of which the credit structure of the country mainly depends; and,

Whereas, The Congress should now be informed not only of the magnitude of the investment of the savings banks of the State of New York, but also that of the mutual savings banks throughout the United

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital \$10,000,000
 Surplus and Profits 18,478,000
 Deposits (June 30, 1919) 381,639,000

A. BARTON HEPBURN, Chairman of the Advisory Board
 ALBERT H. WIGGIN, Chairman of the Board of Directors

EUGENE V. R. THAYER, President	CHARLES D. SMITH, Asst. Cashier
SAMUEL H. MILLER, Vice-President	WILLIAM P. HOLLY, Asst. Cashier
EDWARD R. TINKER, Vice-President	GEORGE H. SAYLOR, Asst. Cashier
CARL J. SCHMIDLAPP, Vice-President	M. HADDEN HOWELL, Asst. Cashier
GERHARD M. DAHL, Vice-President	S. FREDERICK TELLEEN, Asst. Cashier
REEVE SCHLEY, Vice-President	ROBERT I. BARR, Asst. Cashier
ALFRED C. ANDREWS, Cashier	SEWALL S. SHAW, Asst. Cashier
CHARLES C. SLADE, Asst. Cashier	LEON H. JOHNSTON, Asst. Cashier
EDWIN A. LEE, Asst. Cashier	OTIS EVERETT, Asst. Cashier
WILLIAM E. PURDY, Asst. Cashier	GEORGE E. SCHOEPPS, Asst. Cashier

DIRECTORS

H. W. CANNON	J. N. HILL	E. R. TINKER	E. V. R. THAYER
A. B. HEPBURN	D. C. JACKLING	H. B. ENDICOTT	C. J. SCHMIDLAPP
A. H. WIGGIN	F. A. SAYLES	E. T. NICHOLS	G. M. DAHL
J. J. MITCHELL	C. M. SCHWAB	N. CARLTON	A. FLETCHER
G. E. TRIPP	S. H. MILLER	F. H. ECKER	

WE RECEIVE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT

States—which own approximately \$850,000,000 securities; and,

Whereas, The executive committee of this Association has given great consideration to the many plans proposed in connection with the return of these properties to their owners, now being considered by the Congress in extra session with a view to legislation affecting these properties; therefore, be it resolved:

1. That the Savings Banks Association, of the State of New York, through its executive committee, declares its opposition to either Government ownership or Government control and operation of the railroads for a period beyond that necessary for the enactment of legislation by the Congress ensuring to the great interests represented by this Association protection for the investment of millions of dollars of their depositors' money in the securities of the railroads of the country;

2. We realize that such legislation must protect alike the shipping interests of the country, the public, the employees and the owners; and we declare that no plan for the return of the railroads can be successful which has not due regard for the various interests concerned.

3. We are opposed to the upheaval either of credit or of business through attempting to reassemble the billions of dollars of ex-

isting railroad securities into the securities of larger railroad companies with the many legal complications and practical difficulties incident thereto in addition to the time necessary for the valuation of railroad properties in bringing about such enforced consolidations—the basis of such procedure.

4. We do not believe that the Interstate Commerce Commission, or any Governmental regulatory body, can or will deal successfully with this subject unless specific directions, contained in an Act of Congress shall prescribe a definite rule for rate making, specifying the percentage return on the investment in the railroads and with provision made for such additional return to the owners as shall preserve incentive.

5. We, therefore, after mature deliberation, recommend to the Congress the passage of an Act embodying the plan now before the Congress proposed by the National Association of Owners of Railroad Securities—the Warfield Plan—which gives the necessary protection to the various interests concerned, and which among other fundamentals, all of which we approve, provides for a percentage return of not less than six per cent. on the aggregate investment in the railroads in each of the territories as now laid out by the Interstate Commerce Commission and known as the three classification territories of the country.

DECLARES QUARTERLY DIVIDEND

The board of directors of the Guaranty Trust Company of New York has declared a quarterly dividend of five per cent. on the capital stock of the company for the quarter ending September 30, 1919, payable on that date to stockholders of record September 19, 1919.

NEW APPOINTMENTS BY THE IRVING

Three new appointments to the position of assistant cashier are announced by the Irving National Bank of New York. Frederick J. Griesmer started as messenger and his election follows a long period of faithful service in every department of the bank. M. H. Cahill, member of the bar, New York State and District of Columbia, was National Bank Examiner for three years in the Central District of New York, later practicing law in the firm of Messrs. Cheney, Cahill & Costello. Before the war Douglas T. Johnston had charge of the bond and stock investments of the Clark Estates, Singer Building, New York; he was honorably discharged from the army a few months ago with the rank of captain.

NEW OFFICERS OF THE CHEMICAL NATIONAL BANK

At a meeting of the directors of the Chemical National Bank on August 20, Edwin Gibbs, assistant secretary of the Farmers Loan & Trust Company of New York, was appointed trust officer. Mr. Gibbs will have charge of the recently organized trust department of the bank and will enter upon his duties on September 15.

At the same meeting Wilbur F. Crook, who for several years has been credit manager of the bank, was appointed assistant cashier.

Mr. Gibbs was born in Ashford, Kent, England, but came to this country when he was a year and a half old.

He received his education in New York city, and studied for a year at the City College. Then he entered the employ of the Farmers Loan & Trust



Developed through the growth and experience of more than half a century

The First National Bank of Chicago

James B. Forgan, Chairman of the Board
Frank O. Wetmore, President

and the

First Trust and Savings Bank

James B. Forgan, Chairman of the Board
Melvin A. Traylor, President

offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and to international requirements.

Combined resources over \$300,000,000

Company, where he celebrated his twenty-fifth anniversary on the 1st of October, 1918. For the first nine years of his service with the Farmers Loan & Trust Company he ran checks and did the general duties of a platform boy and messenger. For the last sixteen years he has been in the trust department, and for the last three or four years he has specialized in Income Tax matters. Mr. Gibbs became well known through addressing the monthly meetings of the New York Credit Men's Association last year.

Twenty-one years ago, at the age of sixteen Mr. Crook entered the service



WILBUR F. CROOK

Assistant Cashier Chemical National Bank, New York



EDWIN GIBBS

Trust Officer Chemical National Bank, New York

of the Chemical Bank. He left school in June, 1897, when only fifteen, and for about a year subsequent to that time was in the employ of a jewelry house in Maiden Lane.

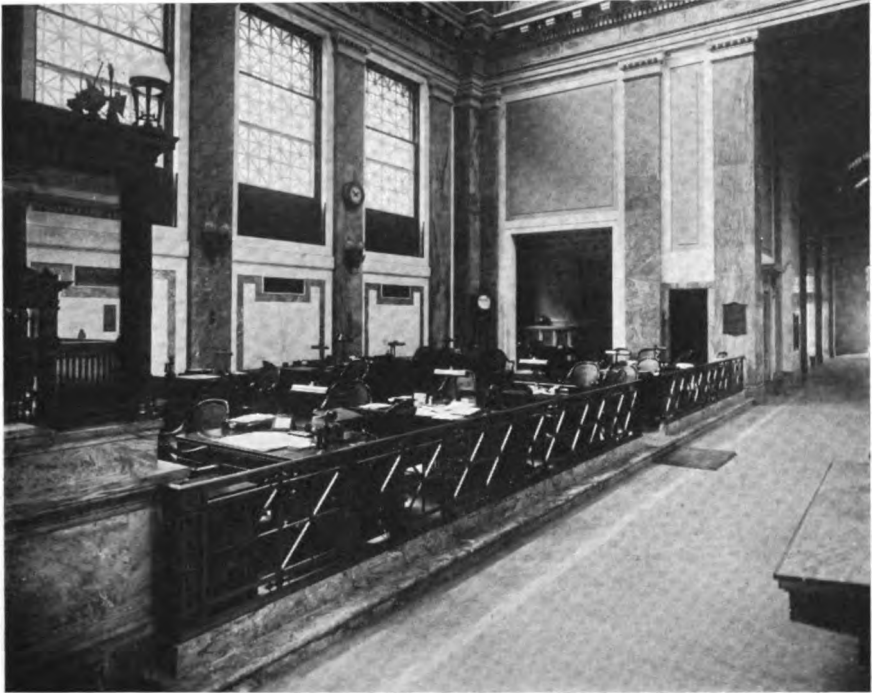
His career with the Chemical, which began in October, 1898, has been marked by intelligent and conscientious effort and steady advancement. During the first eight or nine years he was connected with various depart-

ments, obtaining a thorough knowledge of practical banking methods; and in 1907 he was assigned to the Credit Department, becoming manager in 1916.

RAILWAYS OPERATED AT A LOSS BY ENGLISH GOVERNMENT

Instead of the reported profits for the English Government in the operation of railways from the opening of the war down to the end of 1918, there was an actual net loss of about \$119,000,000, it is declared by the National Bank of Commerce in New York in the September issue of Commerce Monthly, the bank magazine. For the present year it is estimated that the charge on the public for Government operation will run to about \$370,000,000. The bank says:

During what may be termed the war period of Government railway control in the United Kingdom, lasting from August 5, 1914, to December 31, 1918, the average net annual operating revenue of the roads exceeded that of 1913, in spite of a slight deficit in the first part of the period, ending with December, 1915. The amount of the railways' net income in 1913 had been granted them as a yearly



View of the officers' quarters, Chemical National Bank, New York, which have recently been enlarged and modernized. This is in line with the Chemical's policy of making its officers readily accessible to the bank's clients at all times

guarantee by the Government at the outset of the war. These figures, which are shown in a recent statement presented to the British Parliament, do not, however, include extra wear and tear arising from additional traffic carried, which is estimated at \$200,000,000 and for which the Government still remains liable to the companies. As a result of this liability, it is estimated that during the period considered, the Government, although making an apparent profit of \$81,000,000 from running the railways, actually sustained a net loss of some \$119,000,000.

The year 1918 marked the end of a balance of revenue, a large deficit being unavoidable in the 1919 operation of the railways. This year's revenue is estimated at \$725,000,000, the decrease from last year being due to a large falling off in Government traffic. Expenditures are estimated at the unprecedented figure of \$881,000,000, because of increased cost of labor and materials. The resulting deficit is \$156,000,000. In addition to meeting this deficit, the public treasury must pay the railways their annual guaranteed revenue. As a result the charge on the public for Government operation of the railways during the current year will be about \$370,000,000.

TO INCORPORATE NEW BANK

Notice of intention to incorporate the New York City Bank has been filed with the State Superintendent of Banks. The new institution is to have a capital

of \$1,000,000 and a paid-up surplus of \$500,000. The organizers of the bank have taken temporary offices at the corner of Fourth Avenue and Twenty-fourth street and expect to be ready for business by October 15.

The New York City Bank is designed to serve the rapidly-growing business interests which now center around the district in which the temporary offices are located. In particular, the silk, tobacco, cotton, and woolen wholesale trades are expected to patronize the institution.

The board of directors is composed of the following: Bertram H. Borden, president American Printing Company; Frank N. B. Close, vice-president, Bankers Trust Company; Williams Cochran, Luke, Banks & Weeks; Richard L. Davison, White & Case; Philip De Ronde, president Oriental Navigation Company; J. Fletcher Farrell, vice-president and treasurer Sinclair Oil

Nation-Wide Business

We have on our books accounts of banks as far west as the Pacific coast, and in the south as far as Florida. These institutions are sending their items on this section to us.

We will be glad to serve you.

Citizens Commercial Trust Company

Buffalo, N. Y.

Capital and Surplus . . . \$2,500,000.00

Resources 31,000,000.00

MEMBER FEDERAL RESERVE SYSTEM

and Refining Corporation; Donald G. Geddes, Clark, Dodge & Co.; Thomas Hildt, vice-president Bankers Trust Company; Arthur Iselin, William Iselin & Co.; Percy H. Johnston, vice-president Chemical National Bank; Frederick A. Juilliard, A. D. Juilliard & Co.; Darwin P. Kingsley, president New York Life Insurance Co.; Charles M. Macfarlane, vice-president and treasurer Morris & Co., Chicago; Paul Moore, Taylor, Bates & Co.; Perley H. Noyes, White & Case; Richard E. Reeves, president Hunter Manufacturing and Commission Company; Samuel W. Reyburn, president Associated Dry Goods Corporation; Frank Morse Smith, H. J. Baker & Brother; Paul Sturtevant, Harris, Forbes & Co.; Everett B. Sweezy, vice-president First National Bank; Melvin A. Traylor, president First Trust and Savings Bank, Chicago; Stephen H. Tyng, Stephen H. Tyng & Co.; Royal Victor, Sullivan & Cromwell; Ridley Watts, Watts, Stebbins & Co.; John J. Wat-

son, Jr., vice-president and treasurer International Agricultural Corporation; Malcolm D. Whitman, vice-president William Whitman Company, Inc.; George Whitney, J. P. Morgan & Co., and Thomas B. Yuille, president Universal Leaf Tobacco Company.

No officers have as yet been selected.

IMPORTANT CONSOLIDATION

Announcement has been made of the acquisition through consolidation by the Liberty National Bank of New York of the Scandinavian Trust Company of New York.

The Scandinavian Trust Company was founded in 1917, with offices in New York, for the purpose of doing a general trust company business, but particularly to provide merchants of the Scandinavian countries and the United States with the financial means of carrying on international trade. The new trust company succeeded in making itself a big factor in financing trade be-

tween the Scandinavian countries and the United States, and has extended its activities to a general foreign banking business.

The growth of the trust company is indicated by the increase of deposits in June, 1917, of \$2,000,000 to \$26,671,600, at the present time.

In acquiring the Scandinavian Trust Company, the Liberty National Bank has had in mind particularly the acquir-



ALEXANDER V. OSTROM
Vice-President Liberty National Bank,
New York

ing of the exceptional and specialized facilities for trade with the Scandinavian and other North European countries which the Scandinavian Trust Company possesses.

Alexander V. Ostrom, president of the Scandinavian Trust Company, will become a vice-president of the Liberty National Bank. The other officers and the entire staff of the trust company will be taken over by the Liberty National Bank.

The consolidation will carry with it a total capitalization of \$5,000,000 and will bring the total deposits to approximately \$100,000,000.

Larger resources resulting from the

Resources

\$16,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service
and you will be entirely satisfied

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Vice-Pres.
G. G. FEIL, Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier

Member Federal Reserve System

Is It Not Sound Policy

to send your Baltimore business to the bank whose half century of experience gives assurance of efficiency and strength?

For the handling of collections and all other banking business, this institution is admirably equipped.

Large capital, surplus and resources enable this bank to offer you complete banking facilities and services which are real and not visionary.

The National Exchange Bank Baltimore, Md.

Capital & Surplus, \$2,500,000 Resources, \$22,380,000

WALDO NEWCOMER, President

SUMMERFIELD BALDWIN, Vice-President

PAUL A. SEEGER, Vice-Pres.

JOSEPH W. LEFFLER, Cashier

CLINTON G. MORGAN, Vice-Pres.

WILLIAM R. WEBB, Asst. Cash.

consolidation will increase the capacity for service to the clients of both institutions.

The banking quarters of the Scandinavian Trust Company at 56 Broadway will be closed and the business of the combined institutions will be conducted from the banking office of the Liberty National Bank at 120 Broadway.

Checks drawn on the Scandinavian Trust Company will be honored by the Liberty National Bank, which will assume all obligations of the Scandinavian Trust Company.

Consolidation is effective as of the close of business August 28, 1919.

INVESTORS SERVICE DEPARTMENT

The Metropolitan Trust Company of the City of New York has announced the establishment on September 1 of a complete investors' service department at its uptown office, 716 Fifth Avenue. This department will be under the supervision of George F. Grady.

PRICE STABILIZATION APPROACHING

Due to the continued operation of the factors which resulted in the present high prices, stabilization of prices at new levels is approaching, is the opinion expressed by the National Bank of Commerce in New York in its market letter in the September issue of the bank magazine, *Commerce Monthly*. The bank says:

It is the conviction of the business world that high, or at least rising prices, are evidences of a satisfactory situation. This conviction has a basis in fact, in that high or rising prices stimulate increased productive and commercial activity. Our high prices are unquestionably the product of a world-wide curtailment of production and increase of consumption, as a result of the war, of those goods necessary to a peace-time life; of an increase in the circulating medium and an expansion of credit which the conflict through which the world has just passed rendered inevitable; and of the increased margins of profit deemed necessary to meet the risks involved in a period of rising prices. The era of extravagance which has followed the restrictions of war has also been a factor in raising prices. When the buying public seems not only willing but anxious to purchase, regardless of cost, prices respond as a result of what appears to be a shortage of stocks when measured by demand.

Even though actual hostilities are now ten



Through Ahead of Time — With The Dictaphone's Help

While some bankers are chained to their desks, others are clearing up their work earlier in the day and enjoying more of the outdoor season, because they have simplified their methods of doing business.

The Dictaphone is certainly a big help. It speeds the mail, because it simplifies the processes of getting it out. You dictate and your secretary transcribes your dictation under ideal conditions. Both you and she get away promptly each afternoon, and are the healthier and happier for it.

Phone or write the nearest branch office for 15-minute demonstration in YOUR office, on YOUR work.

THE DICTAPHONE



Registered in the U. S. and Foreign Countries

Dept. 126-1, Woolworth Building, New York City
Branches Everywhere Write for Booklet, "The Man at the Desk"

There is but one Dictaphone, trade-marked "The Dictaphone,"
made and merchandised by the Columbia Graphophone Company

"The Shortest Route to the Mail-Chute"



JOHN P. MAGUIRE

Vice-President of the Textile Banking Co., Inc.



FREDERICK H. WANDELT

Treasurer of the Textile Banking Co., Inc.

months behind us, the causes which have resulted in present prices are largely operative and it seems likely that stabilization at a new price level is approaching.

In periods of rapidly rising prices, the commercial and financial activity resulting is likely to increase out of proportion to the growth in productive activity on which it must ultimately be based. Although the actual physical adjustment of American production to post-war demands has been more rapid than the most optimistic could have hoped, production has not yet expanded to what must be its normal post-war level.

Prosperity has but one possible basis. That basis is production. Volume of business in tons and dozens and bales is its true measure. There is now no fundamental reason to deter production and not until it has increased to its new peace-time proportions can we rest in the assurance that as far as its effects on our economic life are concerned, the war has passed into history. To this end, every man and woman industrially or commercially employed must produce to capacity. Not only is production essential, but capital must be accumulated at a rate rapid enough to offset the destruction which took place during five years. The consuming public must recognize that it cannot continue indefinitely the scale of expenditure which followed as a reaction from the self-denial of war, but that thrift for personal benefit is as essential as thrift for one's country. When every individual capable of gainful employment is producing to capacity and spending conservatively, our economic adjustment will be complete.

THE TEXTILE BANKING COMPANY, INC.

The Textile Banking Company, Inc., was inaugurated recently by the Liberty National Bank of New York and the Guaranty Trust Company of New

York, with a fully paid in capital and surplus of \$2,500,000.

The primary function of the company is to act as an intermediary in the textile industry for both the Liberty National Bank and the Guaranty Trust Company, specializing in the form of financing now in vogue in that industry. The company will render services of a financial character which will permit mills, converters and other merchants to finance their current needs, and in addition, will render such services as are required to finance their fundamental requirements, such as raw material.

The broad development of the American textile industry has prompted within the past few years considerable study of financial problems which confront mills and others engaged in the textile field, particularly in connection with the expansion of their business, not only in the United States, but in foreign markets.

The company's organization will include an Industrial Department which will be under the direction of men of recognized ability and standing in the



RAYMOND G. FORBES

Recently appointed Assistant Cashier Liberty National Bank, New York. Mr. Forbes was formerly Auditor

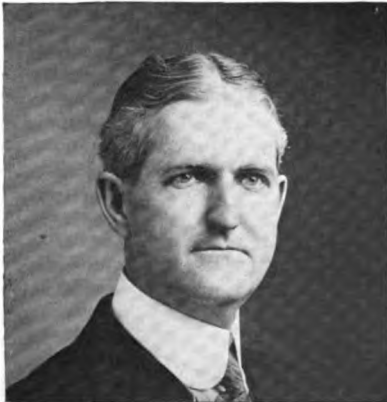


ALBERT L. EARLE

Recently appointed Auditor Liberty National Bank, New York

trade. The services which this department is equipped to offer are of a most comprehensive character, and will prove of great value in the operation of such

Vice-Presidents: John P. Maguire, assistant cashier, Liberty National Bank; Frank E. Spencer, formerly with the Carnegie Steel Company in De-



ALFRED H. SMITH

Mr. Smith has recently become identified with the Industrial Department of the Liberty National Bank, New York



CLARENCE E. HUNTER

Mr. Hunter recently joined the staff of the Industrial Department of the Liberty National Bank, New York

business as the banking company undertakes to finance.

The following is a list of officers and directors:

President: Harvey D. Gibson, President, Liberty National Bank.

troit; James D. Hopkins, formerly with L. J. Dommerich & Co.

Treasurer: F. H. Wandelt, Liberty National Bank.

Secretary: John H. Jephson, formerly with Schefer, Schramm & Vogel.

Resources over
\$200,000,000

Capital and Surplus
\$10,000,000

The
Philadelphia National Bank

Established 115 Years

A Bank of Character, Strength and Service

LEVI L. RUE, President

CHARLES P. BLINN, Vice-President

HOWARD W. LEWIS, Vice-President

WILLIAM S. MADDOX, Vice-President

HORACE FORTESCUE, Vice-President

O. HOWARD WOLFE, Cashier

Directors: E. C. Converse, chairman of board, Liberty National Bank, Grayson M.-P. Murphy and Eugene W. Stetson, both vice-presidents of the Guaranty Trust Company of New York; Harvey D. Gibson and John P. Maguire, president and assistant cashier, respectively, of the Liberty National Bank.

**FIRST WOMAN OFFICER APPOINTED IN
NEW YORK**

The board of directors of the Columbia Trust Company, New York, has elected Miss Virginia D. H. Furman an assistant secretary. The Columbia is the first trust company in New York city to elect a woman officer.

Miss Furman, who has been manager of the woman's department for more than three and a half years, is a member of the finance committee of the Woman's City Club and is also treasurer of the National Plant, Flower and Fruit Guild, the New York Exchange

for Women's Work, Children of the Frontier and Baroness Charles Huard Villiers Fund. She was active in all the loan drives, holding important offices. She is a sister of Stuart S. Furman, a member of the firm of Kountze Brothers.

THE MARINE TRUST NEWS

The Marine Trust Company of Buffalo, New York, will hereafter publish a monthly paper to be known as the "Marine Trust News." The purpose of the publication is to bring about a closer contact between the customers, stockholders and employees of the bank.

The August number contains a very interesting account of the history of this bank written by the president, John H. Lascelles.

GOVERNMENT POST FOR JOHN H. MASON

John H. Mason, ex-president trust company section and ex-officio member of the executive committee of the

Equipped for Service



LOCATED in a modern building with every facility for the efficient handling of its business, this bank is in a position to offer you prompt and adequate service in your Philadelphia banking transactions.

Union National Bank PHILADELPHIA

Resources over \$19,500,000

American Bankers Association, has been appointed director of the War Loan organization of the Treasury Department by the Secretary of the Treasury. The organization has charge of the floating of certificates of indebtedness offered every two months in blocks of \$500,000,000. The Philadelphia Ledger says:

“His appointment is thought by local bankers to presage the approach of another Victory Loan to refund the certificates.”

The Philadelphia Record states:

“His appointment, it is understood, will not affect his position as head of the Commercial Trust Company.”

INCREASE IN CAPITAL AND SURPLUS

The Tradesmen's National Bank of Philadelphia has announced an increase of \$1,000,000 in the capital and surplus of this bank, paid in full August 6. Capital and resources of this bank are now as follows:

Capital (full-paid).....	\$1,000,000
Surplus	1,500,000
Undivided profits	325,000
Assets	26,000,000

CONDITIONS IN PITTSBURGH

At the opening of September, says the current trade letter of the People's National Bank of Pittsburgh, the only cloud on the industrial horizon in the Pittsburgh district is cast by the attitude of labor. Orders in hand and in prospect for steel, fuel, glass and other commodities are sufficient to give full employment to every able-bodied and trained man for many months to come.

TO BECOME MANAGER OF THE BOND DEPARTMENT OF THE GREAT LAKES TRUST COMPANY

Lieutenant William F. Roberts, enrolling officer of the ninth, tenth and eleventh Naval Districts, left the Navy September 1 to become manager of the bond department of the Great Lakes



On the Earth there are 1,750,000,000 People

*And no one person is
an exact duplicate, men-
tally or physically, of
any other.*

We certainly don't expect, then, in serving our 2000 bank correspondents, to find any two alike in their desires and requirements. So our service is adjusted accordingly — *individual* service for *individual* bankers.

The National Bank of Commerce

IN ST. LOUIS

Capital, Surplus and Profits over \$13,800,000.00

Trust Company, Chicago. Before entering the Navy Lieutenant Roberts was manager of the bond department of the Stock Exchange firm of Nuttall, Goddard & Hunter of Pittsburgh. The firm dissolved in order that all of its members might join the colors. Lieutenant Roberts was formerly connected with Darr & Moore (now Moore, Leonard & Lynch), and had previously been identified with Trowbridge & Niver, and with J. S. and W. S. Kuhn of Pittsburgh. Before entering the bond business he was treasurer and financial manager of the Wagner Electric Manufacturing Company of St. Louis. He has had wide experience in the purchase and sale of all classes of investment securities.

AWARDS CHARTER MEMBER CERTIFICATES

Joseph Temple, 81 years old, was recently awarded Charter Member Certificate No. 1 of the First National Bank in St. Louis by Frank O. Watts,

president of the bank. Col. Nicholas M. Bell, another prominent St. Louisan, was awarded certificate No. 2.

Unusual interest was attached to the presentation which took place in the board of directors' room in the bank. Mr. Temple and Col. Bell are the two oldest depositors of the institution, each having had for sixty years an account at the former Third National Bank, which was one of the three banks merged into the First National.

Mr. Temple is retired from business. Until May, 1917, he was manager of the Adams Express Company, serving fifty-three years and six months with the company. He was born in a miner's hut in Galena, Illinois, and came to St. Louis November 24, 1838. He has been married fifty-one years.

Col. Bell also has resided in St. Louis for many years and is widely known among banks and business men in that city.

The bank awarded a Charter Membership to every patron of the institu-

"Reasons Why" No. 2

"Getting Acquainted"

Every so often one of our officers endeavors to "drop in" for a friendly call on each one of our correspondent banks.

That is one reason why we are able to give every correspondent *individual service*.

The NATIONAL CITY BANK *of* CHICAGO

DAVID R. FORGAN, *President*

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, *Vice-President*

HENRY MEYER, *Assistant Cashier*

S. P. JOHNSON, *Assistant Cashier*

R. V. KELLEY, *Assistant Cashier*

tion whose name appeared on its books during Charter Member Week, July 7 to 12.

PURCHASE ISSUE OF ST. LOUIS COUNTY BONDS

The First National Bank in St. Louis jointly with Pape, Potter & Kauffman, also of St. Louis, were the successful bidders recently on the purchase of the \$520,000 issue of St. Louis County Road Bonds. The bids were made to the St. Louis County Circuit Court in Clayton. The First National and Pape, Potter & Kaufman bid \$504,053 for the entire issue. There were four other bidders representing ten other bond houses. These bonds will be offered to the public on September 1.

Walter W. Smith is vice-president and Natt. T. Wagner manager of the bond department of the First National.

GUARANTY BANK TO JOIN FEDERAL RESERVE SYSTEM

The Guaranty Trust & Savings Bank of Los Angeles, Cal., has applied

to the Federal Reserve Bank of the Twelfth District, located at San Francisco, Cal., for membership in the Federal Reserve System. As soon as the bank's application has been accepted it will subscribe for capital stock in the Federal Reserve Bank in the amount of \$150,000, this being six per cent. of the combined capital and surplus of the Guaranty Trust & Savings Bank, one-half of which capital, \$75,000, will be issued and paid for, the balance thereof to be issued and paid for when called by the Federal Reserve Bank.

BANK CHANGES ITS NAME

Lucius Teter, president of the Chicago Savings Bank and Trust Company, has announced that in order to indicate in a more modern way the complete banking, investment and trust company facilities furnished by that bank, and to afford at the same time a name that is brief and easy to remember, the stockholders have changed

**service
to you is
what
counts**

THE ample resources, the varied departments, the strong personnel and the nation-wide connections of the Mississippi Valley Trust Company are not the things that will bring us your account or keep it with us year after year.

It is service to *you* that counts—understanding of your particular needs, courtesy and liberal treatment day after day, not when *we* are ready to give it, but when *you* are ready to ask it.

Whether your balances are large or small, this organization can give you a distinctly personalized financial service. It is confidence in our ability to do this that makes us ask for your account.

Mississippi Valley Trust Co.
SAINT LOUIS

the name to the Chicago Trust Company.

The bank will continue to operate under the same state charter and there will be no changes in management or departments.

**ST. LOUIS BANKERS PLAN WARM
WELCOME**

St. Louis bankers are preparing to entertain the forty-fifth annual convention of the American Bankers Association, which opens in that city September 29, in a manner that will be a credit to St. Louis. With an anticipated attendance of about 5,000 bankers, including their wives and daughters, the principal feature devised for their entertainment is a "Mammoth Indoor Circus Royal, Hippodrome and Dansant," as it is officially described, to be given at the Coliseum on Tuesday evening, September 30. An elaborate performance will take place from 8 to 11 P. M., and dancing will follow. Admission will be by card only.

There will be a smoker at the Statler on Monday evening, September 29, and an informal dance at the Planters Hotel on Wednesday evening, October 1. Besides dancing, there will be card parties and refreshments.

The entertainment has been so arranged as not to conflict with the business sessions. President Wilson has been invited to address the convention, and other prospective speakers are Homer L. Ferguson, president of the Chamber of Commerce of the United States, and David R. Francis of St. Louis, former Ambassador to Russia; Henry P. Davison of New York and P. P. Claxton, United States Commissioner of Education, have accepted invitations to speak.

The general convention sessions will be held Tuesday and Wednesday mornings and all day Thursday. The sections of the Association—Trust Company, Savings Bank, Clearing House, State Secretaries, National Bank and State Bank sections—will meet Mon-

day, Tuesday and Wednesday afternoon.

**FEDERAL SECURITIES CORPORATION OPENS
FOR BUSINESS**

The Federal Securities Corporation, incorporated under the laws of the state of Illinois, has announced the opening of its offices in the First National Bank Building, Chicago.

The company will conduct a general business in the underwriting and distribution of such municipal and corporation securities as are suitable for conservative investment.

Its officers are as follows: Philip R. Clarke, president; Alvin F. Kramer, vice-president; Hathaway Watson, treasurer, and Paul Wilder, secretary.

Associated with the organization as directors and stockholders are more than one hundred prominent Chicagoans.

The company will make a specialty of buying direct whole or part issues of municipal, state, county and school bonds.

**OPENING OF GREAT LAKES TRUST
COMPANY**

The Great Lakes Trust Company, newly chartered and located at 110 South Dearborn street, Chicago, has practically completed the organization of its departments and in doing so has broken some records for speed in bank building.

On the fifth day of June the Liberty Loan organization of Chicago abandoned the banking floor of the Westminster Building. The next day a contractor with three shifts of men, working twenty-four hours a day, began the work of building a vault and constructing a banking house. Six weeks later—on July 11, to be exact—President Harry H. Merrick accepted from the contractor a banking house, completed to the last touch. The bank was chartered on July 21 and applied for membership in the Federal Reserve System on that date. The formal opening was on July 22 and between July 5 and that date the entire personnel of the bank



111

**Subsidiaries
in 22 States**

working together under a successful centralized management of broad experience produced net earnings of \$31,428,222 in 1918. This is one of the reasons why
Cities Service Company

**6% Cumulative
Preferred Stock**

forms the basis of a sound investment with possibilities of market appreciation.

**Monthly Dividends
Monthly Earning
Statements**

Write for circular BM-7

**Henry L. Doherty
& Company**

Bond Department

60 Wall Street, New York

was recruited and its machinery put in motion. The ceremonies attending the opening of this bank were somewhat unique. The president of practically every major banking institution in Chicago went to the reception in a body and ushered J. Ogden Armour to the teller's window, where he opened account number one on the ledger. The close of the day's business showed deposits of \$3,597,000, practically equal to the combined \$3,000,000 capital and \$600,000 surplus. There were 1,228 charter stockholders. They gave a dinner to the officers and directors of the bank and set a precedent in bank organization by forming themselves into fifty groups, each representing a particular business. These groups will keep in active touch with the management of the bank, meeting at regular intervals, and making suggestions as to opportunities

The Silent Partner——

The Noiseless Typewriter adds to the assets of your business by giving you the moral value of quiet.

It earns money for its owner by sparing his nerves and husbanding his energy.

It brings relief to the typist, but to the employer it brings both relief and profit. If you think otherwise, try it and see.

*Ask for
Booklet and
Impressive
List of Users*

The NOISELESS TYPEWRITER

The Noiseless Typewriter Company, 253 Broadway, New York

for improving service and increasing business.

With one exception the leading bankers of Chicago visited President Merrick on his opening day and that exception was John J. Mitchell, president of the Illinois Trust and Savings Bank, who was mourning the death of many of his employees, killed by the fall of a burning airship. Each of these offered every facility at his command to President Merrick. Credit files and personal service were tendered in sincerity. Harry H. Merrick is best known to business of the Central West, as president of the Chicago Association of Commerce and of the Mississippi Valley Association, and as an active leader in the work of organizing the Mississippi Valley Bank. He was sixteen years with Armour & Company and left his place as general manager of Armour's credit department to become vice-president of the Central Trust Company of Illinois, a year ago.

James C. Johnson, vice-president, was formerly vice-president of the Citizens National Bank of Evansville, Indiana, and previously a national bank examiner for many years.

Three other vice-presidents are John W. Thomas, formerly vice-president of the Central Trust Company of Illinois. Raymond R. Phelps, formerly with the credit department of the First National Bank, and Charles C. Willson, formerly cashier of the Continental and Commercial Trust and Savings Bank.

Other officers are W. A. Nicol and E. L. Augustus, assistant cashiers; R. J. Birkle, auditor; Nathan G. Chatterton, manager foreign department; Theodore Pallas, assistant manager foreign department; Howard S. Moy, assistant manager of foreign department; Tillie S. Frankenthal, manager special service department; Alan S. Wallace, secretary and manager new business department, and Harold L. Hibbott, assistant manager new business department.

NEW BANK FOR KANSAS CITY, MO.

The Metropolitan Bank, with a capital of \$250,000 and surplus and profits of \$37,500 has recently opened for business at Kansas City, Mo. The bank is organized under a Missouri state charter and will do a general commercial business, conduct safety deposit and savings departments.

Its board of directors are all men of large affairs in Kansas City and its stockholders are active local business men. A list of the officers follows: Cornelius Roach, president; Marvin L. Orear and W. C. Perry, vice-presidents; C. W. Sheldon, cashier; W. R. Miller and Ben A. Plummer, assistant cashiers.

CONDITIONS IN THE NORTHWEST

A bird's-eye-view of the Northwest, says the Northwestern National Bank Review, if it could be managed by some supernatural means, would reveal an untiring activity. With the cutting and harvesting of grain, the remarkable activity in the purchase and sale of farm lands, increasing building operations, the hurrying of live stock to market or to new feeding grounds, this district may be said to be humming. Banks show unusual deposits, sometimes even gains at a season when there is almost invariably a decline, yet the demand for money is good and rates are holding steadily at the level that has prevailed for the last few months. Business is good. Even in the drought country we hear, in southeastern Montana, for example, that "merchants say that they have never done so much business as during the first six months of the year." The June 30 report of Montana state banks showed a decrease of only 1.3 per cent. in resources since May 12, and an actual increase in time deposits. From northwestern North Dakota we hear that "business in general is much better than last year;" and from a water-soaked northwestern Minnesota district, where it is thought that the wheat crop will not be one-half that of 1918, "We look for general prosperity in this district; less of the farmers' proceeds will

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djorup & McArdle**

42 Broadway, New York

go to paying old debts, as the unusually good returns last year helped a great many farmers to clean up long standing indebtedness."

CLEARING HOUSE PROBLEMS

The part to be played by the clearing house in domestic and world reconstruction is to be the keynote of the addresses at the forthcoming annual meeting of the Clearing House Section of the American Bankers Association, to be held in St. Louis, Tuesday and Wednesday, September 30 and October 1.

"The Clearing House as a Factor in Foreign Trade Development" is the title of an address on this subject to be given by Sol Wexler of J. S. Bache & Company, New York, and Dr. M. Ashby Jones of Atlanta, Ga., will take for his topic "The Clearing House, the Heart of the Financial World." Wayne

SEND YOUR BUSINESS

ON THE

Twin Cities AND THE Northwest

TO THE

**CAPITAL AND SURPLUS
TEN MILLION DOLLARS**



We are prepared to meet your most exacting requirements and cordially invite you to write to us

Hummer, vice-president of the La Salle National Bank, La Salle, Ill., will speak on "The Need for Clearing Houses in Smaller Communities." A notable address by George M. Reynolds, president of the Continental and Commercial National Bank, Chicago, Ill., will be entitled "Domestic Reconstruction Problems."

Along technical lines, there will be an address by F. K. Houston, vice-president of the First National Bank, St. Louis, Mo., on "Analysis and Comparison of Clearing House Rules." The subject of acceptances will be dealt with by Jerome Thralls, secretary-treasurer of the Discount Corporation of New York, under the title "Problems and Progress with Dollar Acceptances." Under the guidance of Francis Coates, Jr., there will be a discussion of clearing house problems in which examiners, managers and others interested will participate.

Thomas B. McAdams, vice-president of the Merchants National Bank, Richmond, Va., president of the Clearing House Section, will preside at the sessions.

ST. LOUIS AND THE CONVENTION

The St. Louis Globe-Democrat, in a recent issue, had the following editorial on the subject of the bankers' convention:

Every session of the American Bankers' Convention is interesting to the city in which it is held and to the country at

large. The gathering together of representatives of the greatest banking institutions of the United States to discuss questions which more or less directly involve every activity of the American people, at home and abroad, is always an important event. But never before have there been so many complex questions, whose proper solution is necessary to the future prosperity of the country, as are now challenging the best financial thought of America and the world. How to utilize the extra capacity of American industries, brought out by war stimulation, is one of the chief problems and its solution will depend much upon coöperative efforts for the arrangement of credits, which will call for the trained judgment of the bankers as well as for a proper use of their resources.

There is a wealth of catchwords. Nearly every dabbler has a panacea. There are more glittering generalities than were ever before uttered in high or low places. There are evidences of more or less adroit political schemes. All sorts of doctrines—new to this generation but tried and found wanting as early as the fourth century of this era—are being proclaimed in all sorts of places. Not all bankers have gone deeply into these questions, but there are many who have. There are some who are the leading economic experts of the world and their information is complete, down-to-date and reliable. Some have already spoken to the country and have shown a vision the public generally had not looked for in bankers, for it may as well be admitted that there has been, at no remote time, a prejudice against bankers and the conduct of many of them was sufficient cause. But every thoughtful person realizes that the bankers have a special function to perform at this time which cannot be performed by others and that both their patriotism and their self-respect are involved in the manner in which they perform it.

St. Louis, long famed as a banking center, will take pleasure in entertaining the Ameri-



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Individual Bank Buildings

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Advantages of a Hoggson contract :

A—One organization assumes the responsibility for the entire building operation, including the functions of architect, engineer, builder, decorator and furnisher.

B—The limit of total cost is guaranteed before construction work is commenced.

A quarter century of bank building in all sections of the country has given us a wide experience and knowledge in bank planning. Our customers testify to the successful results of this experience and knowledge.

Literature on bank planning and building sent upon request

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“YORK”

BANK
SAFE DEPOSIT

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VAULTS

ASK 

Clearing House Association.....	New York
Federal Reserve Bank.....	New York
Chase National Bank.....	New York
Chatham & Phenix National Bank.....	New York
Corn Exchange National Bank.....	New York
Central-Union Trust Co.....	New York
Empire Safe Deposit Co. (Equitable Building).....	New York
Equitable Trust Co.....	New York
First National Bank.....	New York
Guaranty Trust Co.....	New York
Metropolitan Life Insurance Co.....	New York
International Trust Co.....	Boston
American National Bank.....	San Francisco
American Trust Company.....	St. Louis
Beneficial Savings Fund Society.....	Philadelphia
Mellon National Bank.....	Pittsburgh
Union Trust Co.....	Pittsburgh
City National Bank.....	Evansville, Ind.
Detroit Trust Co.....	Detroit
First National Bank.....	Milwaukee
Fourth National Bank.....	Atlanta, Ga.
Guardian Savings & Trust Co.....	Cleveland
Rhode Island Hospital Trust Co.....	Providence
Title Guarantee & Trust Co.....	Baltimore
Travelers Insurance Co.....	Hartford
Royal Bank of Canada.....	Canada
Sun Life Assurance Co.....	Montreal, P. Q.

“The latest development in vault design and construction is represented in ‘YORK’ giant money vaults installed in the largest banks and financial institutions being built today.”

“CONSTRUCTION MAGAZINE”—Issue of Dec., 1918.

YORK SAFE & LOCK CO., YORK, PA.

New York	Chicago	Philadelphia	Boston	Baltimore
Pittsburgh	St. Paul	San Francisco	New Haven, Conn.	



How we can help you “size up” bond issues

EACH month we offer from 60 to 75 issues of Bonds and Short Term Notes which have been purchased by us strictly on their merits as investments.

To determine their value we maintain research departments manned by a large corps of experts who co-operate with our 50 Correspondent Offices in

securing the facts regarding issues. With these facts before us we gain an impartial opinion which we are glad to share. This is of interest to every bank in the country which wishes to keep its funds invested to the best advantage.

When you wish quick action call us up. We have over 10,000 miles of private wires.



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National City Bank Building New York

W. J. WOLLMAN & CO.

120 Broadway, New York

Members New York Stock Exchange

Investment Securities

Bankers and Trade Acceptances

Our Review of Financial, Commercial, Industrial and Economic
Conditions Issued Every Two Weeks Sent Upon Request

can Bankers' Convention next month. Local arrangements are already under way for reception of the visitors. There is another source of gratification over the meeting here, as it will mark the promotion to the presidency of the convention of its present vice-president, Richard S. Hawes of the First National Bank in St. Louis, a merited recognition, pleasing alike to bankers and laity.

A. I. B. DINNER AT A. B. A. CONVENTION

The usual A. I. B. dinner, which is held annually during the A. B. A. convention, will be held this year at the Hotel Statler, Wednesday evening, October 1, at seven o'clock, preceded by an informal reception from 6:30 to 7:00.

All A. I. B. men in attendance at the convention are not only cordially invited, but expected to be present.

Reservations may be made with Byron W. Moser, vice-president of the First National Bank in St. Louis after arrival at the convention.

ELECTED DIRECTOR OF THE FEDERAL RESERVE BANK, NEW ORLEANS

Announcement is made of the election of R. S. Hecht, president of the Hibernia Bank and Trust Company, as a director of the New Orleans branch of the Federal Reserve Bank of Atlanta.

Mr. Hecht succeeds J. P. Butler, Jr., vice-president of the Canal-Commercial Trust and Savings Bank, who recently resigned.

FINANCIAL ADVERTISERS' CONVENTION

The program of the Financial Advertisers' Association of the Associated Ad-

vertising Clubs of the World, at the annual convention of the latter, at New Orleans, Sept. 21 to 25, promises help of a definite and important character for financial advertisers.

In addition to three half-day sessions which will be filled with helpful ideas, the financial advertisers are also planning an extensive exhibit of financial advertising, which will visualize the best work that has been done in this line during the past year. The program follows:

MONDAY, SEPTEMBER 22

- 1:00—Meeting called to order by President W. R. Morehouse, Guaranty Trust & Savings Bank, Los Angeles, Cal.
- 1:05—*Address of Welcome*—R. S. Hecht, President, Hibernia Bank & Trust Company, New Orleans, La.
- 1:20—*President's Address*—W. R. Morehouse, Los Angeles, Cal., President Financial Advertisers' Association.
- 1:50—*Reports*—Treasurer's Report, Secretary's Report, Reports of Committees.
- 2:20—*Adam and Eve in the Garden of Advertising*—Mrs. Eleanor Germo, Advertising Manager, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
- 2:45—Open Discussion.
- 2:50—*The Human Nature Element*—F. D. Conner, Manager Publicity Department, Illinois Trust & Savings Bank, Chicago, Ill.
- 3:15—Open Discussion.
- 3:20—*Developing a Trust Department of a National Bank*—Virgil M. Harris, Trust Officer, National Bank of Commerce, St. Louis, Mo.
- 3:45—Open Discussion.
- 3:50—*Standardizing an Advertising Campaign*—F. W. Gohle, Manager, Advertising and New Business, Mechanics & Metals National Bank, New York.
- 4:15—Open Discussion.
- 4:20—*Making Them See It*—W. A. Schulte, Advertising Manager, The Cleveland Trust Company, Cleveland, Ohio.
- 4:45—Open Discussion.
- 4:50—*Outdoor Advertising*—Round Table Discussion, John Ring, Jr., Manager, Publicity Department, Mercantile Trust Company, St. Louis, Mo., presiding.

TUESDAY, SEPTEMBER 23

- 1:00—*Blazing a Foreign Trail*—A. D. Welton, Continental & Commercial National Bank, Chicago, Ill.
- 1:25—Open Discussion.

- 1:30—*Wanted: An Old Business Department*—Harvey A. Blodgett, President, Harvey Blodgett Company, St. Paul, Minn.
- 1:55—Open Discussion.
- 2:00—*Direct Advertising*—Edward A. Kendrick, President, Redfield-Kendrick-Odell Co., New York.
- 2:25—Open Discussion.
- 2:30—*Farm Loans*—J. C. Conway, Secretary, Southern Trust Company, Little Rock, Arkansas.
- 2:55—Open Discussion.
- 3:00—*Gingering Up the Savings Department*—D. McEachern, Secretary, The Huron and Erie Mortgage Corporation, London, Ontario.
- 3:25—Open Discussion.
- 3:30—*Selling Bonds*—John M. McMillan, Assistant Manager, Bond Department, Henry L. Doherty & Company, New York.
- 3:55—Open Discussion.
- 4:00—*Establishing a New Business Department in a Small Town Bank*—H. B. Grimm, Manager, New Business Department, St. Joseph Valley Bank, Elkhart, Indiana.
- 4:25—Open Discussion.
- 4:30—*What of Tomorrow? Looking Forward Into Bank Advertising*—Edwin Bird Wilson, President Edwin Bird Wilson, Inc., New York.
- 4:55—Open Discussion.
- 5:00—*Analysis of Territory*—Round Table Discussion, Guy W. Cooke, Manager, Department of Advertising and New Business, First National Bank, Chicago, Ill. presiding.

WEDNESDAY, SEPTEMBER 24

- 1:00—*How Financial Publishers Can Give Advertisers Maximum Service*—Clifford DePuy, Publisher, Northwestern Banker, Des Moines, Iowa.
- 1:25—Open Discussion.
- 1:30—*Legitimate Publicity*—J. I. Clark, Manager, Service Department, National Bank of Commerce, New York.
- 1:55—Open Discussion.
- 2:00—*Advertising Service to Correspondent Banks*—W. Frank McClure, Manager Publicity Department, Fort Dearborn National Bank, Chicago, Ill.
- 2:25—Open Discussion.
- 2:30—*Preparation of Newspaper and Other Copy*—George E. Lees, President The Lees Company, Cleveland, Ohio.
- 2:55—Open Discussion.
- 3:00—*The Advertisement and the Service Behind It*—W. W. Douglas, Assistant Secretary Bank of Italy, San Francisco, Cal.
- 3:25—Open Discussion.
- 3:30—*House Organs*—W. H. Marsh, General Advertising Manager Burroughs Adding Machine Co., Detroit, Michigan.
- 3:55—Open Discussion.
- 4:00—To be announced.
- 4:25—Open Discussion.
- 4:30—Announcements and presentation of awards.
Election of Officers and other business.

NEW APPOINTMENTS IN LOUISVILLE BANK

The Louisville Trust Company of Louisville, Ky., has announced the election of A. Glenn Stith as vice-president. Mr. Stith was formerly secretary and has been in the employ of the company for seven years. Frank E. Hendrich has been appointed assistant treasurer and Robert R. Boswell, assistant secre-

Visualizing Service

For the Prospective Bank Depositor.

may be done effectively by centering attention upon that which concerns the public rather than the bank.

This requires the outside, objective viewpoint, which is best secured through the use of

COLLINS PUBLICITY SERVICE
Philadelphia, Pennsylvania

tary. Fred W. Gates has been made auditor.

CONVENTION GOLF TOURNAMENT

Bonner Miller, president of the Missouri Golf Association and the 1919 manager of the Trans-Mississippi Golf Tournament, has accepted the chairmanship of the golf tournament, to be held during the American Bankers Association Convention in St. Louis the week of September 29, according to an announcement made by Frank K. Houston, vice-president of the First National Bank in St. Louis and general chairman of the Golf Committee for the convention delegates.

Mr. Miller will take full charge of the tournament, arranging the matches and taking care of the distribution of affairs among the several clubs, and is preparing to make the golf feature of

The Statesman's Year Book
—1919—

Statistics for the World on
Banking — Money
Credits — Railways
 etc.
\$6.50
 Sent on approval

Business Book Specialists

DIXIE BOOK SHOP
 41 Liberty St., New York City

the convention paramount so far as entertainment is concerned.

The following golf clubs in and near St. Louis have extended the use of their club houses and grounds to the delegates attending the convention: Bellerive Country Club, Ridgedale Country Club, Algonquin Country Club, Midland Valley Country Club, Sunset Hill Country Club, Westwood Country Club, Triple "A" Golf and Tennis Club, Forest Park Golf Club, Normandy Golf and Country Club.

The information bureau at the hotels Statler, Jefferson and Planters will be able to advise convention delegates fully in regard to these courses; and at the information bureau at the Statler will be found a representative who will arrange to send out to any of these clubs delegates desiring to play.

Delegates will be able to obtain meals, caddies and other services at the different clubs by signing tickets, giving their names and the address of their home club, or by paying cash, as they prefer.

On Friday, October 3, a tournament will be held at the Ridgedale Country Club for all desiring to enter, beginning at ten A. M., and lasting throughout the day. Appropriate prizes will be presented to the winners. The committee is desirous to have those who attend the tournament send their names to the information bureau of one of the hotels as early in advance as possible. However, this will not prevent any of the delegates from entering if they find

at the last minute that they can do so.

Other members of the golf committee are T. E. Newcomer, vice-chairman; A. H. Burg, W. M. Chandler, H. H. Hopkins, J. Hugh Powers and J. Shepard Smith.

NATIONAL BANK BEING ORGANIZED

Announcement has been made of the organization of a new national bank for Greenville, S. C., which is to be known as the Woodside National Bank. Organization papers are now being prepared and a large part of the capital stock is already subscribed. The new bank will be under the management of Robert I. Woodside as president and John L. Williams as vice-president and cashier. Mr. Woodside is president of the Farmers and Merchants Bank and the Farmers Loan and Trust Company, as well as of other banks in the county. He is a prominent and widely known banker, having served on a number of important committees of the American Bankers Association as well as the State Bankers Association. Mr. Woodside was a member of the American Commission which was sent to Europe to investigate the

For Sale BANK FIXTURES AND SAFE DEPOSIT BOXES

55 feet of solid bronze and plate glass banking screen, green marble base, with six wickets and solid mahogany partitions attached.

71 feet 9 inches of solid brass and plate glass screen work, white marble base, with five wickets and quartered oak desk and partition work attached.

455 Herring-Hall-Marvin safe deposit boxes with locks and tin boxes.

All in excellent condition. Inspection by appointment.

The First-Stamford National Bank
STAMFORD, CONN.

Banks Use the PHOTOSTAT

(Reg. U. S. Pat. Off.)

FOR COPYING

With Speed

Absolute Accuracy

Low Cost

In the Administrative Department—

Reports, Ledger Pages, Signature Cards, Checks

In the Business Information Department—

Letters, Prospectuses, Charts, Graphs

In the Foreign Exchange Department—

Drafts, Acceptances, Bills of Lading, Shipping Lists

In the Trust Department—

Wills, Deeds, Trustee Accountings, Bonds, Inventories

In the Legal Department—

Contracts, Court Exhibits: Pages from Books

Photostat Copies are accepted in lieu of originals

These are characteristic reports:

- (1) "The really efficient way, we believe, is by the Photostat—the Photographic Copying Machine."
- (2) "Photographic copies are in a class by themselves. There is no substitute for them—they are identical in every respect with the original; they will hold in any court the same as though they were the original."
- (3) "We have used the Photostat for Photographic copying for over two years—it is very simple to operate (an intelligent boy can learn in less than a half day) and the speed with which it works is remarkable."



This Cut Shows a Photostat Installation

The copies are made direct upon paper and in a few minutes are ready for use

Manufactured by the Eastman Kodak Company exclusively for the

Commercial Camera Company

343 State Street, Rochester, N. Y.

Chicago,

New York City,

Philadelphia,

Providence,

Washington.

AGENCIES: { Alfred Herbert, Ltd., Coventry, England,
Societe Anonyme Alfred Herbert, Paris, France,
Societa Anonima Italiana Alfred Herbert, Milano, Italy,
Graham Brothers, Stockholm, Sweden.

ADRIAN H. MULLER & SON

55 WILLIAM STREET, Corner of Pine Street, NEW YORK

AUCTIONEERS

The Business of Banks, Bankers, Investors and Dealers in Securities generally, receives prompt and careful attention.

STOCKS AND BONDS AT AUCTION

REGULAR AUCTION SALES OF ALL CLASSES OF STOCKS AND BONDS EVERY WEDNESDAY

Real Estate at Public and Private Sale

Prompt Returns on all business entrusted to us

rural banking systems of those countries.

John L. Williams, who has recently come to Greenville as active vice-president of the Farmers and Merchants Bank, has had considerable experience in the banking business, having for a number of years been cashier of the Wilmington Savings and Trust Co. of Wilmington, N. C., which bank has had a most marvelous growth during his connection with it. Previous to that time he was connected with the National Park Bank of New York. Mr. Williams is a banker of recognized ability. A prosperous future is assured the new organization.

A definite announcement has not been made as to the amount of capital stock on which the bank proposes to operate, but it is understood that it will be \$100,000 or more. The proposed bank will take over a six-year lease of the building formerly occupied by the Fourth National Bank of this city as well as having purchased the entire fixture and vault outfit used by this bank before its consolidation with the First National Bank of this city. Mr. Woodside announced that arrangements had already been completed to make use of this building which is one of the best locations in the city.

The organization of the Woodside National Bank gives to Greenville four national banks and four state banks with three trust companies, which makes the city well fortified with banking facilities of all kinds.

AMERICAN INSTITUTE OF BANKING CONVENTION

The program committee of the American Institute of Banking has received definite acceptance from the following speakers for the 1919 convention to be held October 7, 8 and 9 at New Orleans:

J. C. Thomson, president of the American Institute of Banking, assistant cashier, Northwestern National Bank, Minneapolis, Minn.

Gardner B. Perry, vice-president, American Institute of Banking, vice-president, National Commercial Bank, Albany, N. Y.

Rudolph S. Hecht, member Executive Council, American Institute of Banking, president, Hibernia Bank and Trust Co., New Orleans, La.

George E. Allen, educational director, A. I. B., New York, N. Y.

J. Howard Ardrey, vice-president, National Bank of Commerce, New York, N. Y.

Jerome Thralls, secretary Discount Corporation, New York, N. Y.

Freas B. Snyder, president and treasurer, W. C. Hamilton and Sons, Philadelphia, Pa.

Robert H. Bean, executive secretary, American Acceptance Council, New York, N. Y.

In addition to the above there is to be a symposium on practical banking; a conference of the chapter presidents, and a debate between New York and Chattanooga chapters, the probable subject being, "Resolved, That Congress co-ordinate the merchant marine and

1865



1919

ESTABLISHED OVER HALF CENTURY



A CORDIAL INVITATION IS
EXTENDED TO INSPECT
OUR COLLECTION OF

**EXCLUSIVE
MODELS**

IN THE SEASON'S

**FASHIONABLE
FURS**

COATS - - CAPES
SCARFS and MUFFS

MEN'S FUR AND FUR LINED COATS
CLOTH COATS WITH FUR COLLARS

C. C. Shayne & Co.

Manufacturers of

Strictly Reliable Furs

126 West 42d Street, New York

Ask Your Stationer for
Bankers Linen and Bankers Linen Bond

Made in Flat Papers, Typewriter Papers and Envelopes

They are fully appreciated by the discriminating banker desiring high-grade serviceable paper for correspondence and typewriter purposes

Manufactured by Southworth Company, Mittineague, Mass.

SOLE AGENTS FOR NEW YORK

F. W. ANDERSON & CO.

INCORPORATED

34 Beekman Street, New York

railroads for the purpose of encouraging foreign trade."

The 1919 convention will be an occasion full of interest and profit and, as it will be held in a part of the country that will make the trip entertaining and delightful, yielding to delegates the benefits of extensive travel in our own land, it is an opportunity of education and experience that will prove to be an incomparable asset in after years.

Bank men considering making the trip should get in communication with Thomas F. Regan, chairman of publicity, A. I. B., Citizens Bank and Trust Company, New Orleans, La., and those desirous of making hotel reservations should write F. L. Ramos, Canal Bank and Trust Company, New Orleans, La.

PROVINCIAL BANK OF CANADA'S BETTERED POSITION

With an increase of assets of \$10,000,000 to a total of \$31,693,277—nearly fifty per cent.—the balance sheet of the Provincial Bank of Canada, says the Financial Post, throws interesting light upon the operations of that institution for the eighteen-month period ending with June, during which there was a substantial increase in earnings. The expansion referred to is to a large extent a reflection of increased deposits, savings showing a growth of about \$5,500,000 and demand over \$1,000,000. At the same time there was an addition of \$944,590 in capital, showing that shareholders were quite willing to play their part with the depositors in the

institution's growth. Liability to the Government also increased about \$1,500,000, being no doubt the result of the special financing arrangements under the war-time legislation.

The profitable employment of the increased funds available did not result in the bank's credit position being extended. In fact there was a very decided improvement in the proportion of immediately available liquid assets. These, according to the analysis of the Financial Post, rose from 30.8 per cent. to 39.7 per cent. of the total and from 32.6 per cent. to 43.8 per cent. of liabilities to the public. The principal increases were in holdings of Government securities indicating aid in national financing, holdings of Dominion notes, balances in other banks and checks of other banks.

An increase of over \$1,000,000 in current loans indicated that the needs of domestic business had received considerable attention. Other important changes were in holdings of public and municipal securities, and in call loans.

OVERSEAS CONNECTION FOR DOMINION BANK

It is stated in the Journal of Commerce that the Dominion Bank has affiliated with the British Overseas Bank, Ltd., an association of banking institutions comprising the following large British corporations, in addition to the Dominion Bank, which is the only Canadian bank represented:

Union Bank of Scotland, Ltd.; Williams Deacon's Bank, Ltd.; Anglo-

READY FOR IMMEDIATE DELIVERY

Thirty Years of Banking Law

The New Banking Law Journal

DIGEST

By JOHN E. BRADY, of the New York Bar

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South American Bank, Ltd.; Glyn, Mills, Currie and Company; Northern Banking Company of Belfast, Ltd.; Imperial Ottoman Bank, Ltd., and Hoares Bank.

One of the objects of this important British corporation is to facilitate the foreign trade of the Empire by specializing in exchange payments, commercial credits and all matters relating to international trade. Through the establishment of branches in various parts of the globe, the British Overseas Bank, Ltd., will be equipped to render service to exporters and importers having large dealings abroad.

The connection thus formed will afford the Dominion Bank widely extended avenues for the handling of the foreign business of its customers. The total assets of the banks interested in this new enterprise amount to over \$900,000,000.

CANADIAN BANK ESTABLISHES RURAL SERVICE DEPARTMENT

An innovation in Canadian banking methods, says the "Financial Post," has been undertaken by the Merchants Bank in the establishment of a Rural Service Department, and the results will be watched with keen interest in banking circles. This bank, more than most, has directed its efforts to build up business among farming communities, and the formation of the new department is an effort to extend the service it has been providing in the past.

For some time the bank has felt that there should be certain members of its staff who would be free of the routine work of banking involved in attachment to any particular branch, and yet representatives of the bank, with a practical knowledge of actual banking problems, who would be able to go about, meet the farmers, discuss their problems, give them information about the markets, quotations for their products, direct them in regard to transportation, and the best routing of their "merchandise"; get them, moreover, to get into the way of keeping scientific accounting of production, expense, profits, etc., just

as the best business man would do, but in a way that would fit in with the peculiar conditions under which farming must be carried on from the financial point of view.

THE ROYAL BANK OF CANADA OPENS NEW BRANCHES

The Royal Bank of Canada announces the opening of the following branches: Blackville, N. B., Burritt's Rapids, Ont.; Cape Broyle, Newfoundland, Donnelly, Alta., Erickson, Man.; Langruth, Man., Vancouver, B. C.

The following sub-branches have also been opened: Lac du Bonnet, sub-branch to Beausejour, Man.; Amaranth, sub-branch to Langruth, Man.; Clyde, sub-branch to Morinville, Alta.; Alcomdale, sub-branch to Morinville, Alta.; Whitemouth, sub-branch to Beausejour, Man., and Ebenezer, sub-branch to Yorkton, Sask.

NEW CANADIAN BRANCH BANKS

Canadian banks opened forty-four new branches during July, and as no branches were closed, this brings the total net gain in the number of branches since the armistice was signed to 788, an average of over eighty-five a month. La Banque Nationale leads the list for July with nine new branches; the Royal Bank opened eight, Merchants Bank six, Canadian Bank of Commerce five, Standard Bank, Banque d'Hochelega, Imperial Bank three, Standard Bank, Banque d'Hochelega, Bank of Toronto, Home Bank two each, Weyburn Security Bank, Bank of Nova Scotia, Molsons Bank, Banque Provinciale, Sterling Bank, one each.

For the nine months following the signing of the armistice the record was as follows:

	Opened	Closed
November	58	4
December	145	6
January	102	3
February	106	8
March	129	6
April	104	13
May	84	2
June	62	4
July	44	0
	834	46

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-THIRD YEAR

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The American Bankers Convention

ST. LOUIS had the honor of entertaining this year's convention of the American Bankers Association, and either on account of a natural aptitude in such affairs or because of the experience gained in having previously had the American bankers as guests, proved a most delightful host. Then the city had the help of its ex-presidents of the American Bankers Association and of a first vice-president (now president).

There is nothing original in saying that the two great commercial capitals of the Middle West offer exceptionally fitting locations for these conventions, not only because of their central locations but for the reason that they are experienced in the art and practice of taking care of important conventions—those far larger, in fact, than the bankers' convention.

So it was to be expected that St. Louis, living up to her reputation, would handle this year's convention in a highly satisfactory manner—an expectation which was more than fulfilled.

When the convention met in Chicago last year the country was still engaged in war. Happily, the situation this year was different; but there were the numerous financial and economic questions which the war has left, and these serious problems were discussed in a fitting way by eminent bankers and others. Their views are worthy of careful consideration in framing the future policy of the United States regarding the matters discussed. While as an individual a banker is often a partisan, as other men are, he is pretty apt to lay his partisanship aside when talking to his fellow bankers and to address them solely in the light of his best judgment. This makes his views of great value.

The 1919 convention was held so near the date of publication of this issue that it is impossible to discuss any of the topics in detail, though a summarized report of the convention will be found elsewhere in this number. By referring to this report it will be seen that the American Bankers Association well sustains its representative position in American banking.

Good Example Set by Bankers

THESSE are times when nearly everybody wants more money. Some bankers, recently expressing themselves in print or in conversation, have proved notable exceptions to this general rule. Those disposed to be ironical might suggest that the banker who says he does not want any more money is about on a par with the man who has just eaten a bounteous dinner. But this might not prove altogether correct, for the banker, through long practice, acquires a keen scent for money making, a propensity which is not readily relinquished. Even long after age begins to chill his blood, his pulses quicken at the prospect of making a few thousands, just as the beating of drums and the playing of fifes revive the military ardor of the veteran soldier. It is natural that this should be so.

But nevertheless, if we are to take some bankers at their word—and a banker's word is generally good—we must believe them to be much less intent upon money making than is commonly supposed. A well-known Chicago banker openly confesses that every year he takes a little less of banking and a little more of golf for his daily portion. A Buffalo banker says he is not only quite willing to work less, but also to take less pay, which is quite a novelty when you recall that most people want less work but more pay. This banker very seriously asserts that while he gives dutiful attention to the demands which the banking profession makes upon his time and energies, he finds his keenest enjoyment in books, music and pictures. A Detroit banker will tell you that he could make a barrel of money if he would go into something else besides banking; but he likes banking and means to stick to it. One of the great bankers of Chicago speaks with the greatest enthusiasm of building his bank on a broad and solid foundation which will adequately assure its service to the public a quarter or half century hence when its management most likely will have passed into other hands. Out in Kansas City is a banker who declares with an emphasis that bespeaks his sincerity, that he is not straining to make a record of avoiding ever having a loss, but that what concerns him is to feel that his bank has been of service to the community by helping honorable and efficient men to get ahead. In this bank they tell you a story that only a few years ago a man entered into relations with it hardly possessing a dollar, but who in time became a rather large borrower. To-day he no longer borrows, and his present balance exceeds \$125,000.

These changed aspects of the banker's ambitions—and the few cases cited are only typical of many—show that the bank executive has not become unduly infected with the desire for wealth. He retains his deep interest in human affairs, and realizes that wealth,

although highly useful, does not constitute the chief end of man's existence.



The Demands of Labor

WE have fallen into the bad habit in this country of speaking of capital and labor as two separate elements in production and exchange whose interests are different if not actually hostile. It may require a great deal of time and much trouble of one kind and another to reform this habit. For the present we shall have to continue to use these two terms in discussing the relations between the employed and those who own industrial enterprises or direct them.

The United States is passing through a period of great industrial unrest, marked by what in times not very remote would have been regarded as exorbitant demands on the part of labor. These demands almost invariably are being granted, in some cases immediately and in others after strikes usually of short duration. But even these concessions do not permanently settle the difficulties involved. No sooner is one set of demands granted than another and greater is made. In short, there seems no end to the calls for more and more pay on the part of workers. No small part of this insatiable demand arises out of the advance in wages and the shortening of hours of labor. Could the owner of an industrial establishment always be assured of recouping wage advances out of the increased price of his product, he might be comparatively indifferent to almost any advance whatsoever, provided only that his competitors in the same line of manufacture made similar increases.

But there is evidently a point at which the buyers of commodities will balk; they will refuse longer to pay the price. At the present moment we do not appear to have reached that limit, for considerable testimony exists to the effect that there is an almost reckless disposition to buy articles of the least practical use without regard to price, and that those who are displaying this tendency do not belong among those usually considered rich. It is feared that this disposition must be charged with a heavy share of the responsibility for what we are all fond of calling the high cost of living, but which the late James J. Hill more truthfully characterized as the cost of high living. Apparently not much good can be accomplished by inveighing against this tendency. The public seem madly bent upon spending all they earn and more too. Few vices are so readily copied as the vice of extravagance.

While the tendency above described persists, how can we expect any cessation in the demands of labor for increased pay? The

world is running at a rapid pace, and it requires plenty of fuel to keep the machine moving abreast of the procession.

And yet the limit of this mad scramble for more money and more goods may be nearer than some of us know. The announcement of its coming may be as sudden as a bolt from the blue. Mindful of the economic history of this country and of all countries, it is a grave responsibility which any one assumes by continuing to act, in the light of such experiences, as if extravagance and rapacity were never to encounter a day of reckoning.



A Timely Banking Service

BANKS that advertise insistently for deposits may be suspected quite naturally by the public as working for their own interests. And while the desire to swell its own resources and thus to enhance its earnings may constitute the chief motive which impels a bank to seek to add to its deposits, it is clearly a case where a mutual service is rendered, for the depositor who puts his money in a bank is virtually building up a capital account which may be of great service in business or as a means of earning an income. This service is of great value to the community in ordinary times but is especially so now when the tendency toward enlarged expenditure is all but universal. Even allowing for higher prices of food and clothing and increased rents, many people are still earning a considerable net income. It is feared though that many who are thus fortunately situated are not adding to their bank deposit accounts in anything like the ratio which their increased earnings would permit. If the present era of national prosperity offers exceptional opportunities for the manufacturer of cheap and trashy wares and the purveyors of the most frivolous forms of amusement to reap a great harvest, it likewise offers exceptional opportunities to the banks to increase their deposits and to the bond and investment houses to increase the sales of good securities. It would be an interesting study for someone to attempt to measure the good that would result from a national thrift campaign comparable in its enthusiasm and efficiency with the Liberty Bond campaigns.

While no such intensive thrift or investment drives may be possible without the enthusiasm which the war engendered, it is nevertheless practicable for the banks through advertising and by personal contact with the people powerfully to stimulate the saving propensity of the wage earners of the country. Such a course will promote individual welfare, will benefit the community, and incidentally will add a little to the surplus and profits accounts of the banks.

Arranging Foreign Credits

ONE of the questions prominent in the discussions at the bankers convention in St. Louis this month was that of adequately financing Europe, and incidentally of keeping up our foreign trade with that quarter of the world. It would seem unfortunate that no positive step has as yet been taken in this direction, the bankers apparently waiting for the Government to make the first move and the Government delaying action until the peace treaty is ratified. Meanwhile American investors who are accustomed to keep a keen lookout for opportunities for profit are noting that some of the foreign securities offer unusual attractions at present prices and prevailing exchange rates, the situation somewhat resembling that of which European investors took prompt advantage during the American Civil War.

Probably if those persons in this country who have money to invest could be brought to understand the opportunities for profit which some of the European securities offer, it would go further toward solving the European credit situation than all the discussions in which bankers may engage or any action which the Government may take; and this statement is not made for the purpose of minimizing the importance of banking discussion of foreign credits or of the possible action which the Government may take, for both are of great importance. Still, profit is the mainspring of financial interest. Were capitalists convinced that the lending of money in large volume to Europe was both safe and profitable, under present conditions, there would be little need for any further inducement for them to buy vast quantities of European securities.

But the present situation is peculiar. Men like H. P. Davison, who has had close relation to European financial matters, can greatly aid in making it clear to bankers and investors just what Europe wishes us to do, and can also point the way to wise and united action on the part of American banks.

The delay in taking action respecting this important matter may prove less unfortunate than appears at first sight provided the elapsed time has been employed in devising a workable and acceptable plan for handling the required operations efficiently.



Proposed Federal Licensing of Crime

IN a Washington dispatch under date of September 20 appeared the announcement that the House of Representatives had voted to exempt labor and farm organizations from prosecutions under the anti-trust laws. This action does not represent a new policy, a

similar provision having been incorporated in previous appropriations bills.

How Congress has arrived at this nice distinction between various classes of criminals forms an interesting subject of speculation. In using the word "criminals" no reflection is intended on workingmen or farmers, but the use of the word is correct. For Congress has not enacted a law declaring that a farmer or other laborer who violates the law is not a criminal, but in passing appropriation bills for the enforcement of the law has said that none of the money appropriated shall be used in prosecuting members of farm and labor organizations who violate the law. That is, these classes may violate the law and be just as guilty as the steel magnate or the meat packer, but they are not to be prosecuted. They belong in a privileged class. Why? Does anybody suppose that this exemption was made for any other reason than because the laborers in mechanical industry and the farmers constitute a numerous class having a large aggregate vote?

The principle is capable of still wider application. Any class of persons now violating or who wish to violate the anti-trust laws have only to extend the numerical standing of their group in order to secure legal immunity for the consequences of their acts.

In effect Congress has granted a license to certain classes of criminals, animated by the voting powers of those upon whom this privilege has been bestowed. It is a most vicious and dangerous precedent, utterly repugnant to the spirit of our institutions and laws. When Theodore Roosevelt instituted legal proceedings against some of the great industrial trusts he made them realize that no concern was so great and powerful as to be beyond the reach of the Federal Government—that no combination of money was big enough to flout and defy the people of the United States. This was a salutary lesson. If this was good for the financial and industrial trusts, why would it not be efficacious in the case of the farmers and other industrial workers? Are they beyond the Government's reach? May they combine and conspire to reduce production and raise prices without being prosecuted for their offenses? And if they may enjoy this exemption while the meat packer or the steel magnate is prosecuted, why is the exemption granted? Is it not because they are powerful at the ballot-box and for no other reason? Has not Congress in establishing this exemption set a most dangerous precedent by substantially notifying any class of criminals that they only have to gain sufficient numbers in order to commit any crimes they choose?

If our understanding of the American principle of government is correct, this was not intended as a country of privileged classes but of equal rights and obligations. That principle is not merely

weakened, but thrown to the winds in the legislation to which reference is here made. Congress may reverse itself on this question. It ought to do so beyond a doubt.

Standardizing an Advertising Program

An Address by FREDERICK W. GEHLE of the Mechanics and Metals National Bank, New York, before the Convention of the Financial Advertisers Association, New Orleans, La., Monday, September 22, 1919

STANDARDIZATION in industry has become the order of the day. In the United States we have standardized nearly everything we produce—automobiles, ships, engines, even shoes. By this standardization we have obtained quantity production. We have increased speed in manufacture and reduced cost, and by this have become the industrial leaders of the world.

Standardization calls to our minds visions of unity of design, quantity of production and cheapening of cost. But when we speak of standardizing an advertising program—and financial advertising at that—it is quite manifest that this is not the type of standardization to which we refer. We who are charged with the duty of directing financial publicity cannot look for a standardized production of our work just for the sake of quantity. For then we would become mere machines. We cannot seek speed of production. For then our productions would not be productive. We cannot seek unity of design. For beyond a certain point unity of design in financial advertising makes it worthless. Certainly we cannot seek reduced costs. We judge costs by the results obtained.

To define, then, just what is meant by standardizing an advertising program, I will say that, in effect, it is the



FREDERICK W. GEHLE
Mechanics and Metals National Bank, New York

setting of a definite ideal before us, the planning of our campaigns in accordance with that ideal, and the living up to our plans.

To standardize an advertising program—let me say this at the outset—does not mean to put more money into such a program than has been put in before. Neither does it mean to put more *effort* in than before. But it does mean to put more *policy* into that advertising program, and it certainly does mean to put more *intensive thinking* in.

In your bank have you a policy that brings you in close contact with your depositors, and that emphasizes to the community you serve the benefits that come through relationship with you? If not, you assuredly require an adoption of a new policy, and standardization of an advertising program.

When a bank invests in advertising it expects to receive a certain per cent. of new business as a return on the investment. Just what per cent. that will be depends entirely upon the manner in which the advertising manager of that bank grasps the *idea* of what his institution is seeking to do, and comprehends as well the *ideal* that his bank must strive to.

There may be many standardized plans of advertising a bank. There can be, however, only one ideal that those plans can aspire to. There may be as many plans as there are banks—or rather, as there are classes of banks. Before you seek to standardize the advertising program of your institution you have got to know the audience you are to reach. Is yours a commercial bank? a trust company? a savings institution? Your appeal in one case will be of a different nature than in another. A standardized program for a bank seeking commercial accounts would make a savings bank that adopted it appear ridiculous; a standardized program for a trust company would bring no results whatever to a commercial bank.

The standardizing of the idea depends on the class of business sought. Bank advertising, like every other form of successful publicity, must pay dividends. It must be done intelligently and systematically. Common sense thoughts and constructive plans must

govern the advertising of every branch of the work.

Although we are gradually reaching a standardization of ideas in financial advertising, the methods that are employed throughout the United States still differ widely. It is because financial advertising is such a new science that its standardization is a matter difficult to define. Five years hence both our ideas and our ideals will have had time to fix themselves firmly; at present we are still feeling our way, experimenting in new and strange channels all the time, testing new ideas as they come to us; discarding some, adopting others and all the time striving toward an ideal that is yet far beyond the range of our vision.

In New York city half a dozen years ago only a few banks maintained regularly organized advertising and new business departments. Conservative by habit and precedent, the men in charge of these banks refused to recognize the miracles wrought in public opinion and the wonderful results achieved in this age of advertising and hustle. So far as their advertising was concerned, they had never gone beyond the "label" stage of announcement, while, as for seeking new business, the majority merely handled leads in a haphazard manner, having no method of keeping in touch with prospects in a systematic way.

Time has changed this. The conservative banker no longer fails to advertise and follow new business leads. The trend is incontestably away from old standards, to new ones. There are banks and trust companies that now spend more money in gaining publicity and new business than they distributed, ten years ago, in the form of dividends. Their number is increasing daily.

Your own business logic must determine for your bank the manner in which your advertising campaign, your newspaper copy, and your expenses shall be standardized. Some advertisers favor the indirect method. Others favor the direct. By the indirect method I mean the insertion of paid advertisements in the press, and the placing of such news items in the columns

of the daily and weekly newspapers. Direct advertising consists of the preparation and distribution of booklets and other literature. Indirect advertising appeals to a larger audience. Direct advertising appeals to a smaller but more select audience.

It is not necessary for me at this time to debate the relative methods of the two forms. Each advertising manager, knowing his own circumstances, must determine these merits for himself. Or his competitors will determine them for him. A bank like that which I have the honor to represent, which acts as city correspondent for many hundreds of banking institutions throughout the world, obviously would gain nothing by directly advertising the fact in booklets distributed solely in New York city. At the same time, it would certainly gain nothing by the use of newspaper space in Oklahoma or Wyoming as a means to advertise, let us say, for local tradesmen's accounts. Were I in my capacity as manager of advertising to think otherwise, the success of my competitors and the completeness of my own failure would soon educate me.

There are institutions, the advertising plans of which I have studied, that have adopted a firm policy of infrequent announcements, well and thoughtfully prepared, and, I might say, "expensively" treated. There are others that have adopted a policy of almost daily announcements, not well prepared and not thoroughly treated.

Both classes of institutions require a standardization of their plans. You can spend 5 cents apiece on a series of ten booklets that will produce results a hundred-fold more profitable than 50 cents spent on a single booklet. The crux of the whole matter is found in the idea presented, and in the manner in which that idea is impressed on the mind of the person reached.

Most of us are interested, I believe, in direct advertising, for that gives us a greater opportunity to use our ideas in the field in which we are operating, and reach toward our ideals. It is in its direct advertising that a bank's per-

sonality manifests itself the most, and, after all, it is personality that holds old friends and gains new ones.

If direct advertising is to be productive, we *must* standardize the character and quality of our literature. By this I do not mean that we must secure a unity in size of booklets issued, or a sameness in the color of covers or binding, or a sameness in the style of type. Rather in this connection I favor the opposite course. No one really likes one size or one color or one style to the exclusion of all others. No one was ever intended to—else all girls would be 5 ft. 8 in. in height, have red hair, and be dressed in blue. Some people like one style, some like another; if your literature is varied pleasantly enough, it will ultimately meet the approval of all who receive it.

Let us make one reservation with respect to the so-called monthly letter, consisting of a business review and outlook, which in recent years has become one of the most valuable means of informing and educating the people, and of placing the names of many banks regularly before their customers and friends. The mission of such a letter is to catch and hold the attention of the one who gets it, and compel that person to read it.

Of all the publicity matter issued by financial institutions, perhaps that comes nearer to "standardization" in the commonly understood sense of the word. Here standardization as to printing, color, type and size are decidedly advantageous. Being a regular monthly visitor, perhaps one of a dozen, its appearance has a character easily recognizable as its own.

But in the other sense of the word "standardization"—the sense used in picturing an idea and an ideal—it should apply even more. Let me suggest briefly, what, in my opinion, must be done to properly standardize a monthly letter.

The most important part is the preparation. Make your letter interesting to *all* its readers. Make it so interesting it will be read from cover to cover and then passed on. Lift it out of the ordi-

nary line of circular advertising. A bank letter must constitute itself an authority on the matters it attempts to discuss. It must contain discussions of events of the day that are of absorbing popular interest. It must treat them intelligently, comprehensively and in a not too technical manner. Brevity must be obtained without loss of weight. A monthly letter may be devoted to many subjects of contemporary interest, or it may be devoted to one or two topics. That depends upon its length and purpose.

And now, may I be permitted to say a word about the service a monthly letter can render, not alone to the bank that is responsible for it, but to the community and nation at large? It is trite to tell you that service is a bank's stock in trade. To assemble and safeguard capital and make it of material good through its extension in the form of credit—that is the function of every financial institution in America today. But as the advertising manager must see it to-day, it is far more than that. It is to supply an inspiration and a leadership to the people that will oppose the poison of ignorance and prejudice that seems destined at times to draw them down, and to assume a responsibility that in these chaotic days through which we are living must burn into our minds and make us realize that, after all, there is a bigger duty before us than merely accepting deposits, extending credit, thinking of catchy lines to attract the public and selecting type styles to set our advertising off.

The custodian of the wealth of the rank and file of the people—the people, that is, who have worked and sweated and saved in order that they might rise above the dead level—is the banker. It is the banker who occupies a position of trust in the eyes of the rank and file of the people, and who owes them a duty that in these days cannot be shirked. Your duty and mine is clearly before us.

Permit me to dwell a little, before I close, upon this thought. It is one, let me say frankly and in all earnestness, that occupies my mind to-day

more than any other. It is one, moreover, that is entitled to the grave consideration of all of you who believe in the constructive leadership of banking, and in the constructive force of advertising. Confidence is a matter of understanding. It is hard to build up, easy to tear down. There is loose over the entire world at this moment a spirit of misunderstanding that is more disturbing than any which has been known before. The war has left mankind in such a condition that confidence in many directions has been shattered. Society is being formed all over again. Old relations are no longer recognized. New relations, some righteous, others intolerable, are striving for a place in the world.

We cannot wonder at this. The Great War was literally world embracing; it strained the very fabric of civilization and in some places resulted in confusion. In the United States we have felt the reaction from the war, although not to the degree that the distressed nations of Europe have felt it. But there is unrest all about us, a spirit of misunderstanding and hostility; we sense it wherever we go. The alien anarchist senses it, and plays upon it with his crack-brained, evil theories. The street-corner Socialist senses it, and plays upon it with his arrogant demand that all of us be dragged down to his level. The demagogue senses it, and plays upon it with his ultimatum that capital get out of his way and that the whole system of production be exploited for the class he claims to represent. The crooked politician recognizes it, and wherever a crowd of workers congregate plays upon it with his poisonous doctrines of disorder and lying promises of a remedy that will make over the whole social system and give the workman a paradise on earth.

As bank men engaged in a serious business, we do not want to soar off in our bank literature into the realms of pure idealism; nor do we want to preach beautiful sermons on the social, moral and spiritual uplift of humanity. That is not our province. But we *do* want to preach the hard, cold virtue of funda-

mental honesty. We *do* want to preach the doctrine of business decency. We *do* want to preach the primary, indispensable need of mutual trust on the part of mankind.

Do you not see with me, the obligation that is placed upon us, to-day, to place our backs together in defense of the standards that have been built up by American ideals and business thought? *We must defend the business standards of America.* And if we do that properly, let me assure you that the new bank accounts will come in the proper course.

Someone has said that bank clients are the salt of the earth. Bank clients do not foment strikes, throw bombs, commit crimes or wind up in the poor house. So, then, instruct the people so well that they will inevitably become your clients. I read the following lines a few days ago:

"It is in the strata below the minimum bank patronage that anarchy, violence and disorder prevail. Down into these strata the bank has not yet reached. With its old-time exclusiveness, the bank can do little. It must readjust itself so as to comprehend the entire range of social conditions. In sympathy with these conditions it must put forth the efforts that will get the best responses."

There you have your commission. Get below the strata of the present minimum bank patronage. Challenge the craze for socializing everything, tell the men and women of America where industry and honest business stand. Tell them that our country is no international boarding house where every theory of government that is now distracting Europe is to be tried out. It is no Bolshevik brothel where disorder and ruin are to be nurtured. It is no experimental station where every theory of business control that flies in the face of American tradition and custom is to be exploited.

No; speak to them out of your knowledge that in spite of the prevailing discontent and unrest, and in face of alien

theories and misguided leaders, our country comprises a nation of more than 100,000,000 people who honestly want to stand by one another in living clean, decent lives, raising themselves to a level a little higher than the generation before, giving a chance to the generation that is to come to start a little better, and, incidentally, lending a hand to their more unfortunate fellows in the Old World who just now are struggling to their knees from the prostration of a great war, brutally imposed.

Let me, then, leave this thought with you. It is to keep the contamination of corrupt theories from 100,000,000 people wherein lies the greatest duty to-day of the advertising departments of America's banks, trust companies and financial institutions. The steps that led our nation into war were plainly defined; the steps that will lead us into the broad daylight of prosperity and world leadership have still to be positively defined. That is where, gentlemen, you who are giving expression to the nation's banking thought can utilize your position directly to the immeasurable benefit of the United States. And if you do this, do you not see what it will mean to your institutions? If every bank and trust company in its advertising campaign will do its share to guide the people in the way of right thinking, I am willing to stake my reputation on this statement: If such a form of service is rightly conducted—and what form of service is higher than to guide men and women in the way of right thinking?—its results will be positive, and will give the banks a prestige in every community that will draw business to them as surely as vapor is drawn toward the sun.

After all, in closing, I am not so far away from the subject suggested by the title of this discussion. The Standardization of an Advertising Program is the standardization of our idea of what we are after, and a definite, standardized plan, designed to cover properly all phases of our work, will help us inevitably to achieve our ideal. Rightly inaugurated and carried through, standardization *must* pay.

Keeping Alive Roosevelt's Ideals

By WILLIAM BOYCE THOMPSON

WHEN a man has left the stamp of his individuality indelibly upon the pages of current history; when he was actually engaged in making that current history up to the very moment of his death, it is something of a problem to decide in what mold and form his greatness shall be perpetuated for posterity. So, in its desire to preserve in as concrete form as possible something of the imperishable glory of Theodore Roosevelt, American and patriot, the Roosevelt Memorial Association has decided that the only way that this can be adequately done is to erect a memorial in Washington, where he labored so unceasingly for the good of the nation; and to acquire and maintain at Oyster Bay a park for the people which may ultimately include Sagamore Hill, the dearly beloved home of Colonel Roosevelt, thus preserving it for his countrymen, as the homes of Washington and Lincoln have been preserved.

The Roosevelt Memorial Association, of which I have the honor to be chairman, is composed of friends and close associates of Colonel Roosevelt, all of whom have devoted themselves with what I consider to be a truly patriotic feeling of perpetuating for future generations the Roosevelt spirit; that spirit that did more to keep alive our idealism and white-hot Americanism than that of any other public man of our time.

This association, which is non-partisan, will conduct a campaign during the week of October 20-27 for the purpose of raising a minimum to be expended on the memorial at Washington and the acquisition and development of the public park at Oyster Bay.

The officers of the Roosevelt Memorial Association are: Honorary presidents—William H. Taft and Charles F. Hughes; honorary vice-presidents—Henry Cabot Lodge, John Mitchell, A. T. Hert, Hiram W. Johnson, John T. King; president—William Boyce Thompson; vice-president, William Loeb, Jr.; treasurer—Albert H. Wiggin; secretary—Harry M. Blair; assistant secretary—Hazel H. Plate.

The executive committee is composed of the following: Joseph W. Alsop, R. Livingston Beekman, T. Coleman du Pont, Mrs. Frank A. Gibson, James P. Goodrich, George Harvey, Will H. Hays, Otto H. Kahn, Irwin R. Kirkwood, Leonard Wood, William Loeb, Jr., John Mitchell, George W. Perkins, Elihu Root, Gifford Pinchot, Henry L. Stimson, William Boyce Thompson, Luke R. Wright, Herman Hagedorn, Mrs. C. Grant La Farge, Mrs. Medill McCormick, Dwight W. Morrow, Mrs. C. A. Severance, Harry F. Sinclair, Philip B. Stewart, Henry C. Wallace, Albert H. Wiggin and William Wrigley, Jr.

It is my hope that every good American who admired the genius of this amazing American and who realizes the influence that he had upon the youth of this country in inculcating manliness and patriotism will aid this non-partisan committee to carry out its resolve that these noble attributes shall not perish from the earth, but shall be preserved in a form that will accentuate to all lovers of their country the great good that has sprung from the life and example of Theodore Roosevelt.

Upon the tomb of Henry Clay at Lexington, Kentucky, are these inspir-

ing words, taken from one of Clay's addresses: "I know no North, no South, no East, no West—nothing but my country."

That might have been said by Theodore Roosevelt. Always a preacher of national preparedness, his clarion voice was one of the first to proclaim the brutality of the Hun, and the ultimate necessity of stamping it out in order that freedom might live again. It was the love of the "Square deal" that made him denounce the ravishers of Belgium with the stern and uncompromising severity of the prophets of old.

And when we went into the war, Roosevelt gave himself unreservedly to the cause, like the great-hearted American that he was. With voice and pen he exhorted his fellow patriots to give up all that they had, yea even to the uttermost farthing if necessary so that right should rule and justice not become an obsolete word in the lexicon of life.

He preached a sturdy, wholesome,

one-hundred-per cent. Americanism that no one could misunderstand. His was the voice of militant America calling to the youth of Washington and Lincoln in the accents that they knew and loved. All that he was, all that he had, he gave to the country whose ideals and greatness he had ever defended with the gallantry of an ancient Crusader.

And I know of no greater or worthier task than the one which the Roosevelt Memorial Association has set itself to do—to perpetuate Roosevelt's greatness; to keep alive the flame of patriotism that he himself breathed while still on earth, and which must never be allowed to go out. He was the torch bearer who held his trust to be a sacred one. This torch must be passed on to the generations that are to come; and they in turn will hand it on to their sons and their sons' sons. And the deeds that he did and the lessons that he taught will be woven and interwoven in the fabric of an Americanism that shall endure everlastingly.

THE publication of this number of **THE BANKERS MAGAZINE** has been unavoidably delayed by a general strike in the printing industry in New York involving the establishments engaged in printing and magazine publishing. This strike has developed into a contest between rival unions and is not, therefore, one which can be settled by individual employers. Until this controversy ends, the indulgence of our readers and advertisers is respectfully requested.

THE BANKERS PUBLISHING COMPANY

Banking and Commercial Law

The following decisions are selected from the most important of the current decisions, handed down by State and Federal Courts, passing upon questions of the law of banking or negotiable instruments. The word "opinion," where used, indicates that the matter following is the opinion written by the court, in whole or in part.

Bank Liable for Delivering Bill of Lading Without Collecting Attached Draft

Peninsular Bank of Detroit v. Citizens National Bank of Knoxville, Supreme Court of Iowa. 112 N. W. Rep. 293.

A motor truck company shipped a truck from its plant in Michigan to a purchaser in Iowa. The company drew a draft on the purchaser for the value of the truck, attached it to bill of lading and discounted the draft with its local bank. This bank, which was the plaintiff in the action, forwarded the draft to the defendant bank in Iowa for collection. The president of the defendant bank was also president of the corporation which purchased the truck. He secured the bill of lading and had the truck delivered to the purchasing company. He gave a check for the amount of the draft to the defendant bank but instructed it not to remit to the plaintiff until he should so direct. He did this presumably because of some dispute between the manufacturer and the purchaser, the nature of which does not appear in the opinion. It was held that the defendant was liable to the plaintiff for the amount of the draft.

OPINION

Action at law to recover damages. Directed verdict, and judgment for plaintiff, and defendant appeals. The material facts are stated in the opinion. Affirmed.

WEAVER, J. The Denby Motor Truck Company, doing business in

Michigan, consigned one motor truck to its own order to Knoxville, Iowa, and delivered it to the Grand Trunk Railway Company, a common carrier, for transportation to Knoxville. For this shipment the truck company took from the carrier a receipt and bill of lading, stating its own name as consignee and marked, "Notify S. L. Collins Oil Company, Knoxville, Iowa." It also provided in terms that the surrender of the original bill of lading properly indorsed should be a condition precedent to the delivery of the shipment by the carrier, and that inspection of the property should not be permitted unless provided by wire or unless written permission so to do was indorsed on said bill. Having received the bill of lading, the truck company drew its draft upon S. L. Collins Oil Company for \$848.50, which draft, accompanied by the bill of lading, they negotiated and delivered to the plaintiff, and received credit for the full face thereof. On the same day the plaintiff bank forwarded both draft and bill of lading to the defendant, Citizens' National Bank of Knoxville, for collection with instructions to "deliver bill of lading on payment of draft only." Lafe Collins, who was president of the defendant bank, was also president of the S. L. Collins Oil Company. On receipt of the draft and bill of lading by the bank at Knoxville, Collins took possession of the bill, presented it to the carrier, and obtained possession of the truck for the oil company by which it has since been retained. At some time, whether before or after taking possession of the bill of lading does not appear, Collins made and delivered his check to the defendant for the full

amount of the draft, \$848.50, but instructed the bank not to pay or remit it to plaintiff until he should so direct. Neither draft nor bill of lading has ever been returned or accounted for by the defendant. Payment having been demanded by the plaintiff and refused by the defendant, this action was brought to recover the amount of the draft as damages for its conversion. The defendant's answer admits receiving the draft and bill of lading, but denies all other allegations of the petition. The facts above set forth are wholly undisputed.

At the close of the plaintiff's testimony, and again when both parties had rested, defendant moved for a directed verdict in its favor. The grounds assigned for the motion are:

(1) Insufficient evidence to sustain a recovery.

(2) That under the law applicable to the case the oil company was the consignee in fact, and was entitled to demand and receive delivery of the truck without presentation of the bill of lading.

(3) That plaintiff had failed to prove the value of the truck described in the bill of lading.

The motion having been denied, defendant offered to prove by competent testimony that the value of the truck represented by the bill of lading at the time the bill was surrendered to Collins did not exceed \$600, and, the offer being overruled, defendant rested without tender or offer of other evidence. Plaintiff's motion for a directed verdict in its favor was thereupon sustained, and from the judgment thereupon, defendant appealed.

In argument to this court the appellant relies on the single proposition that the measure of plaintiff's damages, if any, is the actual value of the truck described in the bill of lading, and that if there be no evidence of such value there can be no recovery; or if there be any right of recovery upon the showing made, it is for nominal damages only, and it was therefore error for the trial court to overrule the defendant's offer

to prove such value to be less than the amount of the draft.

Counsel's argument proceeds upon the theory that this action, in legal effect, is one for the recovery of damages for the loss of the truck described in the bill of lading, and, such being the case, the measure of damages is necessarily the value of the truck, the accompanying draft being at most mere prima facie evidence of such value. Now it may be admitted, as counsel contend, that the indorsement and transfer of bill of lading serve to vest the title to the truck in plaintiff, but it by no means follows that this is an action to recover its value. Plaintiff did not buy the truck; it bought the truck company's draft on the oil company for \$848.50, and took the legal title to the truck as security for its acceptance and payment. It sent both bill and draft to the defendant to collect, not the reasonable or market value of the truck, but the amount of the draft. If the draft had been dishonored upon presentation, and the security had been surrendered or lost by the defendant, plaintiff could have sued and recovered the value of it, but this was not the plaintiff's only recourse. As between itself and the truck company the draft was a bill of exchange, and upon its dishonor by non-acceptance plaintiff had immediate right of recourse thereon against said company. The petition charges not only the unauthorized surrender of the truck and defendant's failure to collect the draft before such surrender, but also alleges defendant's refusal to return the draft upon demand. This is a sufficient allegation of a conversion of the instrument.

Proof of the conversion is undisputed, and plaintiff is presumed to have been damaged to the extent of its face value. *Hubbard v. Insurance Co.*, 129 Iowa, 13, 105 N. W. 332; *Dean v. Nichols*, 95 Iowa, 89, 63 N. W. 582. Evidence showing the value of the truck to be less than the amount of the draft had no tendency to rebut the presumption that the draft was worth the sum for which it was drawn.

There is still another aspect to the case which necessitates an affirmance of

the judgment below. It was shown by the cashier of the defendant bank, not only that it received the draft for collection, but also that it received from the president of the oil company, who was also its own president, a check for the full amount of the draft—which it still holds—and says, in excuse of its failure to remit, that said officer ordered its nonpayment until he should direct otherwise. In other words, defendant has collected the full amount of the draft, but withholds its remittance to the payee at the request of the debtor. This being admitted, it is bound in law to account to plaintiff for the full face of the draft, or to affirmatively plead and prove some fact or facts which excuse or avoid performance of that duty. No such defense is pleaded, and none is proved. In other words, the defendant confesses the truth of the averments of the petition, but neither alleges nor proves any new matter which tends to deprive the admitted facts of their ordinary legal effect. If it be true, as perhaps we may infer, that there is some dispute between the truck company and the oil company concerning the truck described in the bill of lading, the merits of such controversy are wholly immaterial in this action between the plaintiff, who purchased the draft, and the defendant, to whom it was sent for collection. To sustain the defendant's position upon this appeal would be tantamount to saying that in any and every case where property is sold for delivery by carrier upon payment of the agreed purchase price, if the purchaser is fortunate enough or cunning enough to secure a delivery without payment, he is no longer bound by the price agreed upon, and the seller can recover on the basis of the market value only. No authority for such holding can be found. The case cited by appellant where common carriers have been sued for conversion of the property described in bills of lading and have been held liable for no more than the value of the thing converted are not at all in point. In *Belden v. Railroad Co.*, 88 Vt. 300, 92 Atl. 212, the action was by a shipper against a carrier because the

latter had delivered the goods to the consignee without presentation of the bill of lading. It was not an action against the consignee for the contract price, nor against a bank or collection agency for conversion of a draft for the purchase price. The duty of the carrier was to safely transport the goods and make proper delivery to the consignee, and if by failure in this duty it became chargeable as for a conversion of the property, the measure of its liability was, as in other cases of conversion, the value of the thing converted. This liability on the part of the carrier did not relieve the consignee from his obligation to pay the contract price of the shipment, nor the consignor from its liability as drawer upon any draft drawn against the shipment and negotiated to a bank. The shipper in such case could maintain an action against the carrier for the value of the property lost or against the consignee for the contract price of the property and the purchaser of the draft, if one is drawn against the shipment and, dishonored for want of acceptance, may sue the drawer and recover thereon its full face value.

So, too, as before noted, if the draft be drawn with the bill of lading attached, the title to the shipment vests in the holder of the draft as security for its payment, and if by fault of the carrier the security be lost or converted, then the right of the holder to recover from the carrier would be limited to the value of the thing lost, but there is no such issue in this case.

The trial court did not err in directing a verdict for plaintiff, and the judgment appealed from is affirmed.



Wrongful Delivery of Check by Bank

Wegner v. First National Bank of Casselton, Supreme Court of North Dakota.
173 N. W. Rep. 814.

A man who had purchased a tract of land had his bank sent a cashier's check for the balance due on the purchase price to the defendant bank for deliv-

ery to the seller. The defendant was instructed by letter not to deliver the cashier's check until the seller had obtained releases upon certain outstanding liens. Contrary to these instructions the defendant bank delivered the check without receiving the required releases. It was held that the defendant was liable for the amount of the check.

OPINION

Action by Amanda Wegner, executrix of the estate of Ernest Wegner, deceased, against the First National Bank of Casselton, for wrongful delivery of a cashier's bank check sent to the defendant bank with a letter of instructions. From an order overruling demurrer to the complaint, defendant appeals. Affirmed.

BRONSON, J. This is an appeal from an order overruling a demurrer to the complaint. The facts, as they appear from the complaint, are substantially as follows:

In October, 1914, the deceased, Wegner, of whose estate the plaintiff is executrix, contracted to purchase from the Northern Trading Company certain land in McHenry county for \$4,500, \$2,000 being paid in cash, and the balance, \$2,500, to be paid on March 1, 1915, when a warranty deed and an abstract of title was to be given, showing the land free and clear from all liens and incumbrances. Later, when an abstract of title was furnished, a trust deed for \$100,000 appeared as a lien against the land, and also a mortgage for \$1,500. The attorneys for the deceased noted these liens, and in their opinion required the same to be released and discharged. On March 13, 1915, the defendant through its cashier sent to the First National Bank of Every, Iowa, a draft for \$3,000 on the deceased, and inclosed a warranty deed to the land, conveying the same free of incumbrances. The bank in Iowa in a letter was authorized to deliver the deed upon payment of \$3,000 exchange and collection charges. In such letter the defendant further stated:

"On receipt of this money we are instructed to place of record a satisfac-

tion of prior incumbrances which we hold here, and to furnish you with an abstract of title which will show free and clear of all incumbrances. This we undertake to do."

On March 25, 1915, the cashier of the defendant bank personally wrote the bank in Iowa explaining about the mortgages outstanding as liens and that they would see to it that the necessary releases were filed so that the deceased get a perfect title free of incumbrances. On April 6, 1915, the bank in Iowa replied to the letter of the defendant bank, dated March 13, 1915, inclosed a cashier's check for \$2,500, and stated in such letter as follows:

"In regard to this collection, will say that we are inclosing herewith cashier's check for \$2,500.00 in payment of this deed which you are to hold until the Northern Trading Company shall complete the abstract which we inclose herewith to the above-described land according to the opinion of Mr. Wegner's attorneys, Messrs. Buck & Kirkpatrick, which is attached to the abstract.

"We are sending this to you upon your guaranty that the abstract will show the above-described land free and clear of all incumbrances and the abstract returned to us. When this is done you may turn over the \$2,500.00 to the Northern Trading Company."

On April 8, 1915, the defendant bank acknowledged receipt of said letter of April 6, 1915, and stated:

"We note the terms under which this is sent and the matter will have our careful attention."

The Northern Trading Company did not pay off the incumbrances mentioned, and the same continued as valid liens against the land in question. The defendant bank delivered the cashier's check for \$2,500 to the Northern Trading Company without receiving or securing the release required, in violation of the instructions contained in the letter received from the bank of Iowa.

The complaint, in the first cause of action, alleges, in addition to the facts stated, that the defendant bank fraud-

ulently conspired with the Northern Trading Company to wrong and defraud the deceased by converting and delivering such cashier's check and by converting and appropriating the proceeds. It further alleges that the reasonable market value of the land was \$3,000; that the outstanding liens far exceeds the value of the land, and that the plaintiff has been damaged in the sum of \$3,000. For the second cause of action the complaint alleges that the defendant bank has had and received said sum of \$2,500 to and for the use of the deceased. The defendant demurred to each cause of action upon the grounds that there was a defect of parties defendant, in that the Northern Trading Company is a necessary party defendant, that several causes of action have been improperly united, and that facts have not been stated sufficient to constitute a cause of action. The trial court wholly overruled the demurrer.

In support of its demurrer, the defendant bank contends that the whole transaction, as pleaded, is *ultra vires* and in excess of the powers of the defendant as a National bank; that, being *ultra vires*, and the bank having received no benefits, no implied obligation or liability existed; that there is no consideration shown, that there can be no recovery for fraud or a fraudulent conspiracy in an *ultra vires* transaction; that the plaintiff was guilty of laches in delivering the funds to the defendant bank and accepting the assurance of the cashier of performance when it knew of the personal interest of the cashier in the transaction and failed to bring the matter to the attention of the directors; that the complaint shows on its face no certain or definite method of ascertaining plaintiff's damages; that the Northern Trading Company is a necessary party defendant.

These contentions of the defendant bank are largely urged upon the ground that the theory of plaintiff's causes of action, shown from the allegations thereof, is based upon a contract of guaranty made by the defendant bank concerning this transaction and upon fraud and fraudulent conspiracy in connection therewith. In other words, that

the complaint, from its four corners, relies upon the predicates causes of action, alleging in their essence a guaranty undertaken by the defendant bank clearly *ultra vires*. If upon the facts alleged in the complaint and admitted by the demurrer the engagement of the defendant should be so construed, the contention of the appellants concerning the *ultra vires* nature of the transaction would indeed be deserving of serious consideration.

Upon a fair construction, however, of the allegations of the complaint we are satisfied that a cause of action is alleged in each of the causes of action stated upon a transaction clearly *intra vires* which is good as against the demurrer interposed. The complaint has attached to it several exhibits. It sets forth the facts fully.

From the facts stated, it is clear that the defendant bank, upon the reception of the cashier's check of \$2,500, made an engagement directly within its powers and incidental to its business. When the letter of instructions was sent to the defendant bank together with the check, and the defendant bank received and accepted the same upon the terms imposed, it thereupon had imposed a duty to pay and a duty to collect within its banking functions. This duty and obligation so accepted by the defendant bank did not depend at all upon its guaranty or its undertaking of guaranty. The duty existed even though the alleged contract of the guaranty be in all respects disregarded. If the Iowa bank had delivered the cashier's check in question to the defendant bank, with instructions to turn the same over to the Northern Trading Company and that it would rely upon the guaranty of the defendant bank that the release of the liens in question would be secured, the contention of the appellant might apply, and a question of *ultra vires* would then be presented. *Bushnell v. Chautauqua County Nat. Bank*, 74 N. Y. 290, 293.

On the contrary, however, it is clear that the check and the letter of instructions were not sent and deposited in reliance wholly upon the guaranty made. They were sent, as they might have

been sent, if no guaranty had been given, in the ordinary course of banking transactions.

This duty and obligation of the defendant bank, then so imposed and accepted, became analogous to the duty and right of a bank to receive a special deposit or to act as agent in collections of items of moneys or securities. 7 C. J. 816. See *Kennedy v. State Bank*, 22 N. D. 69, 74, 132 N. W. 657. This particular duty and obligation was within its power as a national bank. It was incidental to the business of banking. See 7 C. J. 816, 817; section 5136, U. S. Rev. St. (U. S. Comp. St. § 9661); *Bushnell v. Chautauqua County Nat. Bank*, 74 N. Y. 290; *Sykes v. First Nat. Bank*, 2 S. D. 242, 49 N. W. 1058; *American Nat. Bank v. Presnall*, 58 Kan. 69, 48 Pac. 556; *Kansas Nat. Bank v. Quinten*, 57 Kan. 750, 58 Pac. 20.

The fact that the defendant bank, in addition to assuming a duty and obligation within its powers, also made a contract or guaranty *ultra vires*, does not permit it to avoid liability for a breach of its duty or obligation *intra vires*, by asserting an *ultra vires* agreement connected with the transaction, when the complaint alleges facts sufficient to constitute a cause of action against the bank for violation of its duty or obligation *intra vires*. 7 C. J. 835; *First Nat. Bank v. Henry*, 159 Ala. 367, 49 South. 97. The complaint being so construed, the contentions of the appellant concerning the principles of law applicable upon a transaction *ultra vires* do not apply.

The first cause of action sounds in tort, in the nature of a conversion. The second cause of action is for money had and received. Recovery may be had in either form of action. *Kennedy v. State Bank*, 22 N. D. 69, 74, 132 N. W. 657; 7 C. J. 613; 38 Cyc. 2025. See *Pinkney v. Kanawha Valley Bank*, 68 W. Va. 254, 69 S. E. 1012, 32 L. R. A. (N. S.) 987, Ann. Cas. 1912B, 115; *Gregg v. Bank of Columbia*, 72 S. C. 458, 52 S. E. 195, 110 Am. St. Rep. 633. Appellant has made no point in the brief or upon oral argument concerning the improper joinder of the two

causes of action. It is therefore waived. Both causes of action as alleged show actual damages sustained. See *Kennedy v. State Bank*, *supra*. Upon the breach of its duty or obligation the defendant bank was liable for the actual loss sustained thereby. 7 C. J. 623. See *Becker v. Harvey First Nat. Bank*, 15 N. D. 279, 281, 107 N. W. 968; section 6002, C. L. 1913.

Accordingly the trial court did not err in overruling the demurrer. The order of the trial court is affirmed, with costs to the respondent.



Withdrawal of Stockholder on Amendment of National Bank Charter

Conway v. First National Bank of Rome, Ga., United States Circuit Court of Appeals. 256 Fed. Rep. 277.

When the charter of a national bank is amended, extending the existence of the bank, any stockholder may withdraw and is entitled to receive the value of his shares, as fixed by appraisers selected by himself and the board of directors. But, in order to do this, he must give notice in writing to the board of directors within thirty days after the amendment has been approved by the Comptroller of the Currency.

OPINION

Appeal from the District Court of the United States for the Northern District of Georgia; *Beverly D. Evans*, Judge.

Suit by *J. W. Conway* against the First National Bank of Rome, Georgia. Bill dismissed, and plaintiff appeals. Affirmed.

GRUBB, District Judge. The appellant, a citizen of North Carolina, filed his bill in equity in the District Court of the United States for the Northern District of Georgia against the appellee, which was a national banking corporation, doing business at Rome, Ga. The purpose of the bill was

to enforce against the defendant bank the right given a stockholder in a national bank, upon the amendment of the charter of the bank, to withdraw from membership and compel the bank to liquidate his shares at an appraised value, provided he gives notice of his intention to withdraw within 30 days from the date of the approval of the amendment to the bank's charter by the Comptroller of the Currency.

The charter of the defendant bank expired by operation of law August 14, 1917. On June 6, 1917, the directors of the defendant bank passed a resolution providing that an amendment to the charter should be applied for, extending it for an additional period of 20 years, and the president or cashier was authorized to apply to the Comptroller of the Currency to have the amendment approved. Upon application to the Comptroller, the law requires the Comptroller to cause a special examination of the bank to be made to determine its condition, and if, after such examination, it appears to him that the bank is in a satisfactory condition, he shall grant the certificate of approval of the amendment extending the charter; otherwise, withhold it. After the resolution of the directors was adopted, and on June 30, 1917, a circular letter was addressed to each of the stockholders, including the appellant, who had then recently purchased 122 shares of the bank's stock, calling attention to the necessity for renewing the bank charter, and for the disposition of certain assets before doing so, and suggesting the declaration of a dividend payable in these undesirable assets. A copy of the circular letter was sent appellant, and, failing to respond to it promptly, the president of the bank wrote him a personal letter on July 7, asking him for the return of the circular letter with signature, evidencing his consent to the proposed disposition of assets by way of dividend, in preparation of the examination of the bank by the Comptroller, known to be a preliminary to the renewal of its charter. Replying to this letter, the appellant wrote a letter, addressed to Mr. Reynolds, who was the bank's president, person-

ally, in which he acknowledged receipt of the letter of inquiry, and stated that he had bought the stock having in mind to liquidate it, as he had understood from the seller that he would have that privilege, and that he was not in shape to carry the stock as a permanent investment. In reply, Mr. Reynolds wrote appellant that he was sorry to receive his letter of July 10, as he had hoped to have the pleasure of working with him in years to come. Here the correspondence ceased until September 12, 1917.

In the meantime, application for the renewal of the bank's charter was filed, pursuant to the resolution of its board of directors, and a certificate of renewal was approved by the Comptroller of the Currency on August 14, 1917, which was the date of expiration of the old charter. The certificate of renewal, at the suggestion of the Comptroller, but not as a legal requirement, was published in a local newspaper at Rome for a period of 30 days. On September 14 the officers of the defendant bank received a letter addressed to "First Nat'l Bank, Rome, Ga." signed by the appellant, giving the bank notice of his desire to withdraw from the bank his 122 shares of stock, and upon appraisal of their value, to be paid by the bank the amount thereof. The letter also inquired as to the date of expiration of the bank's charter, and whether application had been made for its renewal to the Comptroller. The letter was dated September 12, and mailed in Atlanta September 13, but not delivered to the defendant bank at Rome until September 14. To this letter, Mr. Reynolds, the bank's president, for it, replied, acknowledging receipt of the notice, and advising that the time for notice of withdrawal had expired September 13, and that the charter had been renewed on August 14. This was treated by appellant as a refusal to permit withdrawal, and he thereupon filed this suit.

Some time in July, 1917, the appellant contended that the president of the defendant bank had stated to one Goodrum, a stockbroker, who bought the stock for him, and who, as appellant

contended, still remained his agent to effect its withdrawal, that the time for giving notice of withdrawal was September 15; that this statement was communicated by Goodrum to appellant, who acted upon it in refraining to give notice until after September 13, and that the bank was estopped by its president's statement from claiming that the notice was not timely. Reynolds denied giving Goodrum any misinformation as to the date of expiration, and denied that he knew that Goodrum had any connection with appellant with reference to the stock, on the occasion of the conversation between Goodrum and himself in which Goodrum testified the wrong information was given him by Reynolds. The District Judge, after hearing the evidence, dismissed the bill upon the merits, and from this decree the appeal is taken.

The appellant complains of three adverse findings of the District Judge: First, that the correspondence that passed between the appellant and Reynolds in July did not amount to a substantial compliance with the Act of Congress as to notice; second, that the notice sent to the bank, after the charter was renewed, was not given within 30 days of the date of the certificate of approval, as required by the statute; third, that the acts and conduct of the president, Reynolds, relied upon as an estoppel against the bank, did not constitute an estoppel against the bank. We think the District Judge correctly ruled in all three of the findings.

First. The pertinent part of section 5 of the Act of July 12, 1882, chapter 290 (22 Stat. 162), the act which authorizes the renewal of the charters of national banks and the withdrawal of nonassenting stockholders, reads as follows:

"When any national banking association has amended its articles of association as provided in this act, and the Comptroller has granted his certificate of approval, any shareholder not assenting to such amendment may give notice in writing to the directors, within thirty days from the date of the certificate of

approval of his desire to withdraw from said association."

Section 5 then provides that he shall be entitled to receive from the association the value of the shares held by him, to be ascertained by an appraisal made by a committee of three persons, one to be selected by the shareholder, one by the directors, and the third by the first two. It provides, further, for an appeal to the Comptroller by the shareholder, but not by the bank, and that the shares appraised and surrendered by the withdrawing stockholder shall, after due notice, be sold by the bank at public sale within 30 days after the final appraisal.

The correspondence between the appellant and Reynolds, the president of the bank, that occurred in July, was insufficient to constitute a statutory notice of withdrawal by appellant, because: (1) It was not a notice to the directors of the bank, nor shown to have been communicated to them; (2) it happened before the amendment was applied for, and before the certificate of approval was signed by the Comptroller; (3) it was not understood by the parties to it to have been intended as a notice of withdrawal.

(1) The act provides for written notice to the directors. It provides that the directors shall select one appraiser. This is enough to show that notice to the president, unless shown to have been communicated to the directors, is insufficient. No such showing is made in the record. The resolution of June 6 authorized the president or cashier, merely following the language of the act, "to apply to the Comptroller of the Currency to have this amendment approved." It did not authorize the president to do anything else, and therefore did not authorize him to either receive or waive notice for them. The important duty of selecting the appraiser is vested in the directors, and not in the president. It is a duty which the directors could not delegate to the president. It is a duty which the directors could exercise only after personal receipt of the notice of withdrawal. We conclude that the directors were the

only officers of the bank who could receive the statutory notice, and that the president could neither receive nor waive it for them.

(2) The statute provides for the notice of withdrawal to be given "within thirty days from the date of the certificate of approval." A reading of section 5 clearly indicates that the notice can only be given when and after the amendment has been approved by the Comptroller. If the amendment is not approved, there can be no withdrawal, and until it is approved there is no reason for the giving of the notice. The president being without authority to waive the statutory notice for the directors, it is unnecessary to consider whether his reply of July 11 to appellant's letter of July 10 could be considered as waiving it.

(3) However, it seems clear that the July correspondence was not treated by either party to it as either the formal statutory notice or as a waiver of the giving of it. That it was not intended as the statutory notice is apparent from the language used; that it was not intended to be treated as a substitute for it, even by the appellant, is apparent from the subsequent efforts of appellant to determine when the statutory notice must be given, and the actual attempt made by him in September to give it.

The appellant acquired no standing, predicated on the July correspondence.

Second. The District Judge was also right in his conclusion that the notice of September 13, received by the bank September 14, was not within the permitted 30 days. The July correspondence related to the consent of the appellant to a plan for the disposition of undesirable assets before application was made by the bank for a renewal of its charter. The proposition was declined by appellant, and that transaction came to an end in July. The use of the mails in September by the appellant, to convey the statutory notice to the bank, was by appellant's selection, and the post office, therefore, became his agent exclusively, and the notice was not brought home to the bank till it actually received the letter in Rome. Hal-

dane v. United States, 69 Fed. 819, 823, 16 C. C. A. 447, and cases cited. The notice of September 13 was also insufficient, in that it was not addressed to the directors, but to the bank. Presumably it would have reached the executive officers of the bank only, and it was incumbent on the appellant to show that it reached or was communicated to the directors within the 30 days, to show a compliance with the statute. No showing to that effect is made.

Third. The District Judge also correctly ruled that the alleged statement made by Reynolds, the president of the bank, in July, to Goodrum, did not estop the bank from afterwards disputing the sufficiency of a notice, made within the time alleged to have been stated by Reynolds to be sufficient, but not in fact sufficient. The power to act being vested by the statute exclusively in the directors, in matters of such withdrawals, the president was without authority to commit the bank by any statement relative to notice of withdrawals. Want of such authority to represent the bank would prevent an estoppel. The resolution of June 6 did not purport to confer on the president any authority, except to apply to the Comptroller for the certificate of approval. It would not be competent for the directors to vest the president with authority to waive the statutory requirement of notice, in advance, and no estoppel could be predicated on his mere failure to convey correct information in a casual conversation.

Nor does it appear from the evidence of Goodrum that Reynolds assumed to act for the bank in reference to the conversation between them. Goodrum's evidence also shows that, whatever the real fact may have been, and it does not seem to have been to the contrary, Reynolds had no reason to believe, at the time of the conversation, that he was talking to an agent of the appellant, or that the information given was intended to be communicated to appellant by Goodrum when it was disclosed by Reynolds. Reynolds, therefore, had no reason to believe it was to be relied upon or acted upon by appellant, when

he made the statement, and, for that reason, Reynolds himself would not be estopped to thereafter dispute it—much less, the defendant bank. The District Judge may also well have found from the evidence that no erroneous statement was made by Reynolds to Goodrum.

The appellant contends that the order upon the motion to dismiss the bill of complaint as amended fixes the law of the case, except as to the sufficiency of a notice mailed on the thirtieth day but not reaching the bank till the thirty-first day, in favor of the appellant. The amended bill asserts the full authority of Reynolds, as president of the bank, to act for the bank in all matters affecting the renewal of the charter, which would include the withdrawal of non-assenting stockholders. The decree dismissing the bill on the merits, in other respects than the sufficiency of the notice of September 13, was based upon the failure of the proof to establish such authority, and to satisfy the court of the acts and conduct of the president relied upon by the appellant to constitute an estoppel.

The appellant also contends that it was the duty of the directors of the defendant bank to give its stockholders notice of the approval of the amendment by the Comptroller, and that this duty arises from the fiduciary relation between the directors and the stockholders. The statute provides for no such notice, and this seems to be sufficient reason for holding it unnecessary. While the directors are trustees for the stockholders in many ways, it does not follow that they represent the non-assenting stockholders in the matter of the amendment of the bank's charter. In this case the bank, as a corporate entity, had decided to renew its charter by corporate action. It was the duty of the directors, made so by the statute, to handle this matter for the bank. If a stockholder desired to withdraw from the bank, it was his statutory right so to do. The exercise of the right was, however, against the interest of the bank and the two-thirds assenting owners of the bank's shares. The bank was required to buy the non-assenting share-

holder's stock at its appraised book value, and sell it, within 30 days of the final appraisal, at what it would bring. The record shows that the market value of the shares of the defendant bank was less than their book value. The bank and its assenting shareholders were forced, by the terms of the statute, to lose the difference. In view of this situation, while the directors would owe non-assenting stockholders the duty of disclosing to them fairly, on request, any information necessary to enable them to properly exercise their right, we do not think they would owe a non-assenting stockholder the affirmative duty to supply him with information, unsolicited by him, which would assist him, to the disadvantage of the bank of which they were directors and trustees. The bank could be represented by the directors only; the non-assenting stockholder could look out for himself. The necessary information could have been acquired by him by inquiry from the bank or from the Comptroller. We do not think, in the absence of a statutory requirement, it was the duty of the directors to supply it, in the absence of a request.

The decree appealed from is affirmed, with costs.

Affirmed.



Rights of Bona Fide Holder

Lapp v. Merchants National Bank, Appellate Court of Indiana. 123 N. E. Rep. 231.

A bank, which purchases a promissory note from the payee for value before maturity and without notice of any defense to the note, is a holder in due course and holds it free from any defenses good as between the original parties to the instrument.

OPINION

Action by the Merchants' National Bank of Indianapolis against John A. Lapp. Judgment for plaintiff, and defendant appeals. Affirmed.

NICHOLS, J. The complaint in this case, by the appellee against the appel-

lant, was filed October 16, 1916, and is upon a promissory note executed by the appellant August 5, 1915, and due in six months after date, negotiable and payable at the appellee's bank in Indianapolis, Ind., and to the order of the Federal Loan Society, Incorporated.

It is averred in the complaint that the payee for value received, in due course of business and before the maturity of such note, assigned and transferred it to the appellee, and that it was past due and unpaid. To this complaint the appellant answered in two paragraphs: the first being a general denial, and the second being an affirmative answer charging fraud against the payee named in the note in procuring the execution thereof. There is no charge in the second paragraph of answer that the appellee had notice of such fraud. The appellee filed its demurrer to said second paragraph of answer, with memoranda, which demurrer was sustained by the court, to which ruling the appellant excepted. Thereupon appellant withdrew his first paragraph of answer, being the general denial, refused to plead further, and elected to stand upon his second paragraph of answer. Judgment was rendered in favor of the appellee.

The negotiable instrument statute was put in force April 30, 1913. Section 9089z1, of such statute provides:

"A holder in due course is a holder who has taken the instrument under the following conditions:

"(1) That the instrument is complete and regular upon its face;

"(2) 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;

"(3) That he took it in good faith and for value;

"(4) That at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it."

It is provided by section 9089d2 of such statute that, to constitute a notice of an infirmity in the instrument or defect in the title of person negotiating

the same, the person to whom it is negotiated must have had actual knowledge of the infirmity or defect, or knowledge of such facts that his action in taking the instrument amounted to bad faith. Section 9089e2, provides that a holder in due course holds the instrument free from any defect or title of prior parties, and free from defenses available to prior parties among themselves, and may enforce payment of the instrument for the full amount thereof against all parties liable thereon. By its averments that the payee for value received, in due course of business and before its maturity, assigned and transferred said note to the appellee, such appellee avers that it had no notice of any infirmity in the instrument or defect in the title of the person negotiating it, and that it purchased the same in good faith for value. Such a holder, under the statute, holds the note free from defenses available to the prior parties among themselves. The appellant's second paragraph of answer averring fraudulent representations in the procuring of the execution of this note, without any averments of knowledge by the appellee of the alleged fraud, was insufficient, and the demurrer thereto was properly sustained.

There was no error in sustaining the demurrer to the second paragraph of answer.

The judgment is affirmed.



Ownership of Savings Bank Deposit

Stradley v. Union Trust Company of San Francisco, California District Court of Appeal. 181 Pac. Rep. 823.

The maker of a promissory note, held by the plaintiff, deposited \$4,000 in the plaintiff's name in the defendant bank. While making the deposit he did not disclose the fact that he was not the person named as depositor. He sent the pass book to the plaintiff, who thereupon returned the promissory note. Later a judgment creditor of the maker of the note attached the deposit. It

was held that the plaintiff was entitled to the deposit as against the judgment creditor.

OPINION

Action by L. J. Stradley against the Union Trust Company of San Francisco, in which the Delano-Rochdale Company intervened. Judgment for plaintiff, and the intervener appeals. Judgment affirmed.

NOURSE, Judge pro tem. The plaintiff, L. J. Stradley, brought an action against the Union Trust Company of San Francisco to recover a deposit of \$3,600 held by said defendant. The Delano-Rochdale Company, having previously attached the account in an action instituted by it against B. F. Stradley, a brother of plaintiff, intervened in this action, claiming that the money deposited with the defendant bank was in fact the property of B. F. Stradley. The money in dispute having been paid into court, the action was dismissed as to the defendant bank, and judgment going for plaintiff, the intervener brings this appeal.

The facts are that B. F. Stradley, being indebted to his brother for something like \$3,997, evidenced by his promissory note, deposited \$4,000 in the savings department of the defendant bank in the name of his brother, L. J. Stradley. When making the deposit he signed the name of L. J. Stradley, and did not at any time disclose to the bank that he was not the party in whose name the deposit was made. He then sent the passbook to his brother, accompanied by a letter notifying him

that the deposit was made to repay his indebtedness. Upon the receipt of the passbook and letter L. J. Stradley returned to B. F. the promissory note of the latter. Some time thereafter B. F. Stradley wrote to his brother for money, and the brother mailed to him the passbook covering the \$4,000 so deposited. With this passbook B. F. Stradley withdrew from the account \$400, signing his brother's name for that purpose.

Thereafter the intervener commenced an action against B. F. Stradley and attached the account.

The whole question involved is whether at the time of this levy the money belonged to L. J. Stradley, in whose name it was deposited, or to B. F. Stradley, who actually made the deposit in his brother's name.

Whatever title B. F. Stradley had he parted with when he delivered his passbook to his brother and received his canceled note paid through the medium of this transaction. As between the two brothers there can be no doubt that the money belonged to L. J. Stradley, and that B. F. could not set up any claim to it, especially after he had delivered the passbook and received the note in exchange. As far as L. J. Stradley is concerned, the attaching creditor is in no better position.

The trial court had ample evidence to sustain the finding that the money was not the property of B. F. Stradley, but that the deposit was made in the name of and for the use and benefit of the plaintiff. Judgment properly went for plaintiff, and it is accordingly affirmed.



Banking and Education

THE marked growth which has characterized American banking within the past five years, resulting as it has in a widening of the bank's activities and the consequent enlargement of staffs brings with it a problem of some consideration, namely that of training men and women to assume fresh responsibilities, to undertake new duties, and generally to fit themselves for the tasks which arise in progressive banking institutions.

It required little emphasis to enforce upon banks the possibilities which lay open to them in the fields of domestic and foreign trade, and when these opportunities had greatly increased their functions and had created large staffs, it was presently recognized that not the least important factor would be the proper training of employees along lines specially indicated, that, in short, banking would have to enlist the aid of education, and it is a tribute to the foresight and openness of mind of bankers that from the beginning they have conceived their problem as one to be solved in a measure by special training.

The development of the necessary educational facilities has taken several directions. Among the big banks of New York and other cities special departments devoted to education have been created, wherein employes become students out of business hours, attending lectures and reciting lessons in order to fit themselves the better for the work they are called upon to perform. Though among the lesser banks special departments may not exist, there are nevertheless educational policies governing the training of employees, and in most cases a definite attempt is made to interest staffs in the serious study of banking and financial subjects. Quite frequently banks are willing in the interests of all around efficiency to place a substantial premium

upon individual enterprise, and to reward scholarship. The agencies through which these banks and trust companies promote their educational affairs are obviously limited in number. They require, in the first place, an organization similar in pedagogical standards to that of a college or university. Their teachers must be preëminently practical, thoroughly familiar with the subject, be it foreign exchange or commercial credits, and they must finally be able to teach.

Of prime importance also are the conveniences of time and place which such institutions can offer. In New York where the great banks are centralized in the downtown region it is evident that the largest amount of educational service can be rendered by the institution which is prepared to bring its facilities to the banks, and to adapt its schedule to the requirements of those men and women whom business debars from studying during the day.

Notable among the schools that have succeeded in providing instruction in banking and financial subjects of a high standard and at a convenient time and place in downtown New York is the Wall Street Division of New York University established at 25 Broad street in the Broad Exchange building, and in the center of things financial. As an organic part of New York University the Wall Street Division in the five years of its existence has developed out of the needs of the district which it serves a programme of instruction meeting every requirement of the busy and serious student. Beginning with a number of courses in banking and finance the Wall Street Division recognized that its mission could be best achieved only by gaining the coöperation of its neighbors, the banks and investment houses. Bankers were quick to approve the plan and gladly gave

assistance in framing a programme that would not only meet but anticipate business developments. As a result of this valuable coöperation, the University has been able to initiate educational work of an original and constructive character and to do pioneer service in the particular field of banking.

The subjects which may be said to constitute this group are Money and Credit, Theory and History of Banking, Banking Practice, Elements of Foreign Exchange, Foreign Exchange Accounting, Fiduciary Accounting and Law of

Negotiable Instruments. In addition to such special courses, there are others of a more general nature, such as a Business English, Principles of Accounting and Practical Economics which underlie commercial training, while to the banker interested in the practical aspects of Foreign Trade, courses such as Document Technique, Charter Parties and Bills of Lading, Far Eastern and Latin American Trade, together with Commercial Spanish, Portuguese and Conversational Chinese should directly appeal.



The Better Clearing of Acceptances by Banks

THE Federal Reserve Bank of Cleveland which has been a leader in the trade acceptance movement recently sent a communication to the member banks of the district over the signature of Governor Fancher as follows:

"To the Member Banks of District No. 4:

"The Trade Acceptance System is being adopted by an increasing number of business houses. It is probable, therefore, that acceptances will come into your hands in increasing numbers for collection.

"It has come to our attention that some banks receiving Trade Acceptances for collection have failed to observe the character of the instrument and have handled them exactly as if they were ordinary unaccepted collection drafts, perhaps calling up the drawee on the telephone and receiving from some uninformed person such answers as, 'This company never pays drafts,' and the like.

"We deem it advisable, therefore, to call your attention to the fact that a trade acceptance is an accepted draft which constitutes a valid promise to pay

on a specified date—a negotiable instrument as binding upon the acceptor as his promissory note; and that all such items are, in fact, subject to protest unless otherwise instructed.

"Ordinarily, it should be sufficient to advise the drawee or acceptor that you held his 'trade acceptance,' since no one is likely to have signed such an acceptance without recognizing its character and perhaps placing it on a maturity tickler. Care should be taken, however, when you notify the acceptor that you hold his acceptance, that he understands that it is an ACCEPTED draft with a definite maturity and that he is not advised by one of your clerks that 'We hold a draft on you,' etc.

"Will you please see that this letter is brought to the attention of your collection department, so that, in the interest of the good service which your bank, of course, wishes to render, as well as in the interest of the Trade Acceptance System, which promises so much of benefit to the banker, you will be prepared to handle such items correctly whenever they reach your hands?

"(Signed) E. F. FANCHER,

"Governor."

Earnings of Capital Go to the Benefit of Labor

From an Address by HON. GEORGE E. ROBERTS, Vice-President
National City Bank, New York

WE are hearing a great deal now to the effect that a new era has begun, in which the common people will fare better; that labor is about to have a larger share of the joint product of labor and capital than in the past. There is a vast amount of misunderstanding about the division between capital and labor. The truth is that the greater part of all that capital seems to get really inures to the benefit of labor, for all additions to capital seek investment in production and labor is the chief beneficiary of increased production. Wages depend on production, and production is increased by placing more and better machine equipment in the hands of labor.

There is a definite relationship between the amount of new capital available for investment, and the demand and compensation for labor. They go along together. The great principle of social progress lies in the fact that in all advanced countries capital increases faster than population and that there is no way in which capital can be put into use except by employing labor. Every dollar of new capital accumulated means a new demand for labor, and with capital increasing faster than population labor comes into a constantly stronger position.

Capital and labor must be used together, and when two things must be used together, and one is scarcer than the other, that one has an advantage. I remember that there used to be some such relationship out here between corn on one side and cattle and hogs on the other. If we had a big crop of corn and feeders were scarce, corn would be very cheap and feeders would bring a good price; but if we had a short

crop of corn and the country was full of feeders then the corn grower had the whip hand. So it is with capital and labor, except that the supply of capital is always increasing faster than the supply of labor. We saw the effects illustrated during the war; money or credit was relatively abundant; the Federal Reserve banking system could create credit, but it could not be used without labor, and employers all over the country were bidding against each other, and ran wages up to nearly double the normal rate.

USES OF CAPITAL AND LABOR FOR THE COMMON WELFARE

And do you realize that practically all the uses to which labor and capital are applied are for the common welfare? The vast expenditure for construction and equipment are for the purpose of serving in some manner the masses of the people, of supplying something they want and can afford to buy. There is no other employment for capital. It would not take many factories or railways to supply the wants of the rich; there are not enough of them; it is the wants of the millions that keep the wheels of business turning. And with capital increasing faster than population, and with the enormous increase in investment and equipment that is going on, with the improvement in methods and machinery, we have normally a constant increase of production per head of population, and the only way these commodities can be distributed is by such a continual readjustment of wages and prices as will enable the masses of the people to buy them.

Suppose you knew that in the years

to come the production of wheat would increase faster than population; that it would rise from say five bushels per capita in 1918 to six bushels per capita in 1919, seven bushels per capita in 1920, eight bushels per capita in 1921, and so on indefinitely? Do you think that any possible combination could prevent the benefits of such abundance

from reaching the masses of the people? And something like that is going on all over the field of production in which capital is the chief factor. And with this the case, with capital increasing faster than population, you can no more prevent the benefits of progress from reaching the people than you can prevent the rivers from reaching the sea.



Snubbed—A Million Dollars

SOMEBODY has snubbed a million dollars. The million lies in the vaults of the Treasury Department waiting for somebody to come and collect it. It represents the principal and accumulated interest on many varieties of Government securities—some issued even before the Civil War, but most of them since. The date of maturity is past and gone long ago and interest has ceased to accrue.

Some of them probably have been lost in fires or otherwise, but Treasury officials think that if everybody in America would go through old papers, handed down from grandfathers and great-uncles, most of the securities would show up.

When securities are burned or torn up by the baby, their owners usually get very busy. And if they can conclusively prove that their securities were destroyed, the Treasury department pays up. In cases, however, where there is reasonable doubt about the destruction of bonds or other securities, congressional action is required before the owner can be reimbursed. This was true when the Titanic went down. That ill-fated ship carried government bonds, but positive proof of their destruction could not be given. And so Congress provided relief for the owners.

Occasionally somebody stumbles across gilt-edge bonds among old papers and rushes to the Treasury to cash in, but during several years these occasional redemptions have not greatly lowered the fund. A list of the securi-

ties on which interest has ceased, at the beginning of this year, was as follows:

Funded loan of 1891, continued at 2 per cent and called for redemption in 1900, when interest ceased	\$4,000
Funded loan of 1891, matured September, 1891	19,950
Loan of 1904, matured February 2, 1904	13,050
Funded loan of 1907, matured July 2, 1907	419,700
Refunding certificates, matured July 1, 1907	10,950
Old debt, matured at various dates prior to Jan. 1, 1861, and other items of debt matured at various dates since Jan. 1, 1861.	900,330.26

Besides these there are certificates of indebtedness, at various interest rates, now matured and the loan of 1908-18, aggregating approximately six and a quarter million dollars. Those listed, however, comprise most of the million dollars about which somebody is very careless.

Presumably, a half-century from now, when our grandchildren will be berating us for not having left them some likely government securities, this treasury fund will have been swelled to much greater proportions than this and among our stock certificates of very uncertain value, receipts from the life insurance company and what not, a couple of bonds, a book of War Savings Stamps or Treasury Certificates will lie over-looked for years.

But this will not happen to the average man—not while he's conscious. He knows too well that the W. S. S. he buys this month at \$4.19 will be worth a five dollar bill January 1, 1924.

New Ohio Banking Law

COMMENTING on Ohio's new banking law which went into effect July 10, 1919, the Cincinnati "Enquirer" states:

Though the law repeals all laws on the books relative to the organization, inspection and supervision of banks, and replaces them by an entirely new law, still it is essentially a codification and there is nothing revolutionary or experimental in it.

Its first aim is to simplify the law. The old law contained an entire chapter relating to the organization and powers of "Free Banks," institutions now obsolete; separate provisions as to organization and control of private banks; separate provisions as to organization and control of other banking corporations, and all general provisions, as to organization and in other respects, referred each time to "banking companies, savings banks, savings societies, societies for savings, savings and loan associations, savings and trust companies," or to "such corporation, company, association or society," or to "such corporation, company, association or society," or to "commercial bank, savings bank, safe deposit company, trust company, or a company having departments for two or more, or all of such classes of business."

Under the new law the word "bank" is used instead of the catalogue of names thus used several hundred times in the old law. This is done by defining the word bank so that it applies to all the corporations or associations named in the old law and making all general provisions apply to them as "banks." Special provisions applying to any particular kind of bank are briefly stated and easily found. All obsolete and inconsistent provisions are repealed.

UNAUTHORIZED BANKING PROHIBITED

By starting with the definition of the word "bank," making its distinguishing attribute the power to receive money on deposit, restricting the use of the name "bank" in any form to such corporations or institutions as have such power, and prohibiting the banking business to all others—authorized banking is protected and unauthorized banking is prohibited.

Inspection, supervision and regulation by the Superintendent of Banks is made more effective by increasing the responsibility of directors and making them responsive to certain requirements by the Superintendent of Banks, by authorizing the superintendent to prescribe the manner and form of keeping bank records so as to have the same

uniform; similar provision as to reports, and by providing a banking fund, to be raised entirely by assessments upon banks and which must be used solely for maintaining the banking department. The salary of the superintendent is increased from \$5,000 to \$7,500 a year. The present superintendent, however, will not benefit by this increase during his term of office.

Hereafter no private banks can be organized or allowed to commence business. Private banks now existing may continue, but they are required to have an actual paid-in capital (minimum \$10,000) in cities and villages of more than 2,000 population minimum \$25,000; in cities with a population exceeding 10,000, minimum \$50,000, and become subject to all laws relative to regulation of other banks. Existing private banks must comply with capital provisions within one year. Special provisions are made as to the manner of holding property belonging to private banks, and as to statements of financial worth to owners.

FOREIGN BUSINESS CONTROLLED

The law seeks to do away with the foreign exchange evil by limiting the power to receive money on deposit for the purpose of transmitting the same to foreign countries to regularly incorporated railroad, steamship and express companies and banks. Railroad, steamship and express companies desiring to transact this business are required to deposit \$50,000 in securities or cash, or a bond in that amount with the Treasurer of State, and designate each agent authorized to receive money for this purpose. Designated agents are made the agents of the company. It is a criminal offense for any person not so designated to solicit or receive, or hold himself out as authorized to receive money to be transmitted to foreign countries.

Banks are incorporated largely in the same manner as other corporations, but hereafter may only incorporate as a commercial bank, savings bank, trust company or a combination of two or all. Guaranty title and trust companies may qualify as banks, and special plan (Morris plan) banks may be formed. Capital requirements are: Commercial or savings, or combination of both, minimum, \$25,000; in cities with a population of 10,000 or more, minimum, \$50,000; trust companies, \$100,000, which in case of combination must be in addition to capital required for other departments. All banks now having a less capital than that specified must increase their capital to above requirements within three years. Capital

must be fully paid in before a bank may begin business. If capital is increased the increase must be paid within six months.

FORMATION OF NEW BANKS

No banking corporation can be formed without approval of Superintendent of Banks. When articles of incorporation are filed with Secretary of State he must at once notify Superintendent of Banks, and cannot record such articles till notified to do so by Superintendent of Banks. Full provision is made for preliminary examination by Superintendent of Banks. If he refuses to consent to organization of a proposed bank an appeal may be taken to a board composed of the Governor, Attorney-General and Superintendents of Banks. The decision of this board is final. The fact that any fee or commission has been paid to any one for promoting or selling stock in a proposed bank is by law a ground for re-

jecting its application for authority to commence business.

The law provides fully for liquidation for insolvent banks, the intent being to make such liquidation as expeditious and inexpensive as possible. The cause for which the superintendent may take charge of a bank for the purpose of liquidation are unchanged.

Provision is made for proper and safe voluntary liquidation; also for consolidation of banks, both being subject to approval and supervision of the Superintendent of Banks.

Banks are extended acceptance powers under certain restrictions. Investment by the different classes of banks cover many pages, and the intent of the new law is to provide an avenue for such investments which time and experience have proven to be satisfactory. The powers of commercial banks, savings banks and trust companies are more clearly defined and are broadened so as to include powers which properly belong to the different classes of banks.



“How I Mean to Divide My Property”

By JACK BERNHARDT,

Assistant to President Cotton Belt Savings and Trust Company, Pine Bluff, Ark.

IN a recent issue of the “American Magazine,” a contributor writes entertainingly on the subject, “Shall I leave my money to my children?” The burden of the story is that within the immediate circle of the writer’s acquaintance, young people have had their careers blighted by reason of their “expectancy,” and he even goes so far as to intimate that it might be the best for all concerned if they should be “cut off” with the proverbial penny, and the estate left to charitable institutions.

This trouble is age-old, and will probably continue as a trouble as long as the world lasts. The remedy, if there be one, lies in the early training and the home life of the child while it is yet a child. It is no different from any other species of human frailty, that is the natural evolution of relaxation on the part of fond parents towards “an only child” and all that sort of thing;

the fact that the family grows from one to more children, makes but little difference to the average parent in their love for their children, and this love frequently begets relaxed effort in character training. So then we can find no panacea just yet by which the average American boy or girl can be made to realize the wisdom of laying in early youth the foundation for those strong principles of character which will fit them to wisely administer the estate that they may in later years inherit; any more than the average boy or girl can realize, until long after their school and college days are past beyond recall that those were indeed the happiest days of their lives.

In the modern trust company methods, our friend the contributor to the “American,” may find, if not entirely, at least in part, a very wholesome method of so disposing of his property that

his children will be taught thrift and economy, and perhaps ultimately fair business acumen. Some of the very best talent that this continent produces may be found within the offices of our modern trust companies, devoting the remainder of their lives to the service of their fellow man, along this very line of activity. They make a study, not alone to the cold business side of the trusts committed to their care, but to the physical, social and psychological conditions that surround the beneficiaries of such trusts. While the writer's experience and knowledge of such matters is somewhat limited, yet I know personally of several cases in which the ambition of a testator has been ultimately gratified by the excellence of service rendered by a trust officer of one of our large corporations. I shall not attempt in the space of this article to go into details, nor to make comparisons; but in an earnest endeavor to quell the disturbing elements now raging within the breast of the writer of the article I have referred to, I would urge him with all the force of which I am capable, to visit a few of the leading trust officers in his state, frankly and fairly discuss his problems with them, for I feel almost certain that they will not alone aid him in solving his difficulties, but make him a happier man than he has been in years.



The Doughboy's Dough

ONCE upon a time there was a lad who went to France with the A. E. F. and he left a sweetheart behind. During the months overseas he saved his money with a happy anticipation of the pretty things it would buy for the little gray home in the west. Days and weeks dragged slowly, but one day he arrived at the demobilization camp and passed through the "mill" preliminary to receiving his discharge. The night before he dreamt happily of the furni-

ture and rugs his three hundred dollars would buy. Arising the next morning he felt under the pillow for his money. It was gone.

The occurrence is not a mere story, but really happened during the time that the Thirty-sixth Division was being mustered out. It was not peculiar to that camp, but happened many times, in many camps, until the American Red Cross came to care for the money of the doughboy.

In coöperation with the American Bankers' Association and the War Department, branch banks were opened in the demobilization camps in which men might make deposits to the bank in their home towns or wherever they desired. Many of the men had several months' back pay coming, and the sum frequently amounted to a couple of hundred dollars.

Reports at Red Cross headquarters covering operations to July 4, showed a total amount of \$1,132,077 deposited in these banks. Of the total of 131,681 men passing through the camps 11,262 made deposits of an average of \$100.52.

The banks are situated near the demobilization mill and presided over by a teller from a near-by bank. The Red Cross supplies clerical assistance or financial help when desired, and conducts a campaign of information and education.

Duplicate deposit slips are made with every deposit and the depositor on his arrival home can present his deposit slip at the home bank and open an account, or obtain cash immediately.

Other assistance is given the doughboy before he leaves Europe. Exchanges have been opened at point of debarkation where the soldier may exchange his foreign money for the coin of the realm. The exchange over here would force him to pay an amount which would count up to quite a sum.

The Red Cross is nearly through with its war-work abroad, and is turning to a great programme of better health for America, which will be supported by a Third Roll Call, November 2 to 11, during which members will be asked to renew, and non-members to join.

International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

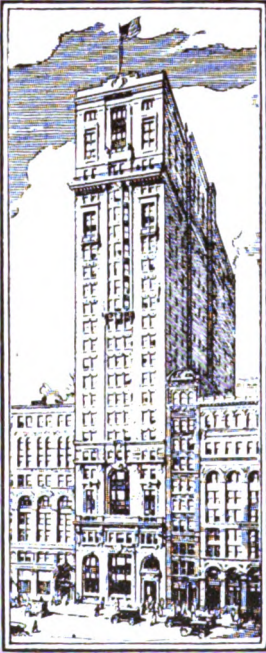
SECTION



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Useful Literature for the Taxpayer and Investor



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- [1] Revenue Act of 1918
- [2] N. Y. State Income Tax Law [individuals]
- [3] N. Y. State Corporation Franchise Tax Law [Income]
- [4] N. Y. State Transfer Tax Law
- [5] Schedule — Use of Bond Ownership Certificates
- [6] Owner's Record of Liberty Bonds
- [7] Taxpayer's Guide [now on press]

Copies of any of the publications listed above may be had upon application

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TOTAL RESOURCES, \$280,000,000

Economic Conditions in France

THE FOREIGN TRADE DURING THE FIRST FOUR MONTHS OF 1919

ACCORDING to recent statistics published by the French Custom House, the French foreign trade has considerably increased during the first four months of the current year. The total of imports amounted for the period named to 8,015,614,000 francs against 6,393,503,000 francs in 1918; that is, an increase of 1,622,111,000 francs. On the other hand, the total exports amounted to 1,352,633,000 francs against 1,372,460,000 francs in 1918 for the same period; that is, a decrease of 19,827,000 francs. The balance between exports and imports will not be restored as long as the production of industries is not increased.

The territories invaded during the war show, however, a rapid recovery. Work has been resumed practically in all industrial plants. In the district of Lille almost all mechanical workshops are under normal conditions. The majority of factories and repair shops in Tourcoing, Roubaix and Valenciennes have also reopened.

NATIONAL CREDIT FOR WAR DAMAGES

Mr. Klotz, the French Minister of Finances, has proposed a bill regarding the formation of a financial society which will bear the name "National Credit for Facilitating the Reparation of War Damages." This institution, with a capital of one hundred million francs, will be established on a very broad basis. In fact, all French banks and industrial and commercial concerns have been requested to participate in its foundation. Its main function will be to effect on account of the state the payment of indemnities prescribed by the bill concerning the reparation of war damages. Moreover, it will make to the small industrials and traders advances with a maximum expiration of ten years and to the amount of 500

million francs, of which four-fifths will be allotted to the invaded districts.

These operations will be made by means of funds obtained through the issue in France or abroad of obligations guaranteed by the inscription in the budget of the state of the annuities corresponding to their interest and amortization. On the other hand, the Crédit National will be allowed to develop its operations also by issuing obligations not guaranteed in the sense just described. It is believed that, thanks to the experience and financial standing of its founders, the new institution will be able to avail itself largely of this last form of credit.

BANQUE DE PARIS ET DES PAYS-BAS

The general assembly of the stockholders of the Banque de Paris et des Pays-Bas has taken place in Paris under the presidency of Mr. Griolet, the president of the council of administration. The bank has given the largest possible help to the financial operations of the French state during the war. This cooperation has been extended also to the credits opened abroad for the financial arrangements with allied and neutral countries. The bank has taken an important part in the negotiations which led to the credit of 350 million pesetas arranged by a consortium of Spanish banks.

The total balance of the bank for 1918 amounts to 681,373,453 francs, which figure represents an augmentation of 61,563,128 francs in comparison with the balance of 1917. The dividends for the same period have been forty francs per share; that is, eight per cent., against thirty-five francs or seven per cent. in 1917.

A NEW BANK

The Comptoir National d'Escompte de Paris and the Crédit Lyonnais have contributed in common to the formation of a new bank with a capital of 25

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EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED

million francs. The bank bears the name "L'Union pour le Crédit à l'Industrie Nationale." The function of this financial institution will be to help the development of industrial, commercial and agricultural enterprises either by extending credits or by disposing of shares and obligations. Through its connection with the two greatest financial institutions of France, the new bank will be able to achieve its work of promoting the business interests of the country.

The president of the council of administration is Emile Bethenod, president of the Crédit Lyonnais, and the vice-president is Paul Boyer, president of the Comptoir National d'Escompte de Paris. The members of the council of administration all belong to the staff of the two great institutions named.

A NATIONAL LOTTERY

A certain number of deputies have introduced a bill regarding the institution of a national lottery of 30 billion francs by bonds of 20 francs with twenty per cent. of lots and with a monthly drawing for five years. Every drawing will comprise one hundred lots of 100,000 francs, 200 lots of 50,000 francs, 400 lots of 25,000 francs, 1,000 lots of 10,000 francs, 2,000 lots of 5,000 francs, 10,000 lots of 1,000 francs, 20,000 lots of 500 francs, 40,000 lots of

250 francs, and 200,000 lots of 100 francs. It is thus hoped that a large portion of the war burden will be liquidated in a way which does not directly affect the financial resources of the people at large.

MEASURES AGAINST THE HIGH COST OF LIVING

The following four measures have been taken against the high cost of living in France: (1) The system of depots for the retail selling of foodstuffs; (2) the opening of restaurants with meals at reasonable prices; (3) the distribution and selling of war stocks at cost price through the medium of coöperative societies; (4) a service of repression of all speculation regarding food and commodities of first necessity.

Henry Roy, a member of the Chamber of Deputies, has been appointed the Government commissary for the execution of the measures. In taking the above measures against the high cost of living, the administration has had in view more the food and the articles of first necessity than the price of merchandise in general. The movement looking to a state control of production and consumption is, however, gaining ground not only on account of the high cost of living, but also on account of the depreciation of the French exchange.

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Economic Conditions in Italy

ITALY'S ECONOMIC AND FINANCIAL PROBLEMS

THE financial situation of Italy continues to be critical. Recent statistics show that the debt of the country was increased by almost nine billion lire since the signing of the armistice. The majority of Italian business men and economists think that the solution lies in the development of the country's industry and commerce. In order to achieve this it is necessary to remove the restrictions on imports and exports. On the other hand, the Government shrinks from accepting this policy on the ground that an unrestricted trade under prevailing conditions would necessarily lead to an adverse balance of imports over exports. Such a situation would contribute to a further depreciation in the Italian exchange, which has already reached an appalling stage.

Before the war the adverse balance

of Italy's trade was about one billion lire. This deficit was, however, met by the gold received from tourists and Italian emigrants. These sources are now out of the question and will continue to be so for some time to come.

The government is inclined to introduce a system of state monopolies in order to solve the problem, but such a step is regarded as unwise by the majority of industrial leaders. The general view prevailing in industrial and financial circles of the country is for the complete freedom of imports and exports. It is believed that under such conditions the trade balance will be restored much more quickly than under a continual state control.

Italy's finances are reflected in the following statement of facts made by the Minister of Finances recently. A deficit of 2 billion 750 million lire is foreseen for the period 1919-1920. The public debt has reached the figure of 77

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CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$50,000,000

billion, 768 million lire, of which 20,303 million lire are made up of Treasury bonds. The foreign debt has increased from 13,851 million lire to 19,008 million lire. On the other hand, the deposits in the saving postal banks have augmented from 3,200 million lire to 4,050 million lire. In order to meet the deficit an extraordinary progressive tax on wealth is considered as probable in the near future. The average rate of the tax will be fifteen per cent. Small fortunes will be exempted from this tax:

RESUMPTION OF TRADE WITH GERMANY

The resumption of trade with Germany has been allowed in Italy since July 27. This measure has been taken chiefly for economic purposes and without any political consideration. In fact, in spite of the economic interchange between the two countries, the Italian Government has not lifted the sequestration of the property belonging to Germans in Italy. The decision in this matter depends upon the Paris Conference.

In resuming trade relations with Germany, Italy expects to mitigate the situation of her industries as regards raw

materials. The proximity of the country and the commercial facilities existing before the war have led to the conviction that the resumption of trade with that country is dictated by Italy's economic interests.

THE CUSTOM HOUSE REVENUE

The revenue of the Italian custom houses during the year 1918-1919, ending June 30, shows an increase of 7 million lire in comparison with the precedent period; that is to say, 614 million lire against 607 million lire. In comparison with the estimate of the budget, which was 412 million lire, the revenue represents an excess of 202 million lire. The wheat imported has reached the amount of 1,808,000 tons against 1,345,000 tons during the period 1917-1918.

The customs tariff of 1887 is the basis of Italy's custom taxes. The Government has in view a radical modification of this tariff in order to meet the new conditions. The chief feature of the new tariff will be an augmentation of the rate of taxes on articles of luxury imported.

Economic Conditions in Belgium

THE REORGANIZATION OF THE BELGIAN RAILWAYS

THE administration of the Belgian railways as a dependency of a department has proved to be inadequate. The Belgian Government has a projected bill which confides the administration of the railways to an autonomous body, constituted under the form of a national management. Such a body will be a sort of a business concern of which the state will be the only stockholder. The management is entrusted to a council of administration under the direct responsibility of the Railroad Minister. The income of the railroads will be eliminated from the budget, though it will flow into the treasury. The new system is very much like that of the Swiss railroad administration.

BANQUE NATIONALE DE BELGIQUE

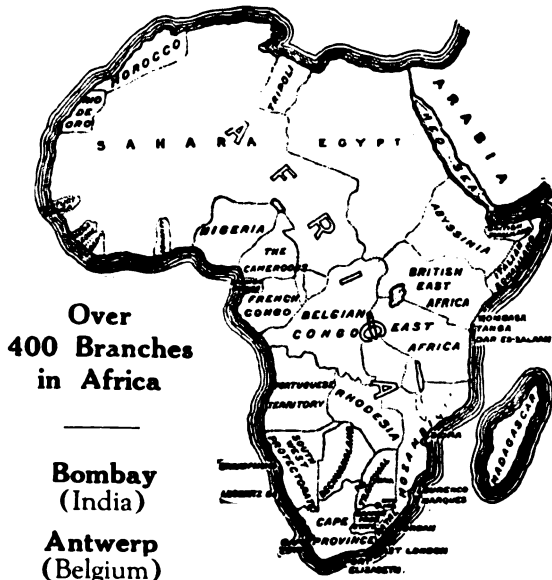
The Banque Nationale de Belgique has resumed the publication of its weekly situation, interrupted by the war. In order to obtain an insight into the conditions of this financial institution it is well to compare its balance of July 23, 1914, with that of June 19, 1919:

	ASSETS	
	July 23, 1914	June 19, 1919
	Francs	Francs
Gold	261,625,000	265,785,000
Silver	69,074,000	26,197,000
Foreign securities	136,777,000	34,209,000
Belgian securities	517,105,000	345,290,000
Advances on public funds	58,000,000	84,398,000
Advances to the state		5,646,318,000
Provincial bonds.		480,000,000
Public funds.....	119,069,000	190,626,000
Total	1,061,660,000	7,072,823,000
	LIABILITIES	
	July 23, 1914	June 19, 1919
	Francs	Francs
Capital and reserves	92,324,000	97,034,000
Notes in circulation	976,399,000	4,699,757,000
Current accounts of the Treasury	19,109,000	1,074,185,000
Private current accounts	67,194,000	1,194,076,000
Miscellaneous ...	5,515,000	2,950,000
Total	1,160,541,000	7,068,002,000

One sees that the Banque Nationale, in spite of the war, has managed not only to hold its gold reserve, but also to increase it by several millions. On the other hand, its silver reserve has diminished by 43 million francs. This fact was due to the panic at the beginning of hostilities when many people came to exchange their notes, whose reimbursement was made exclusively in silver pieces of five francs. The foreign securities held by the bank had also diminished during the war, a fact due to the international insecurity through which Belgium was passing. It is, however, hoped that this source of funds will again reach the pre-war amount, judging by the augmentation during the months of June and July.

The Banque Nationale has been unable to play an active rôle in the financing of the Belgian State during the war because the Germans took hold of all its operations as soon as they occupied Brussels. Its financial help to the Belgian Government began since the signing of the armistice. As seen in the above table, the advances to the state amount to 5,646,318,000 francs. This amount was chiefly used to replace the circulation of the mark, imposed by the enemy during the invasion. The replacement of the German marks explains the abnormal amount of bank notes in circulation. The monetary inflation is a little attenuated by the credit which the Belgian State actually possesses both at home and abroad. Finally, the unusual figure of private current accounts is the natural result of the present economic and financial conditions of the country, which are prevailing also in the majority of European countries. The excessive abundance of paper money, the enormous war benefits realized by some depositors, and the stagnation of business with regard to the employment of capital, explain why the current accounts of the bank have augmented. On the whole, the situation of the Banque Nationale de Belgique is prosperous, and the bank is prepared to take an active

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Total Resources over \$287,000,000

hand in the reconstruction work of the country.

THE ECONOMIC POLICY OF BELGIUM

The committee on economic affairs of the Belgian Chamber of Deputies has sent to the Government the following remarks concerning the economic policy which Belgium should follow in order to redress its economic conditions. Belgium will remain true to her pre-war policy of free interchange toward other nations. However, this policy cannot be observed toward the central powers as long as these have not restored and repaid the losses caused by the ruin of Belgian industries. There will be a double tariff, one for all the allied and friendly countries, another for the central powers. The taxes on foodstuffs and raw material will be suppressed. A permanent commission made up of representatives of Parliament, commerce, industry and agriculture will supervise all questions pertaining to foreign trade and the regulations of the custom house.



Expansion of the Business of London Banks

THE "Monthly Review," published by the London Joint City and Midland Bank, says that there has been a further considerable expansion in the resources of the banks of London during the half-year ended June 30. This is shown in the compilation of the principal figures of the five largest members of the London Bankers' Clearing House, the deposits of which represent about two-thirds of the total deposits of the banks of the United Kingdom, excluding the Bank of England. The figures presented indicate the position just before the outbreak of the war, on December 31, 1918, and on June 30 last. During the past half-year the deposits of the five great banks have expanded by almost 200 millions to just over 1,500 millions pounds sterling. Five years ago the deposits of these banks as now constituted amounted to 639 millions, so that in the interval the addition has been 865 millions, or an increase of

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of New Orleans

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Hibernia Securities Company, Inc.

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135 per cent. This large increase has been due in the main to the creation of credit, resulting from direct and indirect investment by the banks in Government securities. Only a relatively small amount of the addition is attributable to the exclusion from the pre-war totals of the figures of certain provincial institutions which have since been amalgamated with the London banks.

The combined expansion of 865 millions in deposits is reflected on the other side of the accounts by an increase of 184 millions in cash, 212 millions in money at call and at short notice, 172 millions in investments, and 309 millions in bills and advances. Compared with the position at the end of December, 1918, an increase of 71 millions is recorded in the holding of money at call and short notice, and of only 19 millions in bills and advances. This arises in large measure from the temporary suspension of Treasury bill sales at the end of May.

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MERCANTILE BANK *of the* AMERICAS

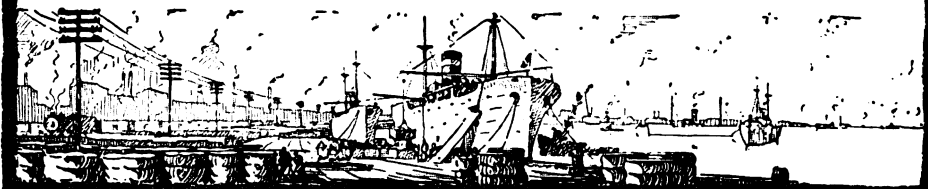
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The Solvency of the Allies

THAT the present resources and producing power of the four principal European Allies are ample to enable them not only to meet all war obligations, but regain their normal position in the world's business as well, is brought forth in the illustrated booklet, "The Solvency of the Allies," a comprehensive survey of European financial conditions published by the Guaranty Trust Company of New York. The booklet presents an impartial analysis of the war debts—internal and external—of Great Britain, France, Belgium and Italy; an especially vital subject in this country, since our own Government is the largest creditor of the Allies. In the introduction, the booklet says in part:

The larger portion of the war debt of the Allies is internal. The ability to meet an internal debt is purely a fiscal problem, because there are no additions or subtractions to the national wealth and the pay-

ment of interest on the debt implies the taxation of the people as a whole, interest being paid to present holders of the bonds, which effects only a partial redistribution of the national wealth.

The problem of meeting external debts is of vital significance to the national wealth of the country. It means the actual shipping out of products, and does not add to the wealth of the country. However, during the period of war finance, the creation of an external debt is of material benefit, because it increases the power of a warring nation to obtain supplies of materials produced by other peoples, thereby adding to its war-making power. This is a burden rightly to be borne by future generations.

GREAT BRITAIN

Great Britain's expenditures growing directly and indirectly out of the war greatly exceed those of any other Allied nation. Eighty-two per cent. of the debt thus accumulated is internal, and involves no transfer of wealth to other countries. Of the external debt the booklet says:

WE assist manufacturers and merchants in financing their exports and imports. Our officers will be glad to confer with you.

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Brussels, Belgium
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Panama City, Panama
Cristobal, Canal Zone
Cali, Colombia
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The interest and amortization of the other eighteen per cent. of the debt, which is owed abroad, will amount to approximately \$360,000,000. As an offset, the interest due Great Britain on advances made to Allies and Dominions amounts approximately to 1.3 times the total interest on the external debt. Payments, in the main, will have to be made in the form of commodities or service, which, in international trade accounts, contribute to the credit or export side of the ledger. To what extent England's export trade will be stimulated by this situation is problematic. For many years the United Kingdom has imported more goods than it has exported, but this so-called unfavorable balance of trade has been offset by international payments which do not enter into the reports of foreign trade.

FOREIGN INVESTMENTS

Chief among these counter-balancing items in the case of Britain have been the returns from investments abroad and the receipts of British owned ocean-carriers.

It is estimated that British foreign investments before the war amounted to \$19,464,000,000, and that they now approximate \$14,500,000,000. Broadly speaking, then, the returns from foreign investment that may be relied upon in balancing the interna-

tional account have been reduced by about one-fourth during the war. Nevertheless, the remaining foreign investments exceed the external debt by about \$8,000,000,000 and the yield from these investments at normal rates would not only pay the interest on that debt but also leave a large margin to England's credit.

As an offset to England's loss of manpower in the war, the booklet cites the manifold improvements in the industrial organization of the country during the war, particularly in the manufacturing industry, where old-fashioned machinery and ideas have been replaced by fool-proof tools capable of manipulation by unskilled labor. Standardization of products and processes has also made the loss of manpower in industry less keenly felt. On this point it is said:

Much depends upon the spirit and temper of a people. Their record of achievements in industry and finance has amply demonstrated the capacity of the English for doing big things in a big way, and for meeting emergencies with the requisite energy and ability. In view of the advantages accruing from a century of progress in the realms of industry and finance, it may

THE DOMINION BANK

Established 1871

Paid up Capital and Reserve Fund \$13,000,000

Total Assets . . . \$120,000,000

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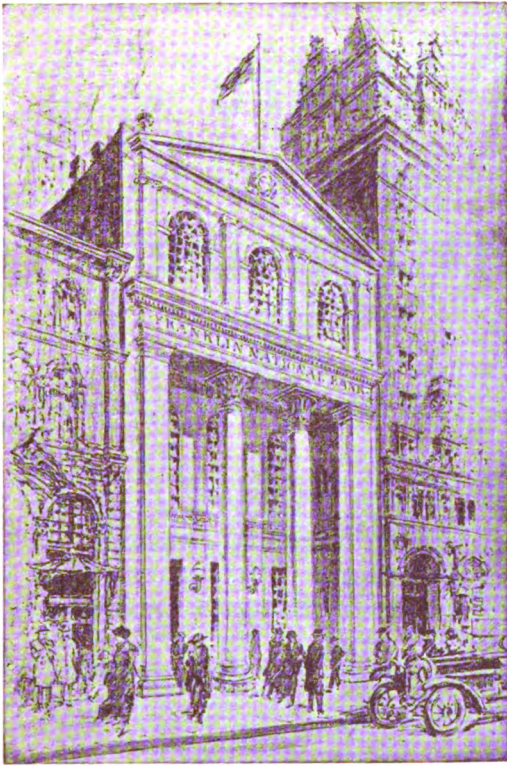
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ORGANIZED in 1900,
The Franklin National
Bank of Philadelphia has
capital of one million dollars,
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dollars, and total resources
of over seventy million dol-
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substantial and unequalled.

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***23 Branches in South America
8 Offices in Spain, France and England***

AN INTIMATE KNOWLEDGE of the people, their habits, social and economic customs is of essential importance when transacting business abroad. Such knowledge can be gained only through a constant study of the needs and daily habits of the people, acquired by years of experience and actual residence in the countries themselves.

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Twenty-three of our own branches in Latin America, eight offices in Europe and direct connections throughout the world enable us to furnish accurate trade and credit information on foreign markets.

*The facilities of this institution are at your disposal
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BANK, LIMITED**

New York Agency, 49 Broadway

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**Head Office
London**

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**Capital and Reserve
Over \$32,000,000**



THE NATIONAL SHAWMUT BANK OF BOSTON

Resources over \$225,000,000

be expected that Great Britain will again recover from the effects of war no less quickly than it did a century ago.

FRANCE

France, though heavily burdened by the internal debt contracted during the war, will be able to carry her external debt with no great difficulty, it is predicted. Of the total debt, about \$5,785,000,000 is external. As offsets to the external debt, there are French investments abroad estimated at \$8,100,000,000. The peace budget of France will require approximately 16,000,000,000 or 17,000,000,000 francs, which is three times the budget of 1914. The service of the debt, which it is estimated will be 200,000,000,000 francs in 1920, is placed at 10,000,000,000 francs.

France recovered rapidly after the overwhelming defeat and loss of important territory in 1870. Now, heartened by victory and with productive equipment enlarged, it may be expected that recovery in the present period of reconstruction will be no less phenomenal than in the earlier period. The fundamental economic situation appears to be on a sound basis. With some outside assistance in the form of capital and labor, there may be built up a great industrial nation—the New France, sharing in the expanding world trade on a scale commensur-

ate with the country's resources and advantageous location.

BELGIUM

Belgium's case is unique in that the country was almost completely overrun by the enemy, although the sudden invasion hindered mobilization to such an extent that the depletion of man-power was less, proportionately, than that experienced by any other belligerent nation.

The proved industrial capacity and dependable character of the masses of the Belgian workers are the nation's best assets in the present emergency. The record of the nation's achievements in the past and its quiet and confident grappling with present difficulties are the surest guarantee that Belgium can and will conquer in peace as she did in war.

ITALY

The definite completion of Italian unity as a result of the recent war affords Italy the first opportunity to use the country's economic resources freely in the creation of a modern industrial system. This achievement has been made at great cost to the Italian people, of course. While the national debt has been greatly increased, at the same time the country's economic power has been enhanced.

The debt of Italy on March 31, 1919, in-

Developing Commerce With the British Colonies

The African British Crown Provinces are potentially the richest colonial possessions of Great Britain. Large exporters of natural products, they import manufactured articles in practically every known character of goods. Imports into Nigeria alone during the past year in nine important articles of commerce totalled more than \$15,000,000, divided as follows:

Cotton Goods	\$7,500,000
Coopers Stores	1,750,000
Tobacco	1,530,000
Salt	1,500,000
Flour	500,000
Sacks and Bags.....	1,000,000
Kerosene Oil	350,000
Bread and Biscuits.....	160,000
Iron and Steel.....	1,250,000

Exports in four leading commodities were divided as follows:

Palm Oils	\$5,000,000
Palm Kernels	5,000,000
Tin Ore	4,000,000
Hides and Skins.....	3,500,000

American merchants and manufacturers will find in British West and North Africa rich markets capable of wonderful development. To all desiring to enter them the bank of British West Africa extends its fullest facilities for co-operation and service in developing trade with that territory.

BRANCHES:

Egypt	Sierra Leone	Togoland
Morocco	Liberia	Nigeria
Canary Islands	French Ivory Coast	Fernando Po
Gambia	Gold Coast and Ashanti	

Our New York Agents will be glad to provide information on trade to these colonies.

Bank of British West Africa

Limited

New York Office—100 Beaver Street.

Head Office, London

R. R. Appleby, N. Y. Agent

Subscribed Capital \$10,000,000

Paid Up \$4,000,000

Surplus and Undivided Profits \$2,000,000

Union Service Girdles the World

From Shanghai, the commercial heart of China, to London, the marketplace of the world, stretch the ramifications of the service of the Union Bank of Canada. Through its New York and London Agencies and the branches of the Park Union Foreign Banking Corporation in the Far East, direct access is afforded its 375 branches in Canada to the markets of the Northern Hemisphere.

This world wide service is always at the disposal of American bankers handling Canadian business. They will find the New York Agency of the Union Bank of Canada equipped to facilitate business with all parts of the Dominion.

A List of Our Branches on Request

Union Bank of Canada

Head Office
Winnipeg, Can.

New York Agency, 49 Wall St.
W. J. Dawson, F. L. Appleby, W. M. Forrest,
Agents

Capital & Surplus
\$9,786,522

cluding paper money, was \$13,079,918,807, of which about three-fourths was internal. The external debt, amounting to \$3,330,141,784, consisted entirely of credits extended during the war by the United States Government and the Allies. The pre-war debt was approximately \$2,631,748,000. The annual interest on the entire debt as of March 31, 1919, is approximately \$577,234,230.

Italy is well situated to serve as the principal entre-pot between the Far East and Central and Southern Europe. Italians with their historic legacy of maritime supremacy and their proved initiative will not fail to avail themselves of the opportunity to develop Italian industry and commerce.

SUMMARY

Stupendous as are Europe's financial burdens, titanic as are its economic tasks, one of its paramount problems is essentially psychological. In order to recover rapidly from the effects of the war, Europe needs, quite as urgently as it requires machinery and raw materials, a revival of industrial will-power. We should remember that, in the final analysis, the products of the mines, fields, and factories won the war and that they alone can win the greater victory of

peace. It is for the purpose of enabling Europe to obtain quantities of these vital products and to regain her industrial will-power that we must do our full duty in the present world crisis.

The United States is abundantly equipped to perform its proper function in the peace era. This country produces twenty per cent. of the world's supply of gold; twenty-five per cent. of the world's supply of wheat; forty per cent. of the world's iron and steel; forty per cent. of the world's silver; fifty per cent. of the world's zinc; fifty-two per cent. of the world's aluminum; sixty per cent. of the world's cotton; sixty-six per cent. of the world's supply of oil, and seventy-five per cent. of the world's corn. This country refines eighty per cent. of the world's copper, and operates forty per cent. of the world's railroads.

But most valuable of all, the stimulus which the dire necessities of war supplied to American inventiveness, resourcefulness, productiveness, courage, and spirit of adventure, constitutes a national asset which not only transcends the bounds of material computation but challenges the boldest imagination. In brief, American genius, efficiency, and common sense must aid our gallant Allies in achieving the still greater victory of peace.

The Union Bank of Manchester, Limited

Head Office
17 York St., Manchester, Eng.

Liverpool Office
45 Castle St., Liverpool, Eng.

and branches covering the whole of the district tributary to these two cities, and also WEST YORKSHIRE; including LEEDS, SHEFFIELD, BRADFORD, SALFORD, BIRKENHEAD, OLDHAM, BOLTON, HURV, ROCHDALE, STOCKPORT, HALIFAX (ENG.), HUDDERSFIELD, etc., etc.

Nominal Capital	<u>\$12,500,000</u>
Paid-up Capital	3,750,000
Reserve Capital	<u>3,750,000</u>
Subscribed Capital	7,500,000
Reserves	<u>2,825,000</u>
Surplus over Liabilities	<u>10,325,000</u>

Bankers in the United States and Canada are invited to make use of the Bank's services for all kinds of banking business in the district where the Bank operates, and in Great Britain generally. Collections promptly dealt with, and proceeds remitted by draft or cable transfer on New York, or as desired. Favorable terms.

North American Mails are usually delivered in Manchester and Liverpool earlier than in London.

Tribute to Sir Edward Holden

ALTHOUGH THE BANKERS MAGAZINE has already made mention of the death of Sir Edward Holden, it finds a more extended account of his banking services in the "Monthly Review," of September 1, published by the London Joint City and Midland Bank, and this is reproduced below:

IT is with profound sorrow that we have to chronicle the great loss which the London Joint City and Midland Bank and those connected with its administration have sustained by the death of Sir Edward H. Holden, Bart., for some years past its chairman and managing director. The deeply deplored event took place suddenly in Scotland on July 23, in his 72d year. It is not this bank alone that has suffered an immeasurable loss. The world of finance in the widest meaning of the phrase has lost a sagacious authority; the government have lost a prudent counsellor; and the commercial community is very much the poorer by the loss of an expert preëminent in his experience of everything connected with the financing of trade. Those who are left to carry on the work which he so successfully

initiated and developed can never forget that Sir Edward's foresight and comprehensive grasp of essentials were the chief instruments in transforming a small provincial bank into the leading joint-stock bank of the world. This fact is in itself some measure of the greatness of the personality that has ceased to direct us, and it is but natural that in the closing years of his full life the man who did so much to revolutionize modern banking by vastly enlarging its scope and influence should have been a great figure in international finance.

Although the leading circumstances in Sir Edward's life have already been set forth by the press of this and other countries, it seems fitting that they should be recounted in this "Review." Born May 11, 1848, at Tottington (now in the Heywood Division of), Lancashire, he spent most of his youth and early manhood in the neighboring village of Summerseat, in the little cemetery of which his mortal remains were laid to rest last month. In the day school of that village he received his early education, both as scholar and pupil teacher, and it was there, too, that he became acquainted with the lady who was afterwards his wife. In 1867 some friendly influence obtained for him a junior clerkship in the Manchester

London and River Plate Bank, Limited.

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Agency: MANCHESTER, 86 Cross Street

Paris Branch: 16 Rue Halevy.

Antwerp Branch: 22 Place de Meir

Lisbon Branch: 32 Rua Aurea

	(\$5 = £1.)
CAPITAL (Authorized) - - - - -	\$20,000,000
SUBSCRIBED CAPITAL - - - - -	15,000,000
PAID-UP CAPITAL - - - - -	9,000,000
RESERVE FUND - - - - -	10,500,000

DIRECTORS.

E. ROSS DUFFIELD, Esq.
RICHARD FOSTER, Esq.
FOLLETT HOLT, Esq., M. Inst. C.E.
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Correspondents in all other places of importance in these South American Countries.

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Drafts and Cable Transfers Sold on all Branches and Agencies.

Commercial and Travelers Letters of Credit Issued.

New York Agency, 51 Wall Street, WM. R. ROBBINS, AGENT.

and County Bank, and from this unobtrusive beginning on the lowest rung of the ladder he rose without favor and by his own sheer merit. During the fourteen years which he spent in the service of that bank, he was always striving for self-improvement. He joined the night classes at Owen's College, and made a diligent study of political economy, logic, and law, as well as of the principles of banking as then understood, and thus equipped himself with theoretical knowledge which he afterwards applied to practical experience.

In 1881 Sir Edward migrated to Birmingham, where he obtained an appointment as accountant of the Birmingham and Midland Bank. This institution, established in 1836, was the nucleus of the present London Joint City and Midland Bank. At the time of his appointment it was a relatively small concern with three branch offices, a paid-up capital of £300,000, and deposits of \$2,048,000. Here Sir Edward's rise was almost phenomenally rapid. The new accountant displayed such valuable qualities that he became successively secretary, assistant manager, assistant general manager, joint general manager and general manager. And even these steps, important though they were, were but approaches to the higher and almost autocratic dual position of chairman and managing director which he had occupied for some years prior to his death.

The Birmingham and Midland, before he joined it, had acquired three small banks, and it was not until Sir Edward (then Mr.) Holden had become familiar with his new surroundings that the bank's policy of expansion received its first important impetus. He began by opening new branches, and, having given his directors tangible proof of the soundness of his judgment, prevailed upon them in 1889 to reject an offer of amalgamation from another bank and to allow him to buy his first bank. The venture was a success and thereafter the tide of amalgamation flowed swiftly. For the first few years he confined his attention to little banks, the principal absorption being that of the Central Bank of London in 1891, when the name was changed to the London and Midland, but the success of his policy emboldened him, and in 1898 he took over the City Bank, a comparatively large London institution. This amalgamation involved a further change in the name of the bank to the London City and Midland, by which it was known until last autumn, when the London Joint Stock Bank was taken over and the present title was adopted. Particulars of the amalgamations for which Sir Edward was responsible are given on a later page, where we also show the position of the bank when he entered it in 1881 and at the end of the last half-year.

It would be misleading to lay stress only



The National Bank of the REPUBLIC OF CHICAGO

**OFFERS exceptional service in exceptional times,
and invites the accounts of responsible people
requiring Chicago facilities.**

Capital

and

Surplus

\$3,000,000

OFFICERS

John A. Lynch - - - President	Wm. B. Lavinia - - - Asst. Cashier
Wm. T. Fenton, 1st Vice-Pres. & Mgr.	Thomas D. Allin - - - Asst. Cashier
Robt. M. McKinney - 2nd Vice-Pres.	Louis J. Meshl - - - Asst. Cashier
Watkin W. Kneath, - 3rd Vice-Pres.	Wm. C. Freeman - - - Asst. Cashier
Oscar H. Swan - - - Cashier	Chas. S. Macferran - - Asst. Cashier
Walter L. Johnson - - - Asst. Cashier	

upon the great expansion of the bank's business that has resulted from amalgamation. It was Sir Edward's policy, more especially after he became managing director in 1898 and chairman in 1908, to originate and carry out extensions and improvements of all kinds with a view to enabling this bank to be in the forefront of banking competition. He was the first British banker to establish a foreign exchange department, to open branches on a wide scale throughout the country; and to enter the banking fields of Ireland and Scotland, and was among the first to open special departments for dealing in stock and share transactions, shipping, and with trusts and wills, to mention only a few of his improvements. That he was successful in these directions is evident from the results achieved, and the fact that other institutions have imitated his policy is proof, if any were needed, of its practical utility. Throughout his later years, during which time the banks of the country were increasing in size and in power, he was a great believer in free competition and always set his face resolutely against anything in the nature of a "ring," or against anything which might deprive the public of facilities to which they were legitimately entitled. In addition to his exceptional powers of organization and concentration he possessed the still more exceptional gift of imagination,

that great gift without which signal triumph can hardly be achieved in any business. His distinguished career shows that he had great ideas; that his mind was ever alert to the possibilities of accelerated growth; and that his application of the one and encouragement of the other were based upon the soundest principles of commercial prudence. In a word, his enterprise though bold and ambitious was regulated by a fine sense of proportion and a total absence of anything in the nature of adventure. It was imagination harnessed to sound judgment. When to the qualities enumerated are added those of strength and nobility of character, the sum total is a convincing explanation of Sir Edward's power.

His public speeches were prepared with a thoroughness which characterized all his work and covered a wide range of financial and economic subjects. For some years before the war he strongly advocated the necessity for increasing gold reserves, and pleaded for the adoption of a currency system more responsive to the requirements of the country. His views did not invariably pass unchallenged, but that there was always a large public anxious to know what he had to say and to give him a respectful and generally an appreciative hearing is evident from the demand for these speeches of which nearly one hundred thousand copies

The Bank of the Philippine Islands

(ESTABLISHED 1851)

MANILA, P. I.

BRANCHES: ILOILO AND ZAMBOANGA

ELISEO SENDRES, President

RAFAEL MORENO, Secretary

D. GARCIA, Cashier

O. M. SHUMAN, Chief Foreign Dept.



Authorized Capital	(pesos) 10,000,000.00
Capital fully paid-up	6,704,600.00
Reserve Funds	3,577,300.00

(\$0.50 = 1 peso)

Transacts general banking business. Buys and sells exchange on all the principal cities of the world.

AGENTS

London: Nat'l Bank of Scotland, Ltd.
 Spain: Banco Hispano Americano
 Hongkong: Netherlands India Com'l Bank
 San Francisco: Wells Fargo Nevada Nat'l Bank
 New York: National City Bank, The Guaranty Trust Company and The Equitable Trust Co.

Paris: Comptoir Nat'l d'Escompte
 Australia: Bank of New South Wales
 Shanghai: Bank of Canton, Ltd.
 Chicago: Continental & Commercial Nat'l Bank
 Japan: Yokohama Specie Bank, Ltd., Bank of Taiwan, Ltd., and Sumitomo Bank, Ltd.

were circulated in pamphlet form each year.

The Government was glad to secure the benefit of his knowledge and services, more particularly in 1914, when the sudden outbreak of war threatened us with a financial crisis. The assistance he then gave, directly and indirectly, was of the greatest value and helped very considerably in the solution of the problems confronting the country. Again, in the autumn of 1915 Sir Edward visited the United States as a member of the Anglo-French Commission to discuss with the American authorities the question of stabilizing the exchanges and the negotiation of a joint loan for England and France. The visit of the Commission was a success, and an improvement in the exchanges, resulting from the placing of a loan for 500 million dollars, preceded the pegging of sterling at the rate of 4.76½. This loan was the only one issued in America without the deposit of collateral security before the United States entered the war. This distinctive feature and the success of the issue have frequently been attributed to the efforts of Sir Edward, who was able to induce his wide circle of American banking friends to rally to the support of the loan. Throughout the war he was in touch with the Treasury on matters of national finance, and materially assisted each successive Chancellor of the Exchequer in the issue of the various loans. His advice, in brief,

was sought on all important financial and economic problems both at home and abroad.

In 1906 Sir Edward became the Liberal representative in Parliament of the Heywood Division of Lancashire which, as already stated, included the home of his boyhood. He gave a good deal of time to committee work, more particularly in connection with finance, but the heavy labors involved in the control of the bank influenced his retirement from the House of Commons in 1910. In his own interests and in those of the bank Sir Edward was wise to abandon Parliamentary life, and to concentrate his energies upon the institution which was always his prime consideration, and which he regarded as his life's work. In 1909 the honor of a baronetcy was bestowed upon him in recognition of his eminence as a banker and his valued help and advice to the Government of the day, but further honors he firmly refused.

This sketch would be incomplete if it omitted to mention one of Sir Edward's qualities which perhaps, is not always associated with the successful man of business. A bank manager, if he is to do justice to his bank, must often repress his personal feelings. This necessity may lead to the unfair inference that he has no feelings. Anyone who ever thought this of Sir Edward Holden made a colossal mistake. In the very essence of his nature he was a

Efficient Banking Service in Cuba

is assured by this institution, with its head office in Havana and eighty-two branches throughout the Island, enabling us adequately to serve your Cuban banking requirements in regard to collections, credit information, commercial credits and foreign exchange. Inquiries are cordially invited.



tender-hearted man, and, outside the restrictions imposed by his responsibility to others, was more amenable than most men to an appeal for charity or to a plea for forbearance. With the numberless private exercises of such good nature we have no concern, but there are public, or at least semi-public, actions to which reference may suitably be made. As a Lancashire man he was instrumental in founding in July, 1917, a society for ministering to the needs of wounded Lancastrians in London hospitals. Large sums of money were collected, to which he himself made generous contributions, and these were applied to the purchase of comforts for the wounded soldiers from his old county. So successful was the work that Sir Edward was solicited to found a similar Society for wounded Warwickshire lads in London, and this he did with equally satisfactory results. He also acted as Hon. Treasurer of the Chevrons Club, and recently started an employment bureau for finding work for non-commissioned officers and men.

One more example of his beneficent activity may be cited. In 1911 it was found that the constitution of the Yorkshire Penny Bank was in need of revision. Sir Edward took up the matter with other important banks, devised a scheme of reconstitution, and from that time until his death personally directed the policy of the newly-formed

institution with conspicuous success. Today the Yorkshire Penny Bank has over 900,000 accounts aggregating £26,000,000, and no bank in the country is in a sounder or more liquid condition.

Sir Edward, in these voluntary ministrations to the needs of others as well as in countless acts of kindness to those with whom he was in daily contact, showed that the inflexible man of business had a very human side. He was an illustrious example of what can be done by perseverance and integrity in achieving a great position. His name as that of a great financier will be honored and remembered for years to come, but it is as the loyal friend of those who had the privilege of serving him that he will be held in affectionate remembrance in the London Joint City and Midland Bank.



Extension of Activities of Lloyds Bank, Limited

CONCERNING the acquisition by Lloyds Bank, Limited, of shares in the National Bank of New Zealand, Limited, and the Bank of British West

BANKAKTIEBOLAGET SÖDRA SVERIGE

Head Office : HELSINGBORG, Sweden

Branches STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS and in 62 other
Places in Sweden

(\$0.26 = 1 Kr.)

Capital Paid Up	. . .	Kr. 30,000,000
Surplus About	. . .	Kr. 17,200,000
Resources About	. . .	Kr. 373,000,000

The organization and excellent relations of this Bank secure to its clients the most efficient handling of their business on moderate terms

Inquiries and applications for terms are cordially invited and will find prompt attention

Principal New York Correspondents { The Mechanics & Metals National Bank
The National City Bank of New York

Africa, Limited, "Lloyds Bank Monthly Financial Report" says:

We announced last month that a further extension of the activities of Lloyds Bank Limited had occurred owing to the acquisition of shares in the National Bank of New Zealand Limited and the Bank of British West Africa Limited. Thereby Lloyds Bank becomes a partner in two important businesses working in different parts of the world and is thus able to add very considerably to existing facilities for the conduct of international trade. Indirectly, further facilities will be afforded its customers in another part of the world as a company has been formed by Lloyds Bank and two other banks in conjunction with the British Trade Corporation, under the title of the South Russian Banking Agency, for the purpose of providing banking facilities and of fostering trade relations between Southern Russia and this country. Four directors have been appointed—one by each of the founding institutions.

The National Bank of New Zealand, Limited, is incorporated in England under the Companies Act and in New Zealand by Special Act of the General Assembly. It was formed in 1872 with a paid-up capital of £350,000. At the present time the authorized capital is £3,000,000 in 400,000 shares of £7 10s. each. On March 31st last 300,000 shares had been issued and £2 10s. per share paid up, so that the paid-up capital was £750,000. The reserve fund was £730,000, but an addition of £20,000 from profits brought up the total to a sum equal to the paid-up capital. The Bank has a note issue, the circulation being £1,177,271. The deposits exceed £6,600,000.

For each year since 1911 the bank has paid a dividend of twelve per cent. and a bonus of one per cent. The head office is at 17 Moorgate street, London, while the chief office in New Zealand is at Wellington. There are forty-three branches and eighteen agencies in all in New Zealand. The balance of the capital has now been

issued and Lloyds Bank has subscribed for 50,000 of the 100,000 new shares.

The Bank of British West Africa, Limited, is a comparatively new concern, which commenced business in 1894. It is the banker of the Government of Gambia, Sierra Leone, Gold Coast, and Nigeria. The authorized capital is £2,000,000, in 200,000 shares of £10 each, of which, at March 31 last, 145,000 shares had been issued and £1 per share called up, making the paid-up capital £580,000. The remaining 55,000 shares have since been issued, and Lloyds Bank has subscribed for 22,500 of the new shares in addition to a further 15,000 shares acquired by private treaty. It thus holds 37,500 shares out of a total of 200,000 shares now issued. The reserve fund amounts to £250,000, while the deposits are rapidly approaching £7,000,000.

For the past twelve months the dividend was nine per cent. as compared with eight per cent. for each of the two previous years and six and one-half per cent. for the year to March 31, 1915. The head office is at 17 and 18 Leadenhall street, London. Other offices are at Liverpool, Manchester, and New York. There are six branches in Morocco, one in Egypt, one in the Canary Islands, one in Gambia, two in Sierra Leone, one in Liberia, one in Togoland, ten in the Gold Coast and Ashanti, fifteen in Nigeria and one in Fernando Po. In addition there are twenty-four agencies.



Appointed Assistant Secretary of Italian Discount and Trust Company

HUGH F. DONNELLY, credit manager of the Italian Discount and Trust Company, New York, has been appointed assistant secretary of that company.

A French-American Union

MAURICE LEWANDOWSKI, director of the Comptoir National d'Escompte de Paris, has been in the United States recently, with the French Financial Mission attending the Atlantic City trade conference and in connection with the French-American Banking Corporation, recently organized, fifty per cent. of the stock of which is owned by his bank, twenty-five per cent. by the First National Bank of



MAURICE LEWANDOWSKI

Managing Director Comptoir National d'Escompte de Paris

— A distinguished European banker who combines with a wide experience in foreign financial affairs a thorough understanding of America and complete sympathy with our ideals and institutions.

Boston and twenty-five by the National Bank of Commerce of New York.

While visiting Boston, M. Lewandowski was entertained at a luncheon given by President Wing of the First National and attended by prominent Boston bankers. In his address at this luncheon M. Lewandowski said:

It is the first time that French and American banks have allied themselves to walk together in foreign business. In the future we hope that the relations thus established, working through our branches in the Far East and other parts of the world, and through the fields covered by these two great American banks, will enable us to extend these banking facilities to a far greater volume.

The Comptoir has not discovered America just recently. Among all the French banks, we were the first to direct our activities and our attention to the United States, and in the past forty years we have always taken a lively interest in your country's prosperity and progress. As early as 1877 the Comptoir started opening branches in the United States. Later on, in 1903, this policy was modified and a general representative was permanently established in New York for the purpose of maintaining a close contact with American banks and American affairs. Today, in order to prepare for new needs and new conditions, and in order to assure a larger degree of coöperation, we have a still more perfect instrument in the form of the French American Banking Corporation.

France put forward a great war army. But she has a still greater and more powerful army to fight the battles of peace, and that is her army of money-savers. The industrial and frugal habits of the French people are exemplified by the savings bank deposits, which for a population of say, 37,000,000 people, show 15,000,000 bank books, representing 5,000,000,000 francs and by holdings of securities estimated before the war at 115,000,000,000, including 40,000,000,000 in foreign securities, among which about 12,000,000,000 were Russian.

That this power and the will to save have not been diminished by the war is proved by the war loans which were issued to the extent of 53,000,000,000 in Perpetual Rentes besides temporary Treasury Certificates averaging about 30,000,000,000 francs. The last issue of Rentes had more than 7,000,000 subscribers.

Another element of strength, where France excels by far, is the great subdivision of real property. France has 12,000,000 householders, of whom 9,000,000 live in their own homes, paying rent to nobody.

These householders and their families are the majority of the workers of France, and they will not listen to Utopian theories as long as they own a foot of ground, a bank book, or a few bonds. The France which works is also the France which possesses, and therein lies our guarantee against social revolutions, as well as our guarantee for our financial recovery.

French finances naturally are affected just now by the loss of one-quarter of its revenues, owing to the destruction in the

northern and eastern sections. France, however, has ample resources to raise the necessary taxes and pay her way.

France has passed through many crises, and never failed to meet her engagements. Her balance of trade, upset for the time being on account of exceptional war requirements, is bound to come back, for the French people have not only that wonderful gift of saving, but that still more wonderful gift of appreciating that putting their savings to work for the development of the world at large, in the form of foreign investments, is like throwing bread upon the waters. They will continue doing so, as soon as the initial stages of the reconstruction at home have been passed. France today is merely in the position of an old-established business house of the highest reputation, having ample resources, but being temporarily inconvenienced through circumstances not of its making. Her experience and inherent economic strength will enable her to overcome all obstacles in due course, but there is an unusual opportunity for a clear-eyed friend to become a full-fledged partner at once. Such opportunities come but once in a lifetime. Since my arrival in America I have many times been asked the question, "What do you think of the exchange problem and more particularly French exchange?" To my mind it is like this:

For many years during and after the Civil War, your American dollar was very much depreciated, and the gold dollar went to a heavy premium. Supposing the farmers raising wheat, cattle, etc., had wanted to sell only for actual gold dollars, they could not have sold much, as there was not sufficient gold available. The consumer would have had to tighten his belt, and to get along the best he could with what he could purchase elsewhere. But the farmers accepted the depreciated paper dollars and put them to productive uses, having more or less faith in the signatures of your "Uncle Sam" on those paper dollars.

It is the same with "franc" exchange. If you want to do business with France, you must have faith in the signature of France. You must either advance her the dollars which she has not got, or you must accept her own currency in payment for your goods, and put the French currency thus acquired to productive uses. It will yield tenfold, like bread cast upon the waters.

Although he was the senior executive officer of the largest French commercial bank, with great financial burdens resting upon his shoulders, M. Lewandowski went into the military service and spent two years at the front as a private in charge of evacuating the wounded in one section, and looking

after the stretcher bearers and ambulances. During one engagement he won the Croix de Guerre for his bravery in getting two wounded men back to the ambulances under fire. He also has been decorated with the emblem of the Legion of Honor, conferred upon him for distinguished service to his country after his second visit to Argentina, in 1911, when he helped to arrange for better trade and financial relations between the South American republic and his own. Incidentally, M. Lewandowski is an author as well as one of the leaders in French finance, he having written a book entitled "The Argentine in the Twentieth Century."

The Comptoir was founded by the city of Paris about seventy years ago, to handle the commercial business of the city and for a number of years thereafter the executive officer was appointed by the city. Now the bank has grown to such an extent that it requires the services of three managing directors who are chosen by the directors the same as in this country. The deposits now total about 2,000,000,000 francs, or about \$400,000,000.



Sir Edward Holden's Successor

REGINALD McKENNA, who has succeeded the late Sir Edward Holden as chairman of the board of directors of the London Joint City and Midland Bank, Limited, was born in London on July 6, 1863, the youngest son of the late William Columban McKenna. He was educated privately at King's College, London, and at Trinity Hall, Cambridge, where he was a scholar and took honors in mathematics and was made an Hon. Fellow in 1916. Mr. McKenna was married in 1908 to Pamela, daughter of Sir Herbert Jekyll, and has two sons.

He was called to the bar and practised for seven or eight years. In 1895 he was elected a Member of Parliament

from Monmouthshire and retained his seat until 1918. His first introduction to the Treasury was in 1905, as Financial Secretary. He remained there until the beginning of 1907, when he was taken into the Cabinet as president of the Board of Education.

Mr. McKenna really made his mark at the Admiralty, where he became First Lord in April, 1908, and remained



RT. HON. REGINALD McKENNA
London Joint City and Midland Bank, Ltd., London

for three and one-half years, a period memorable for the great struggle Mr. McKenna had to secure an adequate navy, a task in which he ultimately triumphed by providing the battleships that were just completed before the outbreak of the war in 1914.

He became Home Secretary in October, 1911, and remained at the Home Office for three and one-half years, during which period several important measures were adopted by the Legislature, including the Welsh Church Act,

the Administration of Criminal Justice Act, and the Board of Control Act, which reformed the administration of the Lunacy Laws and established a humane system of treatment for the mentally deficient.

In June, 1915, Mr. McKenna became Chancellor of the Exchequer, a position which he held until the end of 1916, when there was a change of Government. Within a few weeks of assuming office he was responsible for the successful issue of the 4½ Per Cent. War Loan, and two months later introduced an interim budget imposing drastic but necessary taxation. His second budget followed in May, 1916. In his budgets Mr. McKenna provided for his successor not only the framework for future taxation but the guiding principles for the measure of such taxation. During his tenure of office it was his task to finance the foreign purchases not only of Great Britain, but also of the Allies, a task of extreme difficulty, as the United States at that time had not come into the war. Payment for purchases abroad involved the shipment of large quantities of gold to the United States and the negotiation of private loans in the American market. These loans were secured for the most part by the deposit of collateral security collected previously from private holders in Great Britain and France. As a consequence of the methods adopted and the arrangements made by Mr. McKenna, the American exchange was maintained at 4.76½ during this critical period of the war.

In 1917 Mr. McKenna was appointed a director of the London City & Midland Bank and took at once an active part in its administration. On the death of Sir Edward Holden in July, 1919, Mr. McKenna was elected chairman of the board of directors.

In his younger days Mr. McKenna was an athlete, rowing in the Cambridge University Eight in 1887. He was also one of the crew of Trinity Hall which won the Grand and Steward's Cups at Henley.

THE MERCANTILE BANK OF INDIA (LIMITED)

Head Office: 15 GRACECHURCH STREET, LONDON, E. C. 3.

Capital Authorized and Subscribed . . . \$7,500,000 (£1,500,000)

Capital Paid-up . . . 3,750,000 (£ 750,000)

Reserve Fund and Undivided Profits . . . 3,928,970 (£ 785,794)

BANKERS: Bank of England; London Joint City and Midland Bank (Limited)

Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan and Mauritius

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit rates quoted on application.

On current accounts interest is allowed at 2 per cent. per annum on daily balances.

NEW YORK AGENCY—Bank of Montreal

Economic Conditions in Roumania

ACCORDING to a report on "Reconstruction in Roumania," prepared by Mr. C. C. Orghidan, President of the Roumanian Government Commission in the United States, and published by the American-Roumanian Chamber of Commerce, Roumania occupies in many respects the most favorable economic position of all the countries of Southeastern Europe, and presents a most interesting field for the development of American business interests and for the investment of American capital.

Roumania is a large producer of staple food stuffs and basic industrial materials, such as petroleum and lumber. Mr. Louis E. Van Norman, Trade Commissioner for the Department of Commerce for Southeastern Europe, states: "Measured in the terms of agricultural and mineral resources, New Roumania will be the richest country of its size in the world. The development of the vast natural resources of the country and the conversion of the crude staples into the finished products of the world's commerce, await the advent of American capital and American expert advice."

In 1918 Roumania's imports were valued at \$118,002,000, while her exports amounted to \$134,141,000. Of the goods imported into Roumania, about 90 per cent. were finished manufactured articles. During the last two years she has been unable to procure

supplies of merchandise and agricultural machinery, so that there is a big demand for almost every type of manufactured articles there. Up to the present time the United States has done little selling of merchandise to Roumanian business interests, while during the year before the war about 64 per cent. of the value of her importations was produced in Germany and Austria-Hungary.

Roumania also presents a favorable field for the investment of American capital, as the new territories recently added to Roumania have important mineral resources and oil fields. Moreover, her timber industry is not developed and her potential waterpower possesses great possibilities for the creation of manufacturing establishments.



Commercial Bank of Australia, Limited

THE fifty-third ordinary general meeting of shareholders of the Commercial Bank of Australia, Limited, was held at the head office, Melbourne, August 7, at which time the board of directors submitted a report showing that the net profits for the half year ended June 30, 1919, amounted to £86,502, 19s., 9d., which, added to the amount brought forward, namely, £13,904, 2s., 5d., made a total of £100,407, 2s., 2d. Out of this amount the directors recommended that £40,000 be ap-

plied to reinstatement of capital, £5,000 to reduction of bank premises, and that there be applied to a dividend on the preference shares at the rate of four per cent. per annum £42,347, the balance to be carried forward, namely, £18,060, 2s., 2d.

During the half year branches have been opened at Rockhampton and Pomona in Queensland and Invercargill in New Zealand. Receiving offices have been established at Lauderdale in Victoria, Wentworth Falls in New South Wales, Proston in Queensland and Bothwell, Fitzgerald, Gordon and Ly-mington in Tasmania. The receiving offices at Forrest and North Brunswick in Victoria, Leura in New South Wales and Woolloongabba in Queensland have been converted into branches, and those at Cassilis in Victoria and Kalbar and Mt. Alford in Queensland have been closed.



Mitsui Bank of Tokyo

NOTICE has been received that the Mitsui Bank, Ltd., of Tokyo, the oldest banking institution in Japan, has increased its capital from 20,000,000 yen to 100,000,000 yen by the creation of 800,000 shares of 100 yen each. Five hundred thousand of these shares have been allotted at par to the shareholders in the proportion of two and a half for every original share, and the remaining 300,000 shares have been offered to the public at a premium.



New York Agency for Bank of Chosen

THE Superintendent of Banks of New York State has issued a license to the Bank of Chosen to maintain an agency in New York at 120 Broadway. The principal office of this bank is located in the city of Seoul, Korea, in the Empire of Japan. T. Fujimaki is the New York representa-

tive. The bank also maintains branches in Korea, Manchuria, Japan and China and is affiliated with the Matsuda Bank at Vladivostok.

The services of this branch are extended to American bankers in order to enable them to render valuable assistance to their clients interested in Far Eastern trade. The branch is in a position to furnish information regarding trade opportunity and credit conditions of firms in Japan proper, Korea, Manchuria and China.



Bank Pays Nine Per Cent. Dividend

FREDERICK C. HARDING, New York agent of the Anglo-South American Bank, Ltd., has received notice from the home office of the bank in London that a dividend of 9 per cent. has been declared by that institution for the half year ended June 30, 1919. This makes a total of 15 per cent. dividends declared on the stock of the bank for the fiscal year ended on that date.

At the same time £150,000 were placed in the reserve fund, £28,000 were allotted to the staff pension fund, a 10 per cent. bonus was paid to the staff and a balance of undivided profits amounting to £241,000 was carried forward. The dividend is payable less income tax.



Queensland National Bank, Limited

PROPRIETORS of the Queensland National Bank, Limited, held their ninety-third ordinary general meeting at the banking house at Brisbane, Queensland, August 14. The report which the directors presented showed that the net profit for the half year ended June 30, 1919, was £54,394, which, with the amount brought forward, made a total of £60,909. This amount was applied to dividends, to increasing the reserve fund by £25,000, and a carry forward of £6,766.

American Bankers Association

CONVENTION

The BANKERS
MAGAZINE

SECTION

St. Louis, 1919

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	- - - - -	\$10,000,000.00
Surplus and Profits	- - - - -	20,479,000.00
Deposits (September 12, 1919)-		405,569,000.00

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CHAIRMAN OF THE ADVISORY BOARD

ALBERT H. WIGGIN
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ASST. CASHIER
S. FREDERICK TELLEN
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SEWALL S. SHAW
ASST. CASHIER
LEON H. JOHNSTON
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WE RECEIVE ACCOUNTS OF

Banks, Bankers, Corporations, Firms or Individuals on Favorable Terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts

FOREIGN EXCHANGE DEPARTMENT

J. P. MORGAN & CO.

WALL STREET, CORNER OF BROAD

NEW YORK

DREXEL & CO., PHILADELPHIA

CORNER OF 5TH AND CHESTNUT STREETS

MORGAN, GRENFELL & CO., LONDON

NO. 22 OLD BROAD STREET

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14 PLACE VENDOME

Securities bought and sold on Commission
Foreign Exchange, Commercial Credits
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Circular Letters for Travelers, available in all
parts of the world

The American Bankers' Convention

TO ST. LOUIS belongs, as Mr. Watts said in his address of welcome, the distinction of having three times been the meeting place of the American Bankers' Association in a period of twenty-five years. This indicates that the bankers like St. Louis, and it is not strange that they should. Geographically, the city is ideally situated for a large national gathering of any kind, both on the score of convenience in reaching the city and because it is not so much on any side of the country as to be considered sectional. It is a good place, therefore, for men to get together, and that is what we all need to do in these times. If the weather at the close of September and the beginning of October was just a trifle warm, that was not wholly inappropriate, either. One of the principal entertainments incident to the convention was an indoor circus and hippodrome, and Mr. Watts pointed out that no one ever heard of a successful circus on other than a warm day. If the convention had been held just a little later, the weather would have been more comfortable; but there were doubtless good reasons why the date was set when it was. A later date would have found the bankers in many sections too busy in handling the crops to get away from their offices, and they must give first thought to the needs of the people of their respective communities.

ST. LOUIS ROYALLY WELCOMES THE BANKERS

Granting that the "Veiled Prophet," or whoever ordains the weather at St. Louis, might have done a little better as respects temperature, this slight discomfort was as nothing in comparison with the generous hospitality which the bankers and people of the city displayed toward their financial guests. The banks and many business houses were elaborately decorated, while within the banks there were evidences of cordiality whose depth could not fail to be appreciated. Besides the drives, dances,

lawn parties, the indoor circus, theatre parties, golf and other club hospitalities, there were very unusual courtesies extended by the banks in many gratifying ways.

St. Louis has the distinction of having originated the idea which led to the organization of the American Bankers' Association, and the city's bankers have been frequently honored with high official station by the association—one bank (the First National) having two ex-presidents (Mr. Watts and Mr. Hill) and also the president-elect (Mr. Hawes).

In the entertainments and the various arrangements which go to make up a successful convention, the several committees, made up from the banks of the city, labored indefatigably. They were amply assisted by the ladies.

PURPOSES OF THE CONVENTIONS

It might be wondered why several thousand bankers will leave their homes and journey long distances to take part in these annual conventions. Rarely do the addresses and reports contain anything that could not just as well be published and read at leisure. Most of the bankers do not go to the conventions to listen to these addresses; and, in fact, they do not listen to them. They go to meet the friends they have made through correspondence and from having met them year after year at these meetings. They learn much from this contact with men from all parts of the country and from banks of every size. More than all, they have a good time; and the banker needs to have relaxation just as do other people.

SPIRIT OF THE ST. LOUIS MEETING

Realization of the obligations of the bankers in providing foreign credits and in stabilizing industrial and financial conditions at home was the dominant note of the St. Louis convention. Naturally, in a meeting of bankers, one would not look for heated discussion

INVESTMENT SECURITIES

We specialize in Government bonds and other investment securities. This firm was founded in 1865 and we have always endeavored to recommend to our clients conservative investments. As members of the New York and Boston Stock Exchanges we are prepared to execute orders for the purchase or sale of securities on a cash basis in large or small amounts.

*A circular describing several issues of
desirable investment securities
will be sent on request.*

Kidder, Peabody & Co.

**115 Devonshire St.
Boston**

**17 Wall Street
New York**

or radical action; but there was serious and earnest debate, widely participated in, and action which showed the banker to be a mainstay of the community in these troubled days.

TO COMBAT RADICAL TENDENCIES BY EDUCATION

The first definite and concerted move on the part of representatives of business and capital to check and combat the spread of industrial radicalism in the United States was made when the American Bankers' Association adopted unanimously the recommendation of the executive council that the association foster a general educational movement throughout the country to further the spread of a knowledge of economics.

The recommendation was based on an investigation by George E. Allen, Director of Education of the American Institute of Banking, in the course of which he discussed the question with superintendents of instruction in twenty states.

The general plan, as outlined, is to incorporate in the studies in the elementary schools and the lower grades in high schools courses in banking, industrial and economic questions.

The purpose of the movement is to prevent the spread of doctrines such as bolshevism, which encourage the seizure of private property, and to educate children as to the value of wealth obtained by work, and the necessity of production.

A committee was appointed to outline specific plan and to report to the convention.

INCREASING ACTIVITIES OF THE ASSOCIATION

Looking over the annual program, one is astonished to find the proportions to which the activities of the American Bankers' Association have grown. With the increased membership and the general expansion of the banking business, the work has broadened out year by year, until now the various sections and the numerous committees constitute a large and complex organization. All these activities are directed toward improving the work of the banks at some point, and thus indirectly to serve the public better. Perhaps, at the present time, the most thorough work at the conventions is done by these sections

and committees, for they have special subjects assigned to them for their consideration and can act with more deliberation and effectiveness than can the general sessions of the convention.

PLACES FOR HOLDING THE CONVENTIONS

Cities like Chicago and St. Louis are ideally located for the conventions. But at the time this was written, it seemed the intention to ignore geographical considerations and to hold the convention of 1920 at Washington and that of 1921 at Los Angeles. Everybody likes to go to Washington; but the question arises, "Why, if the convention of 1920 was to go to the Atlantic seaboard, was it not held at Atlantic City, where the hotel accommodation is ample?" That is an important consideration, for in these days, when the hotels are nearly all filled to capacity without conventions, the accommodation of some 4,000 or 5,000 bankers, who demand the best, is no easy matter.

As for Los Angeles, the bankers who have been there before are eager to go again, and those who have not had that pleasure have a most joyful experience ahead of them.

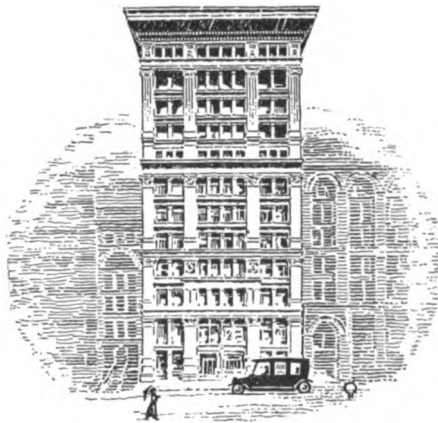
SYNOPSIS OF PROCEEDINGS

First on the program was the address of welcome by Frank O. Watts, president of the St. Louis Clearing House Association, ex-president of the American Bankers' Association, and president of the First National Bank of St. Louis. His address follows:

ADDRESS OF WELCOME BY F. O. WATTS

Mr. Chairman and Ladies and Gentlemen: As President of the St. Louis Clearing House Association I was asked to write an expression of welcome to the convention of the American Bankers' Association. When I attempted to do it my pen was hesitant and I preferred rather to briefly look into your eyes and express what is in the hearts of the people of St. Louis, and it therefore becomes a most pleasant duty for me to welcome you as President of the Clearing House Association in behalf of the banks of St. Louis and its people. It is possible that the welcome comes a bit too late, for you have been two days in St. Louis, and you know the welcome which is felt by every man, woman and child with whom you have come in contact.

This convention is the third held in the city



THE PRESENT BUILDING of the Merchants' National Bank at 42 Wall Street was erected in 1883, and in 1903 (just one hundred years from the founding of the Bank) this building was enlarged by the addition of the three upper stories. During this century of active identification with the mercantile life of New York, it had seen the city grow from 75,000 population to nearly 5,000,000. In its Presidency and Directorate it had enlisted the services of the outstanding mercantile men of New York for a hundred years. Its resources on June 30th, 1919, totalled \$55,390,916.53.

Merchants' National Bank of the City of New York 42 WALL STREET

RAYMOND E. JONES
President

HARRY T. HALL
Vice-President

FRANK L. HILTON
Vice-President

OWEN E. PAYNTER
Cashier

IRVING S. GREGORY
Ass't Cashier

BOARD OF DIRECTORS

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of St. Louis within a quarter of a century, and no other city in America has been so honored by the American Bankers' Association in that time. Both of the previous conventions were epoch-making. The convention of 1896 was the first time in its history, and for the first time by any association of men there was adopted a resolution firmly and positively advocating the establishment of a gold standard for the United States of America. (Applause.)

Ten years later, in your convention of 1906, when the question of banking and currency reform was the live one, this association authorized the formation of a currency commission and fortunately, gentlemen, that currency commission was organized and ready for the performance of its duties when the panic of 1907 came upon this country and in my judgment it was due to the fact that that currency commission was working and doing its part in forming public opinion that from that panic there was created the public opinion which resulted in the enactment of the Federal Reserve Act.

In your convention at this time I doubt whether there may be any positive action which may be so epoch-making, and yet we are in a time more trying than that which faced us at either of those periods. It is such a time that in my judgment no resolution, no formal resolution of a convention will serve the purpose. It is a time when we should give thought to the deliberations here and we should carry away from this convention such a determination that we will go to our homes and play the part which we should play in bringing this country as a whole to calm thinking and patriotic acting. Gentlemen, St. Louis is probably the most representative of all American cities. That statement is not made by way of invidious comparison with such great cities as New York and Chicago and Philadelphia and Boston, who have been your hopes, but I fancy if we should put to you the question, where is combined the North and the South, and the East and the West, that almost with one accord the city of St. Louis would come to your mind.

I hope you will find the city of St. Louis a pleasant place to visit. I can testify it is the best place in which to live. I have the feeling that though the American Bankers Association, Mr. President, has upon many occasions shown its favors to St. Louis, it was as a result of a thought and an idea from a citizen of St. Louis that the association was established. You have four times in your history honored citizens of St. Louis by election to the highest honors within your gift. You have oftener in the last twenty-five years, as I have stated, come as the guests of this city, and yet I am reminded of the last line of that good old Methodist hymn, which says, "Many thousand favors, and yet we ask for more." I have the hope, Mr. President, that part of your deliberations at this convention will result in giving to St. Louis one further favor to one of its sons, and I confidently believe that as you confer that one that the American Bankers' Association will get value received. Gentlemen, I welcome you to St. Louis upon behalf of the bankers and all of its citizens, and I hope your stay here may be pleasant. We have never heard but two



FRANK O. WATTS

President St. Louis Clearing House Association,
President and Executive Manager First
National Bank in St. Louis

criticisms of St. Louis: one is its foreign population and the other is its weather. We have exploded during the war period the idea that St. Louis had any foreign population—they are all Americans. (Applause). We want to explode the idea that the St. Louis weather is not ideal. We had a design in this day, for we have a circus this night, and whoever heard of a circus being successful without having a warm day.

A response to the address of welcome was made on behalf of the Association by John S. Drum, vice-president, and also vice-president of the Savings Union Bank & Trust Company, San Francisco, and then followed the president's annual address as given below:

ANNUAL ADDRESS OF PRESIDENT ROBERT F. MADDOX

At the time of our last convention just a year ago, our country was engaged in a great conflict and we were doing everything in our power to win the great war. Our farms, our factories and our mines were being worked with patriotic energy to furnish our army and



The Liberty National Bank of New York

Condensed Statement of Condition

At the Close of Business September 12, 1919

RESOURCES		LIABILITIES	
Loans and Discounts.....	\$76,486,568.43	Capital Stock	\$3,000,000.00
U. S. Bonds to Secure Circulation	2,000,000.00	Surplus Fund	3,000,000.00
U. S. Bonds and Certificates of Indebtedness...	668,285.25	Undivided Profits	1,037,317.77
Other Bonds, Securities, etc.	17,826,773.89	Reserve for Taxes, etc....	742,757.78
Due from Banks.....	1,853,790.19	Circulation	1,909,250.00
Cash, Exchanges and due from Federal Reserve Bank	22,235,529.64	Deposits	102,959,027.05
Customers' Liability		Unearned Discount	187,696.80
Account of Acceptances.	2,868,208.78	Domestic and Foreign Acceptances	2,903,133.78
Letters of Credit.....	109,070.00	Bonds Borrowed	500,000.00
		Due to Federal Reserve Bank	7,700,000.00
		Letters of Credit.....	109,070.00
	\$124,048,226.18		\$124,048,226.18

OFFICERS

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the armies of our allies with the necessary supplies.

Our people had cheerfully purchased more than ten billion dollars of Liberty bonds and were preparing to take another issue of six billion, feeling confident that they would be promptly subscribed. We were rationing our food, that others might be fed, and our men and women in all walks of life were making every sacrifice to bring the war to a quick and successful conclusion.

We had mobilized four million men in our army and had sent half of this number across the sea, trained and equipped for battle and ready to make the supreme sacrifice if necessary, to stop the onward march of the armies of the Teutonic powers, which threatened to conquer the world. We had heard of the glorious victory our soldiers had achieved at Chateau-Thierry and at St. Mihiel and were anxiously awaiting the result of the battle of the Argonne, which had just begun.

In less than two months after our last convention had adjourned the weight of the armies of the United States, backed by the loyalty of our people, and the great resources of our country, had brought victory to the Allies. Justice prevailed, Germany, Austria and Turkey were hopelessly defeated, autocracy fell, and human liberty was saved to the world.

AMERICA IN THE WAR

The accomplishments of our country while engaged in this great war reflect credit upon all our people and add glory to the splendid traditions of our past. We are grateful to the men and women who served at home and we will long remember the courage and patriotism of our soldier boys who went into the battle lines in France and brought our flag victoriously back home with the Stars and Stripes shining with new brilliancy—honored and respected as never before throughout the world.

To those brave American boys who fell in battle and now sleep beneath the sod in France, many of whom went from our banking institutions, we owe a debt which can only be paid by forever cherishing their memory and carrying on the spirit of Liberty and Justice for which they so nobly gave their lives.

In all of the war activities the members of the American Bankers Association have done well their part. From the floor of our last convention, in response to a telegram from President Wilson expressing his appreciation—"At the splendid spirit and efficiency with which the bankers of the country were assisting the Government in the all-important matters of the loans"—you remember we wired him that—"Every ounce of energy and every resource at the command of the bankers of the nation are pledged to the cause of human freedom and independence."

How well the bankers kept that pledge is known to all men and now that the war is over, the members of the American Bankers Association can with satisfaction share with their fellow citizens the joys of victory and with renewed energy co-operate with them in courageously meeting the problems of peace.



ROBERT F. MADDOX

Retiring President American Bankers Association,
President Atlanta National Bank, Atlanta, Ga.

WAR FINANCES

In meeting the uncertain war conditions and the sudden expansion of business during the past few years, the Federal reserve banks have proved a splendid and even a surprising success, for they have demonstrated that our present banking system is the superior of any in the world.

We shudder to think what might have happened if we had entered the war under the old regime of banking and are grateful to those who devised and co-operated in passing the measure and are under many obligations to the members of the Federal Reserve Board and the officers of the Federal reserve banks, who have so wisely directed their operations.

The statement of the Federal reserve banks on September 5 showed that out of 2,200 millions of bills receivable, 1,635 million were secured by government war obligations, thus demonstrating their great value to the government in assisting the member banks to carry loans secured by war obligations, without retarding their commercial transactions.

It is expected that in a reasonable time, these loans now carried by the banks of the country for their customers who subscribed



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for war obligations, will be paid, but considering the fact that out of government obligations now outstanding of approximately twenty-five billion dollars, the comparatively small amount of notes discounted by the Federal reserve banks, secured by these obligations, is very gratifying.

When we consider that the cost of the war to the United States from April 6, 1917, to June 30, 1919, was 39,167 million dollars and that we only issued 21,475 million dollars of bonds to meet this expenditure, relying upon taxes to make up the difference, a large part of which has already been paid; and that we now hold the obligations of our allies for approximately ten billion dollars, which in time will be paid; it would seem that, considering the magnitude of our engagements, the war has been most wisely financed and the burden of future government requirements can be easily borne.

On June 30, 1914, the deposits of all the banks of this country were about twenty-one billion dollars. The deposits of the national banks on June 30, 1919, were approximately sixteen billion dollars and while the deposits of the state banks are not obtainable at this time, estimating their increase in the same proportion as that of the national banks, it is safe to assume that their deposits are now approximately eighteen billion of dollars, making a total for all banks of thirty-three billion dollars, or an increase for the war period of about twelve billion dollars.

Our circulation has risen from 3,478 millions on September 1, 1914, to 5,743 million on September 1, 1919, or an increase of 2,265 million, more than \$20 per capita.

With bank deposits during the war period increasing 57 per cent, and our circulation increasing 65 per cent, it is not surprising that the Bureau of Labor at Washington has estimated the increased living cost at 70 per cent.

That the peak of high prices has been passed seems to be indicated by Bradstreet and Dun's reports showing that their index number of commodity prices declined from August 1 to September 1.

MEMBERSHIP

Our membership at the close of our fiscal year, September 1, was 20,214, the largest in our history and showing a net gain for the year of 1171.

In this connection it is interesting to note that in the past five years since the European war began, our membership has increased 5,502. We now have more than five-sevenths of all the banks in the country, and I believe that in a short time practically every bank in the United States will realize the value of membership and will co-operate with us in making our fraternity a still greater factor in the progress and development of our country.

SECTIONS

Our financial affairs are in excellent condition, as will be seen by the Treasurer's report. The work of the various Sections of

our Association, including the National Bank, Savings, State Bank, Trust Companies, State Secretaries and Clearing House Sections, having been especially satisfactory during the past year, as will be seen by the reports of their officers. The State Bank Section, the youngest section, has now the largest membership and is proving of much value to its members.

The American Institute of Banking has enjoyed a splendid year and the work of broadening its influence among the young bank men has been carried forward with great success by its present officers. This department is of great value in educating young bankers for the important work of the future and deserves our cordial and continued support. The "Bulletin," which is published by this section quarterly, is very interesting and is proving to be one of our most important publications.

THE JOURNAL AND BANKER-FARMER

The "Journal" is now rapidly being developed into what it should be—a magazine of general interest to our members. The past year was the first in which advertising was taken and this has proved to be a proper and valuable aid in reducing the cost of publication. In another year the value of this advertising should be demonstrated to our patrons and a greater income derived from this source. It has been suggested that the "Journal," if published weekly or semi-monthly, might prove more interesting and beneficial to our members by giving them banking news and current information more promptly than as, at present, in a monthly publication.

The expense, however, of publishing the "Journal" more frequently would be very much greater than the present appropriation and it was not thought advisable during this year to make the change, but it is hoped that in the near future our income will warrant its being made.

The "Banker-Farmer," another publication issued by the association, has continued to prove a valuable aid in developing the agricultural interests of our country, which are now so closely allied with the growth of the banking business. During the war the "Banker-Farmer" was very active in stimulating the increased production of the farmers, and has received the cordial co-operation and endorsement of the United States Department of Agriculture. Considering the small net cost to the association, this publication is proving a splendid investment.

The Agricultural Commission, under the able leadership of its chairman (who at the last meeting of our association was made a member of our executive council) has rendered valuable service during the past year, not only to our association but to the country at large.

ENLARGED ADMINISTRATIVE COMMITTEE

The wisdom of our last convention in adding the presidents of the National, State, Savings Banks and Trust Company Sections to the administrative committee and adding

We have reprinted in booklet form the three articles entitled "SPEAKING OF OIL" by William C. Van Antwerp which recently appeared in *The Wall Street Journal*.

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the vice-presidents of these sections to the executive council, has been demonstrated by the fine spirit of harmony which now prevails among all of the sections. All now have direct representation on these important committees; have a more intimate knowledge of the affairs of the association, and a voice in directing its management.

At one time it was feared that sectional differences might disrupt the association but I am glad to say that our members now seem to realize that it is big and broad enough to be helpful to all and harmful to none and the cordial co-operation now existing promises to make our work in the future more beneficial than ever before.

WASHINGTON OFFICE

A few months ago under the direction of the administrative committee, the National Bank Section opened a service office in the City of Washington, where it could serve its members in connection with the many transactions they are compelled to have with the Treasury Department, and the office of the Comptroller of the Currency under whose supervision they are being operated. This office has already proved to be of much value to the members of this section.

The administrative committee in January was of the opinion that it would be wise to move the entire headquarters of the association from New York to Washington and recommended this proposition to the executive council, which, upon a referendum, voted by a large majority in favor of the move. Upon subsequent consideration of the subject, however, there was some difference of opinion among the members of the administrative committee and among the members of the executive council, and it was decided to bring the matter to the attention of the general convention for such action as it might deem best.

LEGAL DEPARTMENT

The work of the Legal Department of our association, under the able management of General Counsel Paton, has grown very much during the past few years and now, owing to our large membership, the legal opinions requested by our members and the service rendered by the general counsel have greatly increased.

Judge Paton has been with the association for many years and during this period has rendered several hundred important decisions on banking questions and it has been decided to publish a Digest of these opinions in book form. This book is now ready for distribution. It should prove a valuable addition to the office of any banker, and I hope our membership may take advantage of the opportunity of securing one.

PROTECTIVE DEPARTMENT

Owing to the general unrest throughout the country and the large number of men out of employment during the past year, incident to labor conditions and the demobilization of our army, the Protective Department has been very busy.

The number of attacks made on banks has been greater than in any year in our history

and the amount expended for the protection of our members has likewise been greater. The efforts of our Protective Department in arresting the offenders have, on the whole, been satisfactory, but in many cases the clues were not sufficient to get satisfactory results. Mr. L. W. Gammon, who has so ably managed this department, completed his tenth year of service on August 2.

COMMITTEE ON COMMERCE AND MARINE

You will remember that at the last convention the president was authorized to appoint a Committee on Commerce and Marine to study this important subject and report to the convention. The committee was appointed and Mr. John McHugh of New York was elected its chairman. The committee has had several meetings and has given this subject a great deal of attention.

It has been in close touch with the legislation affecting our merchant marine and the development of our foreign commerce, as its report will show, and I hope it will be the pleasure of the convention to continue this important committee.

FOREIGN TRADE

For many years we have been producing more in this country than we could consume and the war has stimulated the output of our farms, factories and mines, so that we must look, more than ever before, to our exports to keep our people well employed.

The figures of our foreign trade are almost beyond comprehension. With an annual balance of trade before the war of 500 million dollars, our balance for the last fiscal year reached 4,200 million dollars and for the five-year period amounted to the stupendous total of 14,434 millions of dollars.

These figures tell the story of the greatest commercial activity in our history, but we must remember that this result has been attained by conditions which we cannot expect and would not wish to have again. That the decline has set in is shown by the fact that our exports have rapidly decreased in July and August.

The difficulty Europe is now having in paying for our products is shown by the recent great decline in her exchanges. With the pound sterling now selling at 14 per cent. discount, the French and Belgium francs at 40 per cent. discount and the lire at 47 per cent. discount, it is very evident that our situation will be serious unless some relief can be found.

We are fortunately able to extend this accommodation, and the only country in the world which can. If we fail to meet this responsibility, as well as this opportunity, we will in a measure lose the great benefit the war has brought to our doors.

We know that Europe will require a large amount of our products in the future, but the question now is—How can this trade be financed? As we cannot expect to receive payment in goods or gold, it must be paid in some form of time obligations, either the securities of governments, municipalities, or industrial enterprise—and perhaps all three may be used.

It is thought by some that our Government

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Interest Allowed on Daily Balances

Statement of Condition at Close of Business September 30, 1919

(Opened for business January 27th, 1919)

RESOURCES	LIABILITIES
Cash on hand and in banks.....	Capital.....
Demand loans (secured by collateral).....	Surplus and undivided profits.....
U. S. Government bonds and certificates.....	Reserve for taxes.....
Other stocks and bonds.....	Other reserves.....
Time loans (secured by collateral).....	Accrued interest payable.....
Bonds and mortgages.....	Accepted checks.....
Bills purchased.....	Officers' checks.....
Furniture and fixtures.....	Deposits.....
Accrued interest receivable.....	
	8,514,036.29
\$9,937,775.91	\$9,937,775.91

OUR GROWTH IN DEPOSITS

January 31, 1919.....	\$1,291,068.05
March 31, 1919.....	2,622,520.03
June 30, 1919.....	4,446,553.73
September 30, 1919.....	8,514,036.29

DIRECTORS

WALTER H. BENNETT,
Vice-President American Exchange Nat. Bank

EDWARD M. BURGHARD,
Attorney

ORION H. CHENEY,
President Pacific Bank

BAYARD DOMINICK,
Dominick & Dominick

STEPHEN B. FLEMING,
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FREDERICK B. FRANCIS,
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GEORGE ZABRISKIE,
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MINNEAPOLIS

should extend this credit to the governments of our allies, taking short time bonds and issuing short time bonds against them, but the general impression is that there is a strong opposition in Washington to the Government issuing any more bonds.

The Platt bill, recently passed by Congress, allowing the national banks to invest 5 per cent. of their capital and surplus in companies engaged in international trade and the pending Edge bill providing for the organization of corporations to engage in foreign banking and financial operation under the supervision of the Federal Reserve Board, are measures designed to facilitate our exports and assist in extending some form of financial assistance. The amounts involved are very large and it remains to be seen whether these measures will meet the situation.

In my opinion the thought of the bankers and the business men can well be turned to this export question, for it is certain that upon the continuance of our foreign trade must rest the future prosperity of our country.

LABOR AND THE WAR

When we remember that in the great conflict through which the world has just passed 50,000,000 men were recently in arms, bent upon death and destruction—that 7,500,000 fell in battle—that the contending countries spent more than \$200,000,000,000 in carrying on the war—that hundreds of millions of men and women were drawn from their normal activities, it should not be surprising that there is a spirit of unrest everywhere, and it will take time for men to recover from their experiences of the recent past and calmly return to their former quiet and peaceful pursuits.

During this transition we can understand how the great laboring classes, finding their condition but little improved, still paying war prices for their necessities, forgetting that the channels of trade are still blocked by the wreckage of war; are manifesting a spirit of dissatisfaction and are easily led by false friends who point the way to salvation through the easy paths of Socialism and Anarchy. We have witnessed such tendencies spread from Russia to Europe and across the Atlantic to America.

But the civilized world has been five years in suppressing a spirit which failed to con-

sider the rights of others and it will not now tolerate another attempt to terrorize it in submission to a practice that is wrong in principle.

The war just over was settled by arbitration to the sword, and the struggle, now on, will, and must be, settled by appealing calmly to the intelligence of the people. It must be made plain to those who are threatening to disregard law, that their future prosperity can only be secured by its observance. It is the duty of those in authority, everywhere, to assure the people that the rights of all will be protected, and while labor has won its way to a higher place in the world than it had before the war, that place cannot be determined by the disregard of law and order.

It is unfortunate, however, that in this country which has suffered so little, where labor as a whole has been well treated, and has been given higher compensation than in any other place in the world, organized labor has demonstrated on many recent occasions its utter disregard for the interests of any other class. But we cannot fail to seriously consider the labor question when we see branches of the union spread to clerks, policemen, firemen, school teachers, and even to actors.

The issues confronting the American people today seem to be whether the Government shall be more powerful than the labor unions, whether business enterprises will be completely dominated by the labor unions, or by giving all employees a larger share in the profits and a greater voice in the management of business, the labor unions will be broken up. The difficulty is, at present, that the labor leaders do not seem disposed to accept in lieu of their union control, the profit-sharing plan, but insist upon the closed shop.

I hope, in the near future, the conference called by President Wilson on this subject may in some way solve the problem and capital and labor—"useless each without the other"—will in a friendly and co-operative way work for the happiness of all and the continued development of our great country.

RAILROADS

We hope Washington will soon act on the Peace Treaty and the League of Nations, as



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WILLIAM A. NASH
Chairman of the Board

WALTER E. FREW
President

there are many domestic problems which require the attention of Congress. The greatest of these is legislation concerning the railroads. Nothing is more important than the service and development of our transportation systems. They are the arteries through which the life-blood of the nation flows. They touch the activities of all our people. We know that the railroads have not received fair treatment from the rate-making power and by denying them reasonable returns on their investments, their credit has been largely destroyed. Their physical condition had declined before the Government took them over and under government operation it has not been improved and their expenses have increased by leaps and bounds.

Out of the many plans suggested for their without prejudice or political consideration, may reach a wise conclusion, and these great properties be further developed and able to render better service.

THE BUDGET SYSTEM

There never was a time in our history when it was more necessary that our people should begin to check extravagances and practice thrift and economy, and nothing would be more conducive to such practice than having our Government set the example.

It was, of course, necessary for the Government to be somewhat wasteful in its expenditures during the war but there are no such reasons at this time. It is earnestly hoped that the budget system of handling the finances of our Government will be adopted by this Congress.

Our executive council unanimously recommended the adoption of such a system at its last meeting and similar resolutions have been adopted by the leading commercial organizations of the country.

DEATHS OF COL. LOWRY AND MR. LYNCH

During the past year the members of our association learned with the deepest regret of the death of two of our most beloved and distinguished former presidents—Mr. James K. Lynch, who was elected president of the association in 1915, died at his home in San Francisco, California, and Col. Robert J. Lowry, who was elected president in 1896, died at his home in Atlanta, Georgia.

These gentlemen served our association with credit and ability. Their genial presence will be missed at this convention and their loss is keenly felt, not only by the bankers of America, but by their countless friends in all walks of life.

I wish to take this opportunity to express my sincere appreciation for the courtesies which have been extended to me and the co-operation which has been given my efforts by all of the officers, committees and employees of the association; particularly the general secretary, the assistant secretary and the secretaries of the various sections; the general counsel, the editor of the "Journal," the manager of the Protective Department and the other members of the staff.

In conclusion let me say, I hope that out of the history of our past and out of our deliberations here all of our members may catch anew the spirit of service and in the

years to come the American Bankers Association will continue to grow in usefulness and make its influence felt in every worthy enterprise looking to the happiness of our people and the prosperity of our country.

SECRETARY'S REPORT

Fred E. Farnsworth presented his annual report as secretary. It gave the following information relating to the membership:

MEMBERSHIP

August 31, 1918 -----	19,043
Erased from the rolls through failure, liquidation, consolidation and withdrawal, December 1, 1918 -----	1,105
Membership -----	17,938
August 31, 1919, new members gained during the year -----	1,464
Regained members (secured from the above) -----	812
August 31, 1919, membership -----	20,214
A net increase for the fiscal year ----	1,171
A net loss for the year in failures, consolidations, etc -----	128
A net loss for the year in delinquents -----	165
293	
Making the actual gain in new members -----	1,464

I wish to call your attention particularly to the figures just given, relating to the list of delinquents—those who refused to pay their dues for the last fiscal year. There were 165. These figures are related to the membership on August 31, 1918, of 19,043. It will be noted that the proportion of delinquents, as compared to the membership, is very small, which is the best evidence of the appreciation of our members in maintaining membership in this organization.

While the membership in the association is larger than ever before, the usual list of losses in membership by failures, consolidations and liquidations is small for the past fiscal year 1918-1919; this list being 128. While the number in 1917-1918 was 132 and for 1916-1917, 137. The total net losses, as shown in this report, are 293.

The aggregate resources of our membership are estimated at \$27,000,000,000.

As last year, Illinois stands first in the membership of the association with 1,176; New York is second with 1,139; Pennsylvania is third with 1,112; Iowa is fourth with 1,100; Kansas is fifth with 908; Missouri is sixth with 813; Ohio is seventh with 793; then follows Texas with 789; Minnesota with 731; Oklahoma with 713; Nebraska with 712; and California with 707.

Alaska and the District of Columbia enjoy the distinction of having every bank a member of the association; Nevada has only two non-members; Arizona and Rhode Island three non-members each; Delaware six and New Mexico eight.



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Commercial Paper

45 Wall Street, New York

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Boston	Philadelphia	Cleveland	
Hartford	Scranton	Richmond	
San Francisco	Seattle	Portland	Denver

The annual report of the treasurer follows:

**ANNUAL REPORT OF TREASURER
JAMES D. HOGE**

On September 1, 1918, the cash balance was \$6,449.22. On September 1, 1919, the cash in my hands as Treasurer at the close of the fiscal year was \$1,131.81, with all bills paid. In addition, there was a cash balance in the Journal account of \$524, and a cash balance in the pre-paid dues account for 1919-1920 of \$2,704.29—total cash on hand from all sources, \$4,360.10. It has been deemed advisable this year, acting under authority of the executive council, to sell securities owned by the association for the purpose of liquidating the indebtedness incurred in the First Liberty Loan Campaign and the purchase of the Del Mar Library. The securities sold were the New York City Corporation 3½'s, costing \$25,506.67, for which we received \$25,752.50. There is a deficit on the actual year's business amounting to \$11,315.82.

Drafts to the number of 19,387 were drawn September 1, calling for the payment of \$398,625. This is based on the new schedule of dues, and represents an increase of \$101,585 over last year and an increase of 1,388 in number of drafts.

Again I wish to express my thanks for the honor conferred upon me in electing me to this office. It has been a great pleasure to work with the general secretary and his competent staff of assistants in the general offices. I have found them ready to respond to any call and always attentive to the business of the association.

The list of securities held by the association follows:

	Par Value	Carried On Books At	Market Val.	Cost
Chicago, Burlington and Quincy, Ill., Division, 4's due 1949 -----	\$50,000.00	\$47,400.00	\$40,250.00	\$50,843.75
Chicago, Burlington and Quincy, Joint 4's due 1921 -----	12,000.00	11,600.00	11,400.00	11,559.09
Atchison, Topeka and Santa Fe, General Mortgage 4's due 1995 -----	30,000.00	28,500.00	23,287.50	30,825.00
	\$92,000.00	\$87,500.00	\$74,937.50	\$93,227.84

On the important subject of Pan-American Financial and Commercial Relations, John Barrett, director-general of the Pan-American Union, addressed the convention as follows:

**PAN-AMERICAN FINANCIAL AND
COMMERCIAL RELATIONS**

By Hon. John Barrett, Director-General
Pan-American Union

To the bankers of America, I can say that the future of development of Pan-American relations, Pan-American commerce and Pan-American co-operation depends to a large degree upon them. It is all right to loan money to countries of Europe and Asia, but



HON. JOHN BARRETT
Director General of the Pan-American Union

the countries of Latin-America should be your first consideration. In the same way that a parent, a brother or a sister thinks of aiding the members of his own family, the United States bankers and financiers

should think of aiding the bankers and financiers of the sister republics of Latin-America. There may be an attraction about Europe and Asia that would lead the banking and financial interests of the United States first to these countries, but, when it comes to the vital interest, we should have first consideration of Central and South America. When it is remembered that every country of Latin-America was aided by the United States in establishing its independence, that every Latin-American country wrote its declaration of independence and its constitution upon those of the United States, there is an appeal that comes from no European or Asiatic country.

In the same manner that the central West in its early development demanded money and banking privileges from the Eastern States and the United States, and that the far Western States demanded similar aid from the

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Surplus	. . .	\$2,000,000.00
Undivided Profits	. . .	\$862,000.00

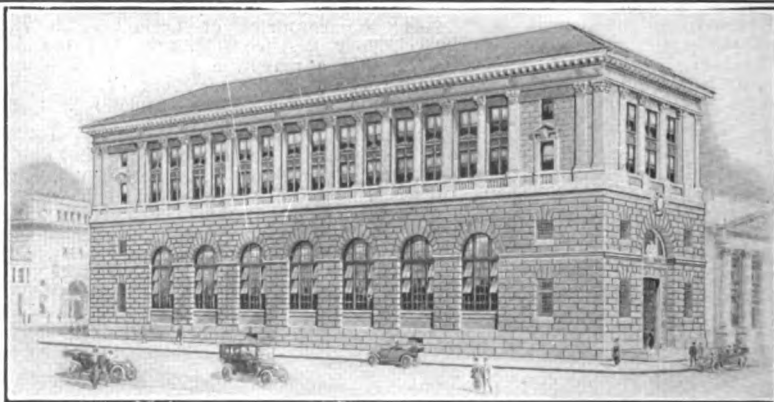
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More than \$20,000,000 Deposits in our First Year of Business

On November 11th this Company was twelve months old.
Figures tell more clearly than words the story of what has
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Deposits, March 31, 1919	\$5,779,365.17
Deposits, June 30, 1919	10,557,513.72
Deposits, Sept. 12, 1919	19,631,145.05
Deposits, Nov. 10, 1919	More than 20,000,000.00

The Company :

- pays interest on check accounts, and on time deposits;
- makes domestic loans;
- discounts notes and bills of exchange; accepts drafts for the financing of merchandise shipments to and from Italy and the United States, and all other parts of the world; deals in domestic and foreign acceptances; issues commercial and travelers' letters of credit available in every part of the world;
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VAULTS

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Clearing House Association.....	New York
Federal Reserve Bank.....	New York
Chase National Bank.....	New York
Chatham & Phenix National Bank.....	New York
Corn Exchange National Bank.....	New York
Central-Union Trust Co.....	New York
Empire Safe Deposit Co. (Equitable Building).....	New York
Equitable Trust Co.....	New York
First National Bank.....	New York
Guaranty Trust Co.....	New York
Metropolitan Life Insurance Co.....	New York
International Trust Co.....	Boston
American National Bank.....	San Francisco
American Trust Company.....	St. Louis
Beneficial Savings Fund Society.....	Philadelphia
Mellon National Bank.....	Pittsburgh
Union Trust Co.....	Pittsburgh
City National Bank.....	Evansville, Ind.
Detroit Trust Co.....	Detroit
First National Bank.....	Milwaukee
Fourth National Bank.....	Atlanta, Ga.
Guardian Savings & Trust Co.....	Cleveland
Rhode Island Hospital Trust Co.....	Providence
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“CONSTRUCTION MAGAZINE”—Issue of Dec., 1918.

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central West and the East Atlantic States, so, correspondingly the countries of Latin-America require the money and co-operation of the bankers and financiers of the United States, from New York to California.

I must be frank and say that unless the bankers and financiers do their part in caring for Latin-America, they will be supplanted by the moneyed men and co-operation of Europe and Asia. Numerous American banking institutions have established branches or agencies in Latin-America, and this must be extended until the competition of Europe and Asia is adequately met. The banking institutions of the Atlantic Coast have already shown a most progressive spirit in establishing branches and agencies throughout Latin-America. The central West and Pacific Coast must do the same thing if they would play their part in the development of practical Pan-Americanism.

I indulge in no exaggeration when I say that if the American banking and financial interests will invest in, or loan, a billion dollars to Latin-American governments and legitimate Latin-American enterprises during the next five years, they will increase American commerce a billion dollars in the same period.

It is of the highest importance that the American bond buyer should be educated to the stability of Latin-American bonds and investments, and no step must be neglected to educate the American public to the quality of these bonds and investments. It must be borne in mind that there have been no instances of Pan-American failure to make good in Pan-American investments, and that there has been no serious revolution impairing United States investments in Latin-America during the last thirty years, except in one or two countries, and in these the outlook is more optimistic than pessimistic.

In conclusion, permit me to make a few suggestions that may appeal to the American Bankers Association:

1. Let the American Bankers Association at its convention in 1920 or 1921, invite ahead, in time for their acceptance, representative bankers of the twenty Latin-American countries, to attend and participate in their sessions, with a special Pan-American session which will consider Pan-American problems of banking and finance. In other words, let the next convention of this organization be a Pan-American or international gathering.
2. In the meantime, let the bankers, financiers and investors of the United States make every effort to visit the Latin-American countries, study their material, political, financial and general conditions, and in turn, let the bankers, financiers and others of Latin-America visit the United States for corresponding information.
3. Let every North American banker or investor, provided he cannot go to Latin-America, study the history, the past and present condition and the future possibilities of the Latin-American countries, and realize the importance of the co-operation of the United States and Latin-American countries for the good of themselves and the good of the world.

Hon. Robert L. Owen, United States Senator from Oklahoma and former chairman of the Senate Banking and Currency Committee, spoke as below on the important subject of

STABILITY IN INDUSTRY, COMMERCE AND GOVERNMENT, VITAL TO THE HAPPINESS OF MANKIND

By Hon. Robert L. Owen, United States Senator from Oklahoma and Former Chairman of Senate Banking and Currency Committee

Increased production and better and more economical distribution and waste avoidance are the chief remedies for the high cost of living, and to accomplish this the banks of the United States should encourage production by extending credits preferentially for productive processes, for improved warehousing, lending against warehouse receipts, and using their good offices and friendly counsel to stimulate production and improved distribution. The encouragement of corn clubs and other agricultural clubs, encouraging boys and girls to make money out of raising pigs, chickens, etc., improvising gardens, while apparently small matters are of great national consequence, and the country bankers have done fine work along these lines. Developing water power, and the use of the current for industrial purposes are productive processes of the highest order. The building of hard-surfaced roads, and the use of motor trucks, facilitate distribution. There should be organized standard systems of distribution by improved marketing methods under Government charter and supervision.

* * *

The unrest of labor due to the war condition, to the extraordinary prices during war times, the reports of extraordinary profits during the war by the employers of labor, and the high cost of living should be met by encouraging a frank and free discussion, and arranging methods by which labor will participate in what it produces above a bare wage. The employe should not be regarded merely as a money-making machine, but altogether as a human being entitled of right to life, liberty, happiness and a reasonable participation in the profits arising from his labor. This policy is advisable for the sake, both of the employer and the employe. When the workman feels that he is working for both himself and his employer he will not indulge in sabotage, the killing of time or in waste and neglect. Labor, management and capital must work together on the principle of service to all mankind, along lines of co-operation in a spirit of friendship, mutual sympathy and support. It will not do in a democracy to rely merely on the powers of government and to demand brute force to control human unrest. That remedy may become a two-edged sword, peculiarly dangerous to capital.

The doctrine of arbitrary force should not be seriously entertained by thinking men after the lessons of this war. The world is



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The reason for this prestige we attribute to the careful and wise administering of every trust placed in our hands during the last quarter of a century.

We are the oldest trust company in Detroit.

Our practice of permitting bankers to purchase prime collateral paper from our own files will be found valuable and convenient.

Union Trust Company
Detroit, Michigan

entering into an era in which humanity and righteousness should walk hand in hand in peace protected by the powers of the people.

Humane legislation to safeguard and advance the conditions of human labor should be encouraged in Congress, in state legislation, in municipalities. If labor should be found seeking employment for any reason the Government should not hesitate to expand its activities in road building, improving waterways, building water power plants, auxiliaries and enterprises, and employ labor to the extent of absorbing unemployed labor, and protect labor from the forced and destructive competition arising from involuntary unemployment.

Every productive activity in America should be kept employed, and concrete steps taken to accomplish it. This is the most direct path to overcome the high cost of living.

There should be put on a campaign in the United States by moving pictures, and on the forum, in the press, and in the pulpit to teach men the dignity and need for honest labor and production and the shame of waste, the dishonor of willful extravagance, and the discredit of the vain ostentation of wealth, so that people will come back to the virtues of our fathers and our mothers who regarded labor as honorable and waste as a sin.

Hon. David R. Francis, United States Ambassador to Russia, described recent political events in that country and declared that the Bolsheviks there were largely responsible for the industrial unrest in this country. He expressed the view that the best remedy for dealing with the situation in Russia was to adopt the League of Nations covenant. In the course of his address he said:

I have read and heard that the terms of peace imposed upon Germany are very severe. I do not feel that way myself, but I can show you, I speak incontrovertibly, that Germany is making greater progress in reconstruction than any other country engaged in the war. German territory was not invaded, except at the beginning of the war; her industries are intact, and her laborers, instead of demanding a six-hour day, and a week of five days, are appealing for a ten-hour day and a week of six or seven days. Germany realizes that Russia is a good field for German enterprise. These armies of the Bolshevik Government, composed of mercenaries and conscripted rations, as I have said, and commanded by German officers, are a camouflage. The contest is not between the Bolsheviks and the Russians, but the contest is between the Germans and the Russians. Germany, who is better acquainted with the resources of that expansive area than any other country on the globe, if Germany gets control of Russia and utilizes its resources and organizes its enormous man power, it will be as strong ten years from now as it was at the beginning of the late war. The Russians are appealing to us for help, for assistance, for encouragement. I think they deserve it.



W. P. G. HARDING
Governor of the Federal Reserve Board

GOVERNOR HARDING ON THE PRESIDENT SITUATION

Governor Harding of the Federal Reserve Board spoke on the present economic situation. He said, in part:

Our troubles are the result of economic causes, and have come from a dislocation of the normal relationship of supply to demand. These causes are directly traceable to the great war, to its waste and destruction, to its heavy drain upon available supplies that constituted so large a part of the world's liquid wealth, and to the financial expedients which were necessary and unavoidable in order to procure these supplies.

There are some who reason that as prices and the value of currency in circulation have increased pari passu our high costs of living are due to currency inflation, to an excessive number of dollars, and the remedy they propose is immediate and systematic contraction. Others concede that our currency is not mere fiat money, issued at will by the Government to defray its expenses, with no provision for redemption, but is redeemable in gold at pleasure of the holder, and as its principal constituent, the federal reserve note, is issued only in exchange for gold dollar for dollar, or upon pledge of eligible paper, the result of a legitimate credit transaction; in which case a gold reserve of not less than forty per cent is required for all notes outstand-

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C. G. FEIL	Cashier
A. J. ALLARD	Assistant Cashier
G. H. BANGERT	Assistant Cashier

Member Federal Reserve System

ing, the trouble is due not to currency inflation, but to credit expansion.

Whether or not credit expansion is dangerous and harmful, depends not only upon the gold reserves supporting the credits, but upon the character and purpose of the credit. Drastic contraction of credit undertaken merely for the purpose of giving the dollar its former purchasing power, would bring about wide-spread disaster, reduced production and unemployment.

What is needed is the restoration of a proper balance between the volume of credit and the volume of goods. Because of the war financing of the Government it is not practicable to reduce the volume of credit except gradually, and the best and probably the only remedy for the present unrest is to increase the volume of goods, and the facilities for their distribution. Shorter hours and higher wages do not tend to increase production, but rather the reverse, and strikes and walkouts are doubly harmful in that they stop production without materially reducing consumption.

ATTORNEY-GENERAL PALMER

Hon. A. Mitchell Palmer, Attorney-General of the United States, spoke on the prevailing industrial situation. He said, in part:

A fair and equitable distribution of the profits realized upon the products of industry, as well as a system of co-operative control and management of the terms and conditions under which money and labor yield those products, must be devised. Neither money nor labor should be permitted to dictate to or control the other, but both should participate in the fruits of their common service merely as a money-making machine, but alike, in just proportion to their contributions.

The imperative necessity is a fuller co-operation to bring about greater production at less cost, without sacrifice of the earnings of either money or labor and with the just division of those earnings. Such co-operation must look to other things than mere increase in the wages of labor or the dividends of invested money. It must look to increased business, better working conditions, greater opportunity and reward for individual initiative.

There should be no fear in the mind of either employer or employe of a democratized industry on such a basis of just co-operation, having in view a greater success in industrial effort. It is the middle ground which, once taken and securely held, will avoid the obvious dangers of both extremes.

Co-operative control in industry is not the first step toward either nationalization or class control. It is the recognition of the very principle which has made our Government not alone great but responsible to popular will in a way that protects the interests of all. There is danger in refusing to act upon this principle, now that the time is here, not merely to "do something" for labor, not merely to be "good" to labor, but to be exactly just to labor, and not just to labor only, but to every factor necessary to bring successful production in industry.



RICHARD S. HAWES
President American Bankers Association, Vice-
President First National Bank in St. Louis

NEW OFFICERS ELECTED

Just prior to adjournment the convention adopted the report of the committee on nominations by electing as president for the ensuing year, Richard S. Hawes, vice-president of the First National Bank of St. Louis, and as first vice-president, John S. Drum, president of the Savings Union Bank and Trust Company, San Francisco

CLOSING EXERCISES

One of the most pleasing ceremonies incident to the conventions of the American Bankers' Association is the installation of the new officers. President Maddox, the retiring president, was highly praised by those who had been his associates, and ex-President Watts pinned on his coat a button as a reminder of his official connection with the Association. He was also the recipient of a handsome chest of silver in recognition of his official work. Mr.

Directing This Bank

The destinies of a bank are controlled by its board of directors, and its character is often determined by the variety of interests represented thereon. Consider the directors of the National Newark and Essex Banking Company, their affiliations and their standing in the world of business. Able direction made possible our service of 115 years to business men of the city and state, and the provision of every facility for the future growth of the community.

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Vice-President of the Bank

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Howard Savings Institution

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JAS. P. DUSENBERRY
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PETER CAMPBELL
Treasurer
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HENRY G. ATHA
President
Security Savings Bank

CHARLES L. FARRELL
President of the Bank

WILLIAM E. STEWART
Vice-President
American Insurance Co.

ALEXANDER S. WARD
Vice-President and Treasurer
Howard Savings Institution

ROBERTSON S. WARD
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WILLIAM L. MORGAN
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JAMES S. DENNIS
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Hinsch, another ex-president, making the presentation speech. Richard S. Hawes, the incoming president, received an ovation on being conducted to the

chair by Mr. Maddox. He made a modest and appropriate speech, thanking the Association for its mark of confidence.

Trust Company Section

John W. Platten, president of the United States Mortgage & Trust Company, New York, presided over the meetings of the Trust Company Section. Breckinridge Jones, president of the Mississippi Valley Trust Company, in welcoming the delegates to St. Louis, said:

As we meet from year to year in these conferences there is not only the pleasure we get from personal contact, but we get the benefit of ideas that come from our conferences, and it is a great pleasure. I say, on behalf of the trust companies of St. Louis, the banks, as well as the clearing house, but all our citizens at large, to have the trust companies of America come here at this time and I ask you to Judge St. Louis by what you find, the atmosphere, cordiality and hospitality that we want to furnish you here.

The response to the address of welcome was made by Uzal H. McCarter of the Fidelity Trust Company, Newark, N. J. Brief talks were also made by Richard S. Hawes, vice-president of the First National Bank, St. Louis, and by John S. Drum, vice-president of the Savings Union Bank and Trust Company, San Francisco. After the presentation of the report of the executive committee by E. D. Hulbert, president of the Merchants Loan and Trust Company, Chicago, Festus J. Wade, president of the Merchantile Trust Company, St. Louis, spoke on the causes of the high cost of living.

Reports of various committees and of the secretary showed that the Trust Company Section had been engaged in many activities during the year, looking to the welfare of its members. The following reference to the labor situation is taken from President Platten's annual address:

Let us now briefly consider the labor situation. I personally hold no brief for profiteers, for employers who pay less than a living wage, or for the reprehensive methods which have come to be identified with the sweatshop. On the other hand, labor must realize sooner or later that there is no mystery, no secrecy, in the ways and means by which men accumulate competencies. No set of laws, no system of taxation, no distribution or redistribution of wealth or income, can

make a people prosperous. Each and all must work and each man is rewarded according to his contribution to society. "In the sweat of his brow shall he eat bread." This is as true today as when it was first spoken more than two thousand years ago and it is one of those fundamental truths which do not



JOHN W. PLATTEN
President Trust Company Section American Bankers
Association, President of the United States
Mortgage and Trust Company, New York

change with the passage of time and the alteration of economic conditions.

The high cost of living can best be combated by increased production—underproduction causes real privation to the masses whose purchasing power is limited.

Many find it difficult to answer the question which is being asked by thinking people all over the world today: "Why is it that with billions of capital literally wiped out of existence by the destructive processes of war, and ten millions of producers in their graves, a large part of the world is today spending money more lavishly than ever be-

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Established 1868



Capital and
Surplus
\$2,000,000

Resources
over
\$25,000,000

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Live Stock Market

Live Stock Financing Stock Yards Collections
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Boise Live Stock Loan Co. OF CHICAGO

Organized for the purpose of financing Live Stock
Operations in the

NORTHWESTERN STATES

And offers this paper for investment under the guarantee
endorsement of the Company

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Vice-Pres. & Treasurer
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The Chicago Cattle Loan Co.

Organized for the purpose of financing Live Stock
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fore on non-essentials—especially in America?" The answer is a simple one: "The habit of spending has been formed and to gratify it without stint we are, without realizing this fact, borrowing from the accumulated capital of civilization and dissipating resources which ordinarily would have been held in trust, as it were, and laid aside for the next generation. It may, therefore, be said in a very real sense that it is posterity which, after all, is going to pay a large share of the bill for our present-day extravagances.

All of these considerations are intimately connected with the relations existing between capital and labor and between employer and employee. In order to reconcile interests which in the past have been only too often in conflict, as one writer has said, "business must be clothed with a spirit of accommodation and any element opposed to a meeting of minds has no place in the present or future of this country." Cordial co-operation between employer and employee is more than ever essential, production should govern wages and "political wage making" be discouraged as a dangerous precedent. Only by these means shall we be able to steer a safe and happy middle course.

F. H. Goff, president of the Cleveland Trust Company, delivered an address on "The Development of Community Foundations and Trusts," explaining the methods employed in creating such beneficial agencies and showing the progress of this comparatively recent form of trust activity. Speaking of "Some New Duties of Bankers," Hal H. Smith, director of the Union Trust Company, Detroit, had this to say regarding the maintenance of property rights:

Can it be that there is any truth in this theory, developed years ago, but now for the first time exploited by action, that the institution of private property is a crime against mankind? The whole Christian civilization rests upon it. The teaching of Christ respected it and the virtues he preached grew out of it. It is a familiar fashion to talk of the sacredness of life as compared with the sacredness of property and to condemn those who, as the popular phrase runs, exploit the man for the sake of the dollar; but how can you separate man from the property that surrounds him? It is a part of his very life. What would that life mean if today there were destroyed every vestige of that property that has been the result of the effort of our forefathers. Private property is the fruition of life. It is the expression of life. All the life that is in the hand, in the brain, in the heart, finds its finest development, its highest expression in the creation of new property. The glorious words of the poets, the wisdom of the sages, the inspiration of the prophets, they are no more than spurs to the development of mankind. The reason that they are glorious and wise and inspired is that they are ultimately translated into some concrete agency for the betterment of life; ultimately transformed into

GUY A. HAM, President
WILBUR F. BEALE, Vice-Pres. & Cash.

Citizens National Bank

Boston, Mass.

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Surplus - - \$250,000

A new progressive institution, thoroughly equipped.

We specialize in Trade Acceptances and Collections.

Correspondence invited

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a home or a nook that shall lift the individual higher toward divinity. But this is like carrying coals to Newcastle to defend the institution of private property before those who, as I said a while ago, spend their lives in the care of that property and daily demonstrate their complete belief in the sacredness of that institution by the faithfulness with which they discharge their trusts.

What then will the trust company do? Where will it stand in this first great battle? Will it whisper "Hush, hush," to the employer who defies the demands of those who seek to appropriate his property? Will it, like the coward that money generally is, leave that employer to struggle alone against these forces of envy and disorder? Or will it by its money and influence, by every means in its power, preach the eternal justice of the system which protests honest wages in the hands of honest industry, and concedes to honest capital the just reward of its employment?

NEW OFFICERS OF THE TRUST COMPANY SECTION

Following is the result of the annual election of the Trust Company Section:

President—Lynn H. Dinkins, president Interstate Trust and Banking Co., New Orleans, La.

First Vice-President—Edmund D. Hulbert,

COTTON—WOOL—GRAIN

are three commodities
in which New England
is largely interested.
Business resulting from
the handling of these
commodities is solicited

THE FIRST NATIONAL BANK OF BOSTON

CAPITAL, \$7,500,000

SURPLUS and PROFITS, \$20,000,000

DEPOSITS, \$175,000,000

president Merchants' Loan and Trust Company, Chicago.

Chairman Executive Committee—J. A. House, president Guardian Savings and Trust Company, Cleveland.

Secretary—Leroy A. Mershon, New York.

New Members Executive Committee for three-year term expiring 1922, are as fol-

lows: George D. Edwards, vice-president Commonwealth Trust Company, Pittsburgh; J. Kammers, vice-president Union Trust Company, Spokane, Wash.; Nathan D. Price, vice-president Hartford-Connecticut Trust Company, Hartford; Evans Woolen, president Fletcher Savings and Trust Company, Indianapolis; John Stites, president Louisville Trust Company, Louisville.

State Bank Section

C. B. Hazlewood, vice-president of the Union Trust Company, Chicago, presided at the meetings of the State Bank Section. In the course of his annual address, Mr. Hazlewood said:

It is perfectly safe to say that the banks in our country of all classes are in better condition than ever before. Our bank assets are more clean and more readily convertible than ever before.

The State Bank Section now has 9,499 voting members and 1,248 associate members. Previous to the organization of the State Bank Section a number of State banks were voting members of other sections and many of them are still so classified. It is not the policy of the State Bank Section to do any proselyting to increase its own membership, and it only accepts voting members previously enrolled in other sections upon the written request of institutions that wish to be thus transferred.

The State Bank Section is inspired by the spirit of democracy and co-operation and particularly represents the thousands of country banks that constitute the majority of its membership. Coincident with the existence of the State Bank Section, and perhaps partially on account of it, the sentiment of state bankers has become unified, and the rights of State banks are becoming better recognized.

The fact is becoming apparent that the interests of the country banks of the United States are so interwoven with the interests of the communities which they serve that any banking custom or any banking law that benefits or injures country banks affects in like manner the millions of rural Americans who constitute the backbone of the Nation.

There was a lively discussion of the relations of the state banks to the Federal Reserve System, and a resolution was adopted in favor of the amendment of the Federal Reserve Act so as to permit member banks to make a small charge on exchange items. A demand was likewise made that the state banks members of the Federal Reserve System be given their proportionate share of Government deposits.

J. W. Butler, vice-president of the First Guaranty State Bank, Clifton, Texas, was elected president of the State Bank Section, and **E. C. McDougal**, president of the Bank of Buffalo, Buffalo,



C. B. HAZLEWOOD

Retiring President State Bankers Section, Vice-President Union Trust Co., Chicago, Ill.

N. Y., vice-president. Appropriate resolutions thanking the bankers and citizens of St. Louis for their hospitality were read by R. S. Hecht, president of the Hibernia Bank and Trust Company, New Orleans.

Old Colony Service

An efficient and courteous organization, progressive methods, large resources and three offices, conveniently located in different sections of Boston, combine to make the Old Colony Trust Company the most desirable depository in New England.

The Trust Department is equipped to execute Trusts of every description with all the powers that can be conferred upon an individual.

The Foreign Department is prepared to issue commercial credits, buy or sell bills of exchange and accept time drafts covering foreign and domestic shipments of merchandise.

The Investment Department, at all times in close contact with the bond market and financial affairs in general, is at your disposal.

Old Colony Trust Company

17 Court Street

52 Temple Place

222 Boylston Street

Boston

Capital and Surplus \$15,000,000

Total Resources over 160,000,000

MEMBER OF THE FEDERAL RESERVE SYSTEM

Notes and Drafts ———

———— Notes and Drafts

Send Your New England Collections to

Dorchester Trust Company
Boston, Mass.

Absolutely Direct Service to Every Point in N. E.

No Exchange Charges

Savings Bank Section

The meetings of the Savings Bank Section were presided over by Victor A. Lersner, comptroller of the Williamsburgh Savings Bank, Brooklyn, N. Y. Amortization of mortgage loans and savings bank investments were prominent topics for discussion. On the subject of Amortization, R. Ingalls of New York said:

Amortization is the gradual reduction of a loan by periodic and equal payments that include both interest and part of the principal. The advantages to the lender are that it offsets depreciation of property values, constantly widens the margin of security, and permits a gain by compounding interest on money invested. The advantages to the borrower are that it enforces thrift, makes savings available for extinguishing debts, and renders foreclosure improbable. In one method of amortization the repayments are, as soon as they are received, applied to reduce the borrower's loan. In another method the repayments are placed in a sinking fund; and when the borrower's account in this equals the loan, his debt is cancelled.

Under the sinking-fund method the bor-

rower may make payments of any sums as often as he pleases in addition to obligatory dues. He may also be allowed to stop payment and even to withdraw his credits in the fund. All this is possible because, differently from under the first method, the lender's mortgage claim stays intact for the face amount until the borrower's payments at interest balance his debt. So the sinking fund method is the best for the borrower, since under it, during hard times, payments may be suspended and leniency shown without impairing the lender's lien against the mortgaged property.

In building and loan associations the borrower makes payments, not on the mortgage, but on shares. Hence these associations use the sinking-fund method—but not with all its privileges. Savings banks, however, could use this method in its entirety by opening up a deposit account with the borrower. The only difficulty would be to maintain the interest rates in the account and on the mortgage at a parity. But the trouble from this as well as all the bother and cost of details in helping customers to acquire dwellings and small farms would be compensated by the increase of general business and the better standing of the banks, resulting from their activity in important affairs of their communities.

National Bank Section

Oliver J. Sands, president of the American National Bank, Richmond, Va., was in the chair when the National Bank Section assembled for its annual meeting. He announced that the reports of the president, executive committee and secretary had been printed for distribution and would not be read. President Sands then introduced Waldo Newcomer, president of the National Exchange Bank of Baltimore, who spoke on "Improving the Federal Reserve and Member Banks," and was followed by

Virgil M. Harris on "The Trust Department of a National Bank." The address of Mr. Harris follows:

THE TRUST DEPARTMENT OF A NATIONAL BANK

By Virgil M. Harris, Trust Officer National Bank of Commerce in St. Louis

My purpose today is to take up the practical side of the matter of the Trust Department of a National Bank, its workings, how it is done, and from inquiries received from all parts of the United States, and from

Fourth- Atlantic



National Bank

OF BOSTON

Capital and surplus . . . \$3,800,000
Total resources . . . 38,000,000

A commercial bank giving the fullest service for financing both domestic and foreign trade. Its Foreign Department is fully equipped to buy and sell exchange and issue documentary credits in United States and foreign currencies available in all parts of the world.

Accounts of banks, corporations and merchants are solicited.

Herbert K. Hallett..... President	William N. Homer.. Vice-Pres. & Cashier
Arthur W. Haines..... Vice-President	Russell B. Spear..... Vice-President
Edgar F. Hanscom..... Assistant Cashier	Nathan N. Denison..... Assistant Cashier
Gustave A. Bleyle..... Assistant Cashier	Samuel R. Ruggles..... Assistant Cashier
Myron F. Lord, Assistant Cashier	

Beacon Trust Company

TWO OFFICES

20 MILK STREET 3 SO. MARKET STREET
BOSTON, MASS.

Capital - - - - \$600,000.00
Surplus and Profits - - \$1,400,000.00
Deposits - - - - \$17,000,000.00

	Capital	Surplus and Profits	Deposits
January 1, 1905	\$100,000.00	\$164,710.00	\$1,795,937.33
January 1, 1908	400,000.00	317,800.00	3,579,671.07
January 1, 1911	600,000.00	498,600.00	9,093,040.59
January 1, 1914	600,000.00	791,110.30	10,958,625.10
January 1, 1917	600,000.00	1,056,522.94	14,166,794.09
September 1, 1919	600,000.00	1,448,818.78	17,237,734.54

C. L. BILLMAN, Vice-Pres. and Treas.	CHARLES B. JOPP, President	F. B. LAVLER, Vice-President
ROBERT G. SHAW, Jr., Asst. Treasurer	ALFRED S. NELSON, Asst. Treasurer	LEVERETT A. HASKELL, Asst. Treasurer
GEORGE H. POOR, Secretary		

SAVINGS DEPARTMENT

DEPOSITORY FOR REORGANIZATION PURPOSES

Member Federal Reserve System

gentlemen who have called upon me in the last day or two, it is perfectly apparent that this subject is giving not only concern, but interest.

I consider it a great privilege and an honor to be asked to address the American Bankers Association.

It is my purpose, in a brief address, to give you the practical side in the development of a Trust Department of a National bank.

The strong arm of the United States Government has now been extended to National Banks to enable them to act in fiduciary capacities, and now that this right has been granted, we wonder that it was not done before. It makes an important epoch in the financial history of this country. The eight thousand National Banks of the United States are structures based on solid foundations and have, since their creation, been the chief bulwarks of financial strength and stability.

The Federal law, as originally passed, and the enactments of Congress of September 26th, 1918, have been given so much publicity that I do not feel that any good purpose can be subserved by going into the validity of these enactments; but proper tests have been made in the highest courts of the land, and the way is now open for the enjoyment of the advantages afforded. The Federal Reserve Board has shown a keen interest in the promulgation of the law and in the regulations prescribed for the conduct of trust departments.

The entry of national banks into this new field of service is one which should receive serious consideration, and it is well at this early date for bank officials to realize marked difference between the time-honored usages of commercial banking and the principles which obtain in the operation of a trust department. Commercial banking, in an abstract sense, is largely a question of arithmetic. Safe banking depends upon loans amply secured; the interest takes care of itself; on the other hand, the assumption of fiduciary relations means the undertaking of grave responsibilities which are entirely new to national banks, and which can be successfully discharged only by experts and trained officials who have a thorough knowledge of the intricacies incident to all fiduciary matters. Nothing short of technical knowledge, coupled with years of training, will serve to avoid the pitfalls which beset those who undertake the administration of trusts and kindred matters. At a recent meeting of trust officers, the president of one of the leading trust companies of the United States said that not more than two per cent of commercial banking gave cause for solicitude, but that he had found that seventy-five per cent of the business which naturally falls into a trust department is fraught with complications and perplexities, and subject at all times to litigation; and I am free to say that after twenty years of experience, I heartily concur in his statement.

Let no national banks assume that the addition of the new line of work is a sinecure, for it requires more than a permit from the Federal Reserve Board to accomplish the desired results. It will be found that competition is keen, and rivalry will be encountered.

With these general suggestions, I shall pass

Municipal and Corporation Bonds

We purchase outright entire issues of Municipal and Corporation Bonds that meet the approval of our Investigating Departments.

We offer and recommend these bonds for the investment of Institutions, Trustees and Individuals.

We invite correspondence from all who are interested in the purchase or sale of bonds of this character.

E. H. ROLLINS & SONS

Boston New York Philadelphia
Chicago Denver
San Francisco Los Angeles
London

to those features which, in my judgment, are the basic principles for success in the operation of a trust department.

1. Considerable misapprehension has arisen as to the exact nature of a trust department of a national bank. Many well-informed people, including lawyers, believe it to be a trust company within a bank. Such is not the case. It is not a separate entity; it is a part of the bank itself, and as much so as the savings department or commercial department, and while this is true, yet the Federal law requires that the books and assets of the trust department shall be kept separate and apart from those of the bank itself.

2. I do not think that I am unduly praising my brother trust officers throughout the United States when I say, in all seriousness, that the selection of such an official is a matter of prime importance, and that in the history of trust companies I do not recall an instance of defalcation or betrayal of trust on the part of a trust officer. The duties of the trust officer are multifarious. He should be a lawyer, and a versatile one, for there come before him every form of business complication, and every phase of human character, good and bad. There is no problem, legal or otherwise, which our complex civilization brings forth, which he may not be called upon to solve. The orphan's cry, the widow's needs and the lamentations and denunciations of disappointed heirs are everyday

Capital, \$1,000,000



Surplus, \$1,000,000

Total Resources,

\$17,000,000

Incorporated 1792

The National Union Bank

BOSTON, MASS.

Its medium size gives assurance of personal attention to its depositors.

OFFICERS

HENRY S. GREV, President

WILLIAM S. B. STEVENS, Vice-President JOHN W. MARNO, Cashier

ALEXANDER WHITESIDE, Vice-President HUBBARD B. MANSFIELD, Asst. Cashier

State Street Trust Company

BOSTON, MASS.

MAIN OFFICE, 33 STATE STREET

BRANCH OFFICES

**Massachusetts Avenue Branch
Cor. Massachusetts Ave. and Boylston St.**

**Copley Square Branch
579 Boylston St.**

Interest Allowed on Accounts of \$300 and Over

DEPOSITS

July 1, 1915	- - - - -	\$18,788,082.10
July 1, 1916	- - - - -	26,164,957.12
July 1, 1917	- - - - -	28,521,706.90
July 1, 1918	- - - - -	30,866,259.15
July 1, 1919	- - - - -	32,810,835.04

Members of the Federal Reserve System

occurrences to him. He must exercise a broad sympathy, and yet be firm in the performance of his duties. The trust officer should have a capable force of assistants and clerks at his command; he should receive from the executives cordial support and encouragement. The trust officer who possesses the necessary qualifications for his office is not easily found. One of the largest banks in the South, desiring to open a trust department, applied to me some time ago for a man to fill the position of trust officer. In spite of the fact that the salary offered was a large one, a suitable man could not be procured for six months.

3. The trust department, with reference to its location in the bank, should be to itself; the members of the official and clerical force should not be separated; the department should have appropriate signs designating its location; it should be accessible, and its equipment first-class. No assistant or clerk should be taken into the trust department whose aptitude and ability have not been investigated. The trust officer, and those who assist him, should be well paid, for their hours are long and their duties exacting.

4. In the ordinary course of affairs, it takes about five years to establish a trust department; that is to say, to put it on a fixed and paying basis. The experience may be likened unto that of a doctor or lawyer in establishing a paying practice; success does not come overnight; and during this period of probation, the desire to secure business should not outweigh sound judgment and discrimination in the nature of the business received.

5. The trust department should not be a dumping place for undesirable transactions. One bad lobster, it is said, will spoil a carload. Where it is clear that the business offered is undesirable, it should be declined with that alacrity and firmness with which the discount committee of the bank declines a loan which is not properly secured.

6. Our worldly possessions are but life holdings, and the grace with which we part with them at the end of life's journey shows human character in its least disguised form. Wills constitute the most important item which can come into a trust department. All the property in a community changes ownership once in about every twenty-five years, and most of it passes by will. Much of the other work of a trust department is of a red ink nature. Wills may be important or unimportant; they may be helpful or detrimental, and even though a bank has been named as executor, if it be ascertained that the emoluments are inadequate and that bitterness and family enmities must be incurred, the wiser plan is to resign and let some ambitious administrator take charge.

Many frugal-minded donors and testators are inclined to name several executors and trustees to act with a corporate executor or trustee. For all practical needs, one such is sufficient, but, in no event let the compensation of the corporate executor or trustee be reduced to less than one-half of the commissions allowed, for the responsibility and the laboring oar fall to the corporate executor.

7. A national bank having established a trust department, the first duty of the directors and officers of the bank should be to

Service and Growth

They are closely related in any successful institution, for growth unfailingly follows willing and efficient service. We have verified the foregoing statement in this bank.

R. H. MANN, President
GEO. E. DUFFY, Vice-President
J. L. ELLSWORTH, Vice-Pres. and Treas.
F. J. BYE, Assistant Treasurer
J. J. FLYNN, Assistant Treasurer

**Park
Trust Company**
Worcester, Mass.

lodge their wills with the department. It has been said that if a man has three true friends he is rich, and this applies to a trust department; if the directors and officers will favor the department with their wills, it is well on the road to success. It is not to be expected that the patrons of the bank and the public at large will patronize an institution where the directors and officers fail to do so. The development of a trust department is a slow process. Fortunately, our friends do not die simultaneously. Death is a ridiculously easy thing, and it does occur; and it is by deaths that the trust department is enriched.

8. It has been suggested that national banks are not qualified to handle trusts of long duration, by reason of the shortness of their corporate lives. This theory is absolutely without merit and without foundation. For national banks can and do automatically renew their charters, and usually do so with more ease and less friction than do trust companies. In this connection, let me say that of far greater importance than the longevity of national banks is the paramount protection afforded by the double liability of their stockholders. Whether or not it is a prudent procedure to give out this information by advertisement might well be weighed, in view of the alarm it might cause to stockholders who might not read understandingly.

9. The fiduciary field in the United States

Industrial Trust Company

PROVIDENCE, R. I.

MEMBER FEDERAL RESERVE SYSTEM

Branches

PAWTUCKET

BRISTOL

WICKFORD

NEWPORT

WARREN

WOONSOCKET

PASCOAG

WESTERLY

Largest Bank in Rhode Island

Capital - - - - \$3,000,000

Surplus - - - - 4,000,000

Total Assets over - 75,000,000

Officers

SAMUEL P. COLT, Chairman of the Board of Directors

H. MARTIN BROWN, President

JOSHUA M. ADDEMAN,
Vice-President

HENRY B. CONGDON,
Secretary

JAMES M. SCOTT,
Vice-President

J. CUNLIFFE BULLOCK,
Trust Officer

SAMUEL M. NICHOLSON,
Vice-President

ELMER F. SEABURY,
Asst. Treasurer

FLORRIMON M. HOWE,
Vice-President

HARRY C. OWEN,
Asst. Secretary

WARD E. SMITH,
Treasurer

HENRY C. JACKSON,
Asst. Secretary

ELLERY HOLBROOK, Asst. Secretary

Directors

Samuel P. Colt, Chairman

Joshua M. Addeman,
James M. Scott
H. Martin Brown
J. Milton Payne
Eben N. Littlefield
Ezra Dixon
Lyman B. Goff
Samuel M. Nicholson
James R. MacColl

Harold J. Gross
R. Livingston Beeckman
Walter S. Ballou
Albert H. Sayles
Henry W. Harvey
James M. Pendleton
Everett I. Rogers
Erling C. Ostby
John S. Holbrook

Edward H. Rathbun
Henry A. Hoffman
Alfred M. Coats
Frank L. Pierce
Edward B. Aldrich
Florrimon M. Howe
Frederic W. Howe
Walter F. Angell
Frederick L. Jenckes

is an extensive one and has scarcely been encroached upon by those acting in corporate fiduciary capacities. The opportunity for national banks is boundless. The reasons for giving preference to corporate fiduciaries are now almost axiomatic. All that has been written and all that can be written on the subject, upon which these reasons are based, come from financial responsibility, continued existence, financial judgment, accumulated existence, and impartiality. All of the thousands of circulars, pamphlets and general literature which proceed from corporate executors can be traced back to the fundamental qualifications.

10. The welfare of the trust department, and its growth, in its last analysis, rest upon the stability of the bank and the personnel of its directors and officers. The strength of the bank, its standing and integrity, are the chief advantages, and no amount of capital and deposits can possibly supply the prime factor of character and confidence.

11. The customers of a bank, including its depositors and its borrowers, from time to time, seek counsel and assistance in their everyday business affairs, and it is but an extension of this relation that they should place their estates in the hands of the bank for management after death.

12. Whether or not national banks in towns and in the smaller cities will be enabled to successfully avail themselves of the benefits of the new law is an untried problem, and one which only experience will demonstrate. Some trust companies have flourished under these conditions, but the great wealth acquired has chiefly come to those institutions which are located in metropolitan centers. My own opinion is that a national bank situated in a county seat or in a city having a population of ten thousand inhabitants may accept the certificate from the Federal Reserve Board with reasonable assurance of success.

13. Let me say, with emphasis, that those who contemplate the establishment of a trust department should not assume the new relation unless there is a fixed determination to give it a fair trial, and to finance the enterprise for a considerable length of time. It is practically impossible for a corporate executor to discontinue the trust relation after it has been assumed, and in those States where a deposit is required to be made with the State Bank Commissioner to enable corporate executors to act without bond, the fund so deposited can rarely be recovered. The ramifications of the trust business are such that a termination of all of it is impracticable. So long as there is a trust of any kind open upon the books, the deposit must be held and cannot be lessened or withdrawn.

14. We are ushered into the world in a state of dumb amazement and go out of it in the same way, and most of our fortunes mechanically take their course. Less than ten per cent of people dying leave estates of over five thousand in value. The attempt of the dead hand to guide the fortunes and destinies of those who follow is frequently attended with disaster, bitter hatred and lack of love and reverence for those who have departed. Trusts of long duration rarely, if ever, work out perfectly. It is not given to us to see very far into the future. The stability of securities changes; wars come,

The Blackstone Canal National Bank

Providence, R. I.

IN BUSINESS SINCE 1831

Capital
\$500,000

Surplus Profits, over
\$600,000

We have unequalled facilities
for collecting Bill of Lading
Drafts, which are at the ser-
vice of our Customers. Write
us about this service.

Resources over Four Million Dollars

and a thousand and one things may occur to thwart the benevolent intentions of the testator. Perhaps it is for our good that we cannot read the future, but if this foresight were given to testators, it is certain that many would change their plans and that many of those directions which we frequently find in wills would be left unwritten.

15. The advertising necessary and incident to a trust department, in my judgment, should always be of a dignified nature. The business of the trust department itself is of a serious and dignified nature. Pamphlets and brochures, if well conceived and if penned by hands trained in the work, have their advantages, when properly distributed. Newspaper advertisements which point out the capital and surplus of the bank and pointedly suggest the advantages offered by it serve to keep the name of the bank before the world; but, for the most part, the paying business of a trust department, the part of it which brings the best returns, comes from the personal touch, by reason of acquaintanceship and of family connections. A man puts into his will his well-reflected intentions. The execution of the will is probably the most serious act of his life, and he no more selects from the pamphlet or the newspaper his executor than he does therefrom get his religion. It is said that 91 per cent of all

Providence National Bank

ESTABLISHED 1791

Providence, R. I.

— *Third Oldest Bank in America* —

**Local and Out of Town Accounts Handled
Correspondence Solicited**

OFFICERS

WILLIAM GAMMELL.....President
WILLIAM GAMMELL, JR., Vice-Pres.
EARL G. BATTY.....Cashier
FRANK L. SAWYER, Assistant Cashier

DIRECTORS

JOHN CARTER BROWN WOODS
WILLIAM GAMMELL
JOHN ORMSBEE AMES
WILLIAM GAMMELL, JR.
HARRY PARSONS CROSS
JOHN B. LEWIS
PAUL C. DEWOLF
RICHARD S. ALDRICH
EARL G. BATTY

Capital, \$500,000

Surplus, \$500,000

Undivided Profits, \$570,000

Worcester Bank & Trust Company

Worcester, Mass.

Member of Federal Reserve System

WILLIAM D. LUEY, Chairman of the Board

JOHN E. WHITE, President
HENRY P. MURRAY, Vice-President
SAMUEL D. SPURR, Vice-President
CHARLES A. BARTON, Vice-President
SAMUEL H. CLARY, Vice-Pres. & Trust Officer
ALVIN J. DANIELS, Treasurer
BERTICE F. SAWYER, Secretary
FREDERICK M. HEDDEN, Cashier
CHARLES F. HUNT, Auditor

Commercial Department, Assets over - \$31,000,000
Trust Department, Assets over - - - 6,000,000
Capital , - - - - - 1,250,000
Surplus and Undivided Profits over - - 850,000

Largest Commercial Bank in Massachusetts Outside of Boston

American business is conducted through the mails. Letter-writing is useful and has become a finished art. Unusual expressions in letters or in advertising, so far as the trust department is concerned, should be avoided, but appropriate advertising through intelligent channels will accomplish great purposes and break down apparently impassable barriers.

16. Strictly to be avoided are designing persons who have some worthless scheme to exploit. Acting as trustee under a worthless bond issue or coal project, or mine or oil proposition, may bring undesirable results, and your name may unwittingly be dragged into advertising schemes which you did not contemplate. The closest scrutiny should be employed before deciding to act as trustee or agent in any undertaking, however glowing its prospects, or whatever the compensation offered. A failure to detect the ulterior design may bring irreparable loss and sorrowful reflection.

17. In conclusion, I wish to say that whether or not a trust department is a paying adjunct of a bank depends largely on the individual case. It is possible to make it one of the very best sources of revenue to the bank. Speaking personally of the trust department of the bank with which I have the honor to be connected, I will add that in its first year of existence under the new law the return on a very liberal investment has far exceeded its most hopeful expectations.

I sincerely thank you for your attention, and extend to you, Mr. President, and to the members of this association, my best wishes for your continued welfare.

At the second day's session of the National Bank Section, Hon. John Skelton Williams, Comptroller of the Currency, spoke on the necessity and desirability of assisting to restore normal financial and industrial conditions to Europe. He gave facts to show that we are amply able to do so.

ELECTION OF OFFICERS

Officers elected by the National Bank Section of the American Bankers' Association were:

President, Walter W. Head, vice-president Omaha National Bank, Omaha, Neb.; vice-president, Henry H. McKee, Washington, D. C.; one-year membership on the executive committee, Alfred L. Aiken, Boston, Mass.; John G. Lonsdale, St. Louis, and Theodore Wold, Minneapolis, Minn.; two-year term, George A. Kennedy, San Francisco; three-year term, C. S. Calwell, Philadelphia; R. D. Sneath, Tiffin, O.; Thomas R. Preston, Chattanooga, Tenn., and James Ringold, Denver.

SOME OBSERVATIONS OF THE BANKERS

Festus J. Wade, president Mercantile Trust Company, St. Louis:



WALTER W. HEAD

President National Bank Section, Vice-President
Omaha National Bank, Omaha, Nebraska

In early life Mr. Head taught school, and later was for three years cashier of the De Kalb (Mo.) State Bank, following which service he was for two years a bank examiner in Missouri, resigning to become cashier of the American National Bank, St. Joseph, Mo., with which institution he was actively connected as cashier and vice-president for nine years. He is, in fact, still vice-president and director of that bank, and is also vice-president and chairman of the executive committee of the St. Joseph Life Insurance Company.

Mr. Head was made senior vice-president and manager of the Omaha National Bank in May, 1917. During the war he served as chairman of the United War Work Committee for Omaha, was Nebraska state chairman of the Red Cross Christmas membership campaign in 1918, major of Omaha Battalion Nebraska Home Guards, and was actively connected with the Red Cross and Liberty Loan drives. He is at present president of the Omaha Council of Boy Scouts and a member of the National Executive Board of the Boy Scouts of America, is a member of the executive council of the Nebraska Bankers Association and also of the State Capitol Commission for the erection of a new \$5,000,000 state capitol, besides holding numerous other offices.

In The Great Northwest

Our new sixteen story building is now under construction and will upon completion in 1920, be one of the finest banking institutions on the Pacific Coast.

We recently increased our capital to One Million Dollars and our surplus to \$250,000.

Our increase in deposits during the last two years is nearly \$4,000,000.00.

Banking institutions, corporations or individuals having business transactions in the Northwest, will find this bank equipped to render the most efficient service.

Scandinavian American Bank
Pacific Avenue at Eleventh Street. Tacoma

A cause of unrest the world over is that the European countries know that they are laboring under a staggering debt. If I had my way I would permit them to pay us back these gigantic sums in installments for the next fifty years. If I had the power I would take half of the gold that is lying idle in the treasury and lend it to Europe. I would encourage all the countries of Europe, even Germany, to go back to their industrial activities, to the end that they might be rehabilitated and to the end that we may continue to conduct business with them.

Andrew J. Frame, president Waukesha (Wis.) National Bank:

The profligate expenses of the Government have started a contagion of personal extravagance. Recently my attention was called to two young women in our town. Before the war they were earning nine and eleven dollars per week, but as government employes, they made about twenty-five or twenty-eight dollars. They have no particular qualifications that have enabled them to secure other employment on a like wage basis, and are now out of employment, and without any funds on hand. Verily, by their furs we shall know them.

E. G. Crawford, vice-president United States National Bank, Portland, Ore.:

Take the native Fiji Islander, totally uneducated, he can barely sustain life. That but an example of what labor alone, without intelligence, can do. It's the brain that invented the tools for the workman that made his labor the efficient thing it is today. It is just as much a patriotic duty now to labor intelligently and to circulate healthy propaganda as it was to take up a gun for our country in time of war.

W. T. Fenton, vice-president and manager National Bank of the Republic, Chicago:

What is needed in this country is less talking and more work. We are suffering from a curtailed production in almost every essential line. If the business men of the United States would stop fighting each other and organize along the lines of the sound money party which we had in 1896, it would only be a little while until Bolshevism and Socialism would be silenced and business conditions would reflect normal conditions.



Provincialism

PROVINCIALISM has been an American fault.

It is found as often in the large, as in the small institution, applies to capital as well as labor, and its greatest danger lies in that it sacrifices the good of the whole to the advantage of the smaller unit.

We, as a people, have been too prone to seek the advantage of the individual or of the class at the expense of the community.

The United States has known a generation's growth in the past five years.

There is a crying need today that the nation's affairs should be handled without the fetter of provincialism.

"For the good of the whole" must

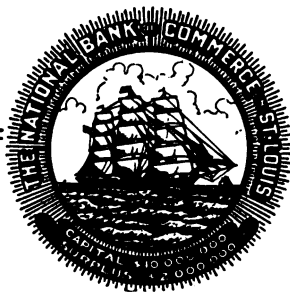
be the slogan of leadership in the activities of national life.

Pressing problems are facing the nation. The solution of these problems necessitates a point of view free from provincialism.

The necessary means of business must be provided throughout the world, and utter urgency compels prompt action from each and every unit.

We are rapidly throwing off the bonds of provincialism.

We have confidence that the pressing modern world problems can, and will, be answered by the assumption by every individual of his share in the activities and progress which make "for the good of the whole."—From an advertisement of Imbrie & Company, New York.



Individual Service for Individual Banks

The first requisite in successful service is a thorough understanding of the other man's viewpoint.

The success of the National Bank of Commerce in pleasing correspondent bankers is largely due to our officers' first-hand knowledge of the problems with which different kinds of bankers are confronted.

On our staff are men whose experience embraces service in state banks, trust companies and national banks, ranging in size of capital stock from ten thousand dollars to ten million dollars.

We render individual service because we are familiar with individual requirements.

What can we do for YOU?

The National Bank of Commerce --- in St. Louis

Capital, Surplus and Profits, \$14,000,000.00

Banking and Financial Industry

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



THE LIBERTY NATIONAL BANK *of* NEW YORK

CAPITAL - - - - \$3,000,000.00

SURPLUS - - - - 3,000,000.00

UNDIVIDED PROFITS 1,750,000.00

OFFICERS

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DANIEL G. REID	Vice President
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FREDERICK P. McGLYNN	Assistant Cashier
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RAYMOND G. FORBES	Assistant Cashier

Are You Going to Build a New Home For Your Bank?

Depositors prefer to do business with a Bank having a modern up-to-date distinctive building, first class equipment throughout and absolute security in its vault work. Convincing evidence that we furnish complete service in all these departments is shown by the fact that we have been selected by the following banks and very many others:

Seaboard National Bank, New York
National Bank of Commerce, New York
Asia Banking Corporation, New York
Mercantile Trust Company, New York
American Exchange National Bank, Dallas, Texas
Charlotte National Bank, Charlotte, N. C.
First National Bank, Jersey City, N. J.
Greenwich Trust Company, Greenwich, Conn.
Colonial Trust Company, Greenwich, Conn.
Colonial Trust Company, Titusville, Pa.
First National Bank, Richmond, Va.
Lynchburg National Bank, Lynchburg, Va.
Hibernia Bank & Trust Company, New Orleans, La.

We shall be pleased to make suggestions regarding the most efficient and economical methods of meeting your requirements without obligation on your part.

Alfred C. Bossom

Bank Architect and Equipment Engineer

366 Fifth Avenue, New York



French American Banking Corporation, 67-69 William Street, New York

The French American Banking Corporation

JAMES S. ALEXANDER, president of the National Bank of Commerce in New York, recently stated that the paramount business problem before America today is the efficient organization of her credit resources for the purpose of financing Europe's purchases of materials for consumption and reconstruction pending her economic recovery.

Stated in broad terms, said Mr. Alexander, the situation is that Europe must have from the United States immense quantities of materials to rebuild and refit for a normally productive economic life. Europe's international banking situation is such that she cannot pay as

she goes. Neither is her present productivity such as to enable her to pay for what she buys with what she produces—that is, to balance her imports by her exports in normal trade exchanges.

As a result, Europe's currently accumulating debt to America, evidenced by our abnormal monthly favorable balance of trade and the excessive exchange rates against Europe, is piling up her unbalanced obligations to us to such an extent that a special means of financing her continuing purchases here must be developed. She must go on for some time to come buying on credit from us as she has in the past. But her



PAUL BOYER

President Comptoir National d'Escompte de Paris,
Director French American Banking Corporation



STANISLAS SIMON

Managing Director Banque de l' Indo Chine,
Director French American Banking Corporation

government credits here are almost exhausted; and it would be impossible to supply credits for the amounts required by unorganized private methods.

The United States has the necessary supplies to meet the needs of Europe. Nature has responded to our increased agricultural efforts with crops of great bounty, and the nation's industries are expanded and geared up to a degree of productivity never before attained. Nowhere else in the world can adequate supplies be found for Europe's needs, and it is also true that the only available source of long time credits sufficient to finance her necessitous purchases is likewise the people of the United States itself. As a nation, therefore, we must both sell goods to Europe and we must supply her with the credit to make these purchases.

An important step in this direction was recently taken in the organization of the French American Banking Corporation which is a combination of

French and American banking interests with the view of extending credit for the financing of Franco American trade. The French American Banking Corporation was incorporated in Albany, New York, on April 29. It is capitalized at \$2,000,000 with a surplus of \$500,000 all paid in. Half of the stock of the corporation is held by American interests and half by French. The American stockholders are the National Bank of Commerce in New York whose capital surplus and undivided profits are over \$50,000,000, and resources over \$558,200,000, and the First National Bank of Boston, whose capital, surplus and undivided profits are over \$27,800,000 and resources over \$225,500,000. Each of these banks holds one-fourth of the stock. The French interests are represented by the Comptoir National d'Escompte de Paris, whose capital and surplus fund is over \$48,000,000, and resources over \$500,000,000. This makes a total capital,



Main Banking Room from Officers' Quarters, French American Banking Corporation

surplus and undivided profits of the institution behind the new corporation of more than \$125,000,000 and total resources of over \$1,280,000,000.

The directors representing the American interests in the corporation are James S. Alexander, president of the National Bank of Commerce in New York; Daniel G. Wing, president of the First National Bank of Boston; John E. Rovensky, vice-president of the National Bank of Commerce in New York; F. Abbot Goodhue, vice-president of the First National Bank of Boston; Harry B. Thayer, president of the American Telephone & Telegraph Co., New York, and Owen D. Young, vice-president of the General Electric Company, New York.

The French interests in the corporation are represented by the following directors: Paul Boyer, president of the Comptoir National d'Escompte de Paris; Maurice Silvester, American representative of the Comptoir National d'Escompte de Paris; Paul Fuller, Jr., of New York, a member of the firm

of Coudert Brothers, attorneys; Edgar Llewellyn, manager of the Comptoir National d'Escompte de Paris; Maurice Lewandowski, managing director of the Comptoir National d'Escompte de Paris, and Stanislas Simon, managing director of the Banque de l'Indo-Chine, Paris, and director of the Comptoir National d'Escompte de Paris. The Banque de l'Indo-Chine, of which Mr. Stanislas Simon is managing director, is the most powerful and important of the French colonial banks.

The officers of the corporation are as follows: Maurice Silvester, president; Roger P. Kavanagh, vice-president and treasurer; John E. Rovensky, vice-president; F. Abbot Goodhue, vice-president; Thomas E. Green, secretary.

Mr. Silvester, president of the corporation, had his first training in France in the import, export and shipping business with practical experience in England, France, South America and the United States. He has lived in America since 1887 and his connection with the Comptoir National d'Escompte



JAMES S. ALEXANDER

President National Bank of Commerce in New York.
Director French American Banking Corporation



JOHN E. ROVENSKY

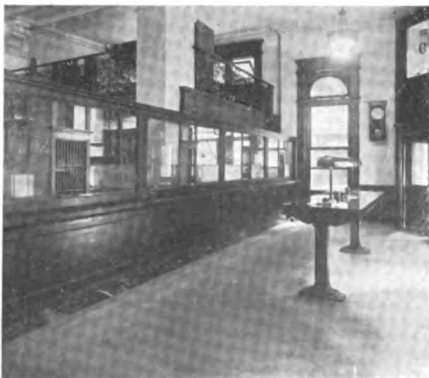
Vice-President National Bank of Commerce in
New York,
Director French American Banking Corporation

de Paris during the past twenty-six years represents a career from the bottom up. Going through all departments, he rose to be cashier, branch manager, and finally became the Paris bank's general representative for the United States and Canada, with headquarters in New York. His long ex-

perience with American and foreign banking made him the logical choice for the presidency of the new corporation, of which the Paris banks own half of the capital stock.

Mr. Kavanagh, vice-president and treasurer, is well known in the banking community. He was formerly manager of the Fifth Avenue branch of the Metropolitan Trust Company and previous to that was an examiner in the New York State Banking Department.

Mr. Kavanagh was appointed an examiner on June 1, 1908, by the then superintendent of banks, Hon. Clark Williams. Prior to that time he was for many years connected with the Fifth Avenue Bank of New York. During the term of Superintendent of Banks George C. Van Tuyl, Jr., he commenced to supervise the examinations of the large institutions located in the metropolitan district, which includes the Greater City of New York. He was engaged in this branch of the service



Public Lobby



DANIEL G. WING

President First National Bank of Boston,
Director French American Banking Corporation



F. ABBOT GOODHUE

Vice-President First National Bank of Boston,
Director French American Banking Corporation

up to the time of his resignation and is well known for his work in this connection.

Besides his long practical experience in the Fifth Avenue Bank, which was considerably broadened by his experience in the New York State Banking Department, he has always taken a deep interest in the educational side of banking questions. He has been active in the affairs of the American Institute of Banking since its inception, having been secretary for two years and president for one year of the New York chapter.

Mr. Green, the secretary, is a foreign exchange expert. He came to New York from London where he was connected with important foreign banking establishments for many years. He was in the London office of the Credit Lyonnais and the Comptoir National d'Escompte de Paris, and lastly was submanager of the Societ e Generale de Credit Industriel et Commercial.

Mr. Green came to New York in 1903 to take a position with the National City Bank as assistant manager of the foreign exchange department. For the past fourteen years he has been connected with Blair & Co., and was secretary and foreign exchange manager of the latter when he recently re-



Main Banking Room and Officers' Quarters



MAURICE SILVESTER
President French American Banking Corporation



ROGER P. KAVANAGH
Vice-President and Treasurer French American
Banking Corporation

signed to become secretary of the French American Banking Corporation when that bank was organized. Mr. Green has travelled extensively throughout the European continent and has many friends and acquaintances amongst the bankers in the various European financial centers.

At the time of the organization of



Directors' Room.

the bank Mr. Silvester made the following statement in regard to the plans and purposes of the new project:

"The new trade relations created by, or resulting from, the war continue to engage the attention of bankers and economists all over the world and, while there is some difference of opinion as to the best means for attaining the desired end, they all agree that in order to carry its heavy burden of taxation, every nation will have to work harder and will have to produce more. It is also generally recognized that a nation, like the United States, which has suffered little and is financially the strongest, must continue extending credit facilities on a large and liberal scale to other nations less fortunate, in order to hold and further develop its foreign trade.

"The Federal Reserve Act and many state banking laws, as recently amended, have furnished American commerce with the financial means to enter the



THOMAS E. GREEN

Secretary French American Banking Corporation



NUGENT FALLON

French American Banking Corporation

world markets on an equal footing. In financial means, cash plays but a very small part. The bulk is constituted of credit, which raises the problem of creating the equipment necessary for the issue and the negotiation of short and long time obligations and for the maintenance of a ready market for the same. This can be accomplished only by organizing an increasing number of banking, discount and securities corporations, such as have recently made their appearance in New York and elsewhere.

"In line with this policy, a combination has now been formed between the National Bank of Commerce in New York, the First National Bank of Boston, and the Comptoir National d'Escompte de Paris, for the organization of the French American Banking Corporation.

"A combination of this sort is a new departure, it being the first instance where a prominent French banking institution has associated itself with American bankers so closely in such an

undertaking. Another feature lies in the fact that all three associates are strictly commercial banks of the highest standing, all of which augurs well for a conservative and successful management for the new corporation. But the principal advantage of this combination will be the standing and close contact with the French public at large, which will



Officers' Quarters

be given to the corporation by the association of the Comptoir National d'Escompte de Paris and its numerous branches. This could never be accomplished through the opening of foreign branches in France, and it was a clever move on the part of the National Bank of Commerce and the First National Bank of Boston to have left the beaten path and done something new and better. The same holds good for the French bank, which will enjoy similar advantages through the corporation and its American associates.

"The French American Banking Corporation will transact a general foreign and international banking business, and as pointed out before, will possess special facilities for the handling and developing of commercial and financial relations between the United States and France and their respective colonies and dependencies."

With regard to the new bank, Mr. Alexander, president of the Bank of Commerce, recently stated:

"This alliance of great French and American banks represents, we believe, an efficient instrumentality to facilitate and foster the trade relations between the United States and France which the new era demands. We consider it a most practical way to realize the necessary co-operation between French and American banking, and to give America's business men the benefit of the experience and connections of native French bankers that could be given to them in no other way.

"The French American Banking Corporation is an organization which has behind it the good will of the three great established institutions which hold its stock. It is primarily a commercial bank, as are all the institutions which control it. It is expected that it will engage in the acceptance business, and, in general, assist in financing trade between the United States and France, including the French colonies in all parts of the world."

The foreign trade department directs its efforts toward the development of import and export trade by bringing buyers and sellers in touch with one another, and by assisting manufacturers, producers and merchants to enter foreign markets. This department acts in all practical ways to promote the interests of the bank's customers in their export and import business. It does not engage in merchandising on its own account. It is particularly well situated for the furnishing of general information and credit information on all countries, but particularly in regard to France, Belgium and the French colonies.

Nugent Fallon, manager of the foreign trade department, has had a wide experience in the export and import of merchandise and has travelled extensively on business during the last ten years in Europe, Asia and parts of Africa. He comes to New York from the First National Bank of Boston.

The French American Banking Corporation opened for business July 1, 1919, at 67-69 William St., New York. The results of the first few months' operation have fully justified the expectations of its organizers.

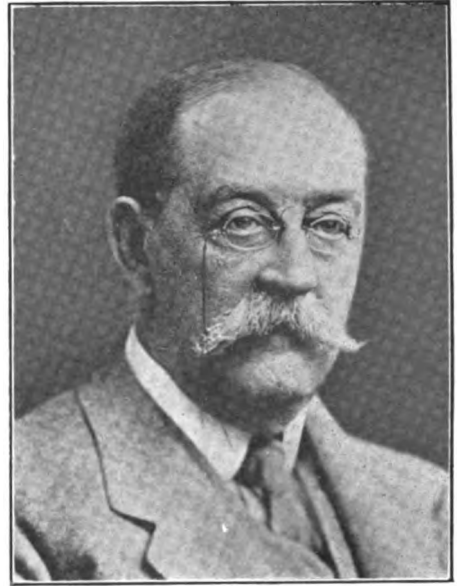
In order to gain a perspective of the unusual facilities offered to the American Export and Import trade by this new institution, it is only necessary to look at the long list of branches of the affiliated banks spread out over the whole world. They cover cities and towns in:

France, England, Belgium, Spain, Egypt, Tunisia, Algeria, Morocco, Senegal, Guineas, Ivory Coast, Dahomey, Madagascar, French Somali, Reunion, Australia, Martinique, Guadeloupe, French Guyana, Tahiti, New Caledonia, China, Siberia, Annam, Cochinchina, Siam, Tonkin, Cambodia, India, Straits Settlements, Argentina.

These affiliations furnish practically the same close connection and special service, as though the French American Banking Corporation had its own branches in those countries.



GEORGE C. VAN TUYL
President Metropolitan Trust Co., New York



BEVERLY CHEW
First Vice-President Metropolitan Trust Co., New York

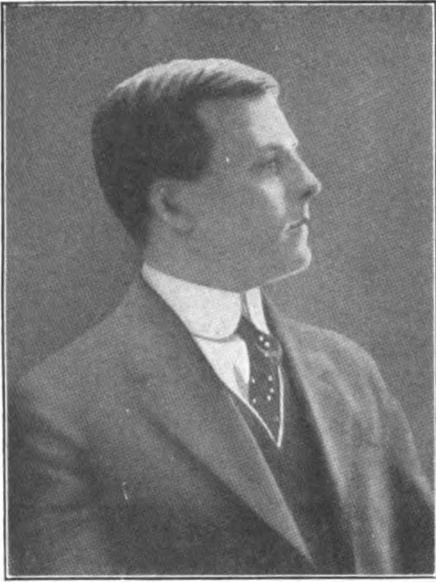
Metropolitan Trust Co., New York

MORE than ever before banking institutions are obtaining the services of men who are widely experienced in the field of commercial endeavor. The most recent illustration of this tendency is the appointment of Charles W. Weston as vice-president of the Metropolitan Trust Company of New York. For nineteen years Mr. Weston has been associated with the Union Pacific Railway Company, and since 1912 has held the office of assistant treasurer of that company and the affiliated companies in the Union Pacific System.

Although born in New York and receiving his rudimentary education in its public schools, Mr. Weston is a resident of Montclair, New Jersey, and during the war took an active part in all local war activities. He served as a member of the Liberty Loan Committee, the

War Savings Committee, as campaign manager of the Second Red Cross War Fund Drive, and in a similar capacity in the United War Work Campaign. Mr. Weston is the treasurer of the Mountainside Hospital, Montclair, and member of the Essex County Country Club, and of the Sons of the Revolution.

Several other important changes have recently occurred in the Metropolitan Trust staff. With the resignation of Edwin F. Rorebeck as vice-president, Harold B. Thorne, vice-president, assumed the duties heretofore performed by Mr. Rorebeck. Mr. Thorne entered the banking fraternity with the Mercantile Trust Company in 1895, with which company he served until its merger with the Bankers Trust Company in 1911, filling the posts of assistant treasurer, treasurer and executive vice-president respectively. In June.



HAROLD B. THORNE
Vice-President Metropolitan Trust Co., New York



CHARLES W. WESTON
Vice-President Metropolitan Trust Co., New York

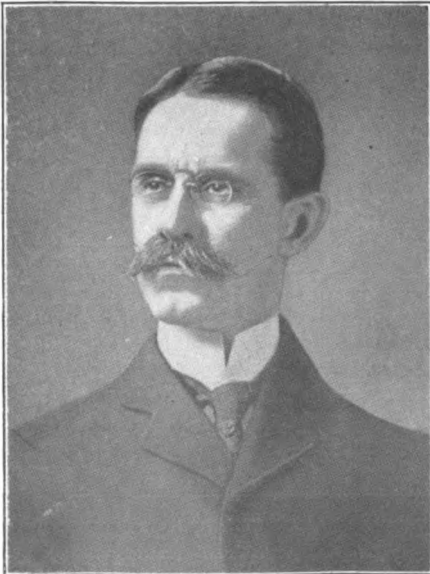
1916, he resigned as a vice-president of the Bankers Trust Company to join the forces of the Metropolitan. John Floyd Cissel, assistant treasurer of the

company, has been promoted to the post of comptroller,

George C. VanTuyl, Jr., president of the institution, was largely instrumental in the revision of the New York state banking laws, serving as superintendent of banks for the state and headed the so-called VanTuyl Commission. The banking code enacted by this commission has been a model for subsequent revision in several important states.

Beverly Chew, first vice-president, entered the service of the Metropolitan Trust Company April 13, 1887. For more than ten year Mr. Chew was secretary of the company, afterward becoming successively second vice-president and first vice-president.

Chartered under the New York state banking laws in 1881, the Metropolitan Trust Company has been known continually for the thirty-eight subsequent years as one of the leading financial institutions of the city. Many noted financiers have served on its board of directors. Its first president was Gen. Thomas Hillhouse, once assistant treasurer of the United States. Gen. Hillhouse served the company for six-



G. N. HARTMANN
Secretary Metropolitan Trust Co., New York

teen years. The company has long been known for the interest it has taken in the welfare of its employees. Three years ago the company built a large clubhouse at Howard Beach as the home of the Meteco Club, an organization of the employees and officers of the bank with the purpose of promoting recreation and good fellowship. This club has been a pronounced success from its inception.

The present home of the company at 60 Wall Street, in the very heart of the New York financial district, was formally opened on January 8, 1917. Every device for the convenient and efficient handling of the company's business was

installed. Its banking room, from an architectural point of view, is considered one of the most beautiful in the country.

With the view to providing convenient service to uptown residents of New York, the Metropolitan Trust Company has established a complete investors' service department at its uptown office, 716 Fifth Avenue. This department furnishes complete facilities for obtaining information and suggestions, for exchanging, purchasing or selling securities and for assistance in all matters affecting their investments. This department is under the supervision of George F. Grady.

The Head of an Important International Banking House

IF he had concurred in his father's plans for his future, Oscar L. Gubelman, head of the international banking house of Knauth, Nachod & Kühne, New York, would now be a doctor. Mr. Gubelman's father, Theodore Gubelman, formerly of the firm of Hargrave & Gubelman, now retired, intended that his son should study medicine and when the younger Gubelman was seventeen years of age his father deliberated upon the selection of a college to which to send his son, but the son meantime decided to go into business and secured a job as a clerk in the Third National Bank of Jersey City, the latter being his home town. He remained with the Third National Bank of Jersey City for a year, after which he accepted a position with the United States Mortgage and Trust Company of New York. His promotion in this institution was rapid. While still in his minority he was appointed cashier and when one day it became necessary for the United States Mortgage and Trust Company to take title to a big



OSCAR L. GUBELMAN
Knauth, Nachod & Kuhne, New York

block of real estate on which it had foreclosed, the lawyers asked the President of the institution in whose name the titles should be drawn. "Put them in Gubelman's name," the President replied. When, however, it became necessary for Mr. Gubelman to sign the papers the discovery was made that he was not of age and the papers had to be all drawn up again.

His friends in Jersey City banking circles in the brief year he had been with the Third National Bank of that city had realized that it would be to their advantage to keep an eye upon him and did so, for after six years with the United States Mortgage and Trust Company he was called back to Jersey City as secretary and treasurer of the Commercial Trust Company of that city. It was only a year or two later, less than ten years after he started his business career, that he was elected a vice-president of that company, but by that time the future trust company colossus, the Guaranty Trust Company of New York, had noted his advancement in the banking world and offered him a vice-presidency. In 1904, shortly after his election as vice-president of the Commercial Trust Company of Jersey City, he resigned to accept the vice-presidency of the Guaranty Trust Company and at that time was one of the youngest vice-presidents of any of the important New York institutions. During his connection with that concern he contributed largely to its development from an institution of comparatively slow growth to its rapid transition into the biggest trust company in the country. The impetus received in these early years of the present century at the time Mr. Gubelman was connected with its official staff, has carried the Guaranty Trust Company forward from an institution with five million dollars of capital to one of twenty-five millions with a present turn over of thirty billion dollars annually. Mr. Gubelman's activities in the affairs of the Guaranty Trust Company included many matters connected with international finance, foreign exchange, etc. These activities attracted the attention

of the great international banking house of Knauth, Nachod & Kühne, which, as an inducement to secure the services of Mr. Gubelman offered him a partnership in 1907. He accepted, and at once took the leadership in the management of the firm.

Following Mr. Gubelman's entrance into the firm of Knauth, Nachod & Kühne its business increased rapidly and the importance and range of the activities of the banking house were enlarged to embrace all branches of domestic and international finance. The firm soon acquired world-wide fame in the handling of international banking business and its name came to stand for integrity and strength in every financial center in the world.

When in 1916 its business had grown to such proportions that the banking house transacted foreign exchange business for over 5,000 banks in this country and had over 12,000 correspondents throughout the world, it became necessary to look for larger banking quarters, the usual far-sighted policy of Mr. Gubelman was again in evidence for he negotiated a long-term lease on a half of an entire floor in the new Equitable Building, a transaction which may have appeared rash at the time but which has been justified many times over by subsequent developments, both from a business and office rental standpoint. The firm's offices are among the most commodious and best equipped in New York, occupying in excess of 20,000 square feet of space.

In addition to its various activities in the banking business which includes a large business in stocks and bonds, underwriting of new securities, foreign exchange, letters of credit, travelers checks (this firm was among the first to introduce travelers checks), the financing of exports and imports, custom house brokerage, acceptance of time and demand deposits, etc., the firm has branched out in a new line of endeavor, and just as in earlier days it was the first banking house in America to establish a foreign exchange department, so now at the present time it is the first of the big banking institutions

to recognize the importance of and future of the oil industry and to embark extensively in the organization of oil companies and development of production on an extensive scale. Here is where Mr. Gubelman has again demonstrated his financial skill, for not only are the properties he has assembled into his various companies regarded as the choicest obtainable, but the men whom he has associated with him in their management and on their respective directorates represent the acme of ability and reputation in the financial, industrial and petroleum industry.

These exceptional directorates, the character of and large degree of success attained in the financing of these oil companies, together with the great volume of domestic and foreign business being done by the firm, all under the guidance of Mr. Gubelman, stamp the latter as one of the strongest and most progressive of the young generation of bankers.

Mr. Gubelman is on the directorate

of fifteen corporations, including Simms Petroleum, White Oil Corporation, United States Food Products Company Allis Chalmers Manufacturing Company, Commercial Trust Company of New Jersey, Jersey City, Computing-Tabulating-Recording Company, First National Bank of West Orange, N. J., (of which he is also vice-president), Hudson Companies, and the Underwood Typewriter Company.

Since 1904 Mr. Gubelman has resided in West Orange, New Jersey, and has been prominent in its political, civic and social affairs. He was a member of the executive committee of the Red Cross and chairman of the Liberty Loan Committee in two campaigns which embraced all the Oranges and which did exceptional work during the war. He is vice-president of the Essex County Country Club and has been one of the most active of its members in the development of the club to its present pre-eminent position.

Book Reviews

AUDITORS. By Francis W. Pixley. Isaac Pitman & Sons, Ltd., New York.

This is the standard English authority on auditing. The work, the 11th edition, has been thoroughly revised and the recent Acts of Parliament relating to auditors fully noted.

The principal one is the Railways Companies Act, 1911, which prescribed a new yearly form of Accounts and Returns in place of the form in use since 1868. Sections of other Acts as Trustees Savings Bank Act, 1917; Finance Act, 1914, are included, together with those appearing for the first time, as the War Charities Act, 1916, and the War Loan (Trustees) Act, 1915. A new chapter, "Detail Work of an Audit," has also been added.

It is a very practical and excellent discussion of auditing, covering the preparation of company books for an audit, the nature and principles of an audit balance sheet, special audits, etc. Indexed.



TRAINING OF A SALESMAN. By William Maxwell. J. B. Lippincott Company, Philadelphia.

In this volume is given the heart of salesmanship, dissected and built up again by a master hand.

Under four phases—gaining attention, enlarging interest, creating conviction and closing—the author has gathered methods by which these are to

be executed and illustrated with concrete examples.

A few hours' reading offers inspiration and suggestion to the most experienced salesman and is a veritable life preserver for the beginner.



ATLANTIC MONTHLY AND ITS MAKERS.

By M. A. De Wolf Howe. Atlantic Monthly Press, Boston.

The Atlantic Monthly has long held undisputed sway as a high grade periodical. Its founders and early contributors gave it a unique position from the beginning.

From the date of its founding in 1857 to the present time is the subject of this short and absorbing narrative.

Sketches of the editors and their methods form interesting reading, particularly as these men have been the great men of American letters.



TRAFFIC FIELD, THE. By J. W. Cobey and others. LaSalle Extension University, Chicago.

Shipping conditions and methods are discussed in this book by five expert traffic managers.

Each represents a different business and shows how ignorance of conditions, carelessness and incompetency result in the loss of millions of dollars every year.

They urge upon business and commercial houses the importance of the shipping department and the need of a competent manager. Leakages and much waste will thus be eliminated.



TRAINING FOR THE ELECTRIC RAILWAY BUSINESS. By C. B. Fairchild, Jr. J. B. Lippincott Co., Philadelphia.

Upwards of twelve billion passengers are carried annually upon the electric lines of this country.

The organization in such a vast and growing business is necessarily complex, presenting almost unlimited opportunities in the executive, transportation and engineering departments for young men seeking careers.

This authoritative presentation of general and specific qualifications for the business is from men who are counted among the best known electric railway men in the country.



BUILDINGS, EQUIPMENT AND SUPPLIES.

By the A. W. Shaw Co., Chicago.

The material in this volume is intended to supply the banker a knowledge of building construction and equipment.

Not mere technical knowledge is given, but rather concrete illustrations, maps and diagrams of all types which have proved good investments and business builders.

Interior arrangement, office equipment, the general laying out of banking floors, as well as bank supplies are described in effective plans. Indexed.

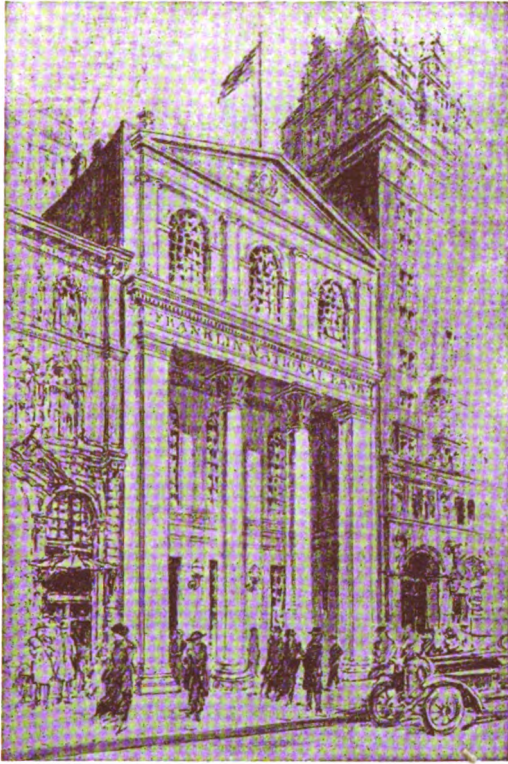


PEACE AND BUSINESS. By Isaac F. Marcossou. John Lane Company, New York.

This book is an investigation of present economic conditions in various parts of the world and the significance which these conditions have for American trade.

"In that new struggle for international economic supremacy," the author says in the foreword, "America has a large stake. She was the deciding factor in the war. If she capitalizes the lessons that she has learned she can be an arbiter of peace. The whole world looks to us for leadership just as it turned to us for succor during the ravaging years. The next twelve months will decide whether we will be able to maintain our far-flung authority."

The chapters of the book cover the



Chestnut Street west of Broad

ORGANIZED in 1900,
The Franklin National
Bank of Philadelphia has
capital of one million dollars,
surplus and profits of four
and a half million dollars,
and total resources of over
seventy million dollars,—
a record of growth, sub-
stantial and unequalled.

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One of the most important advantages of the Anglo South American Bank is its direct personal service for business men made possible by its wide organization abroad. Through our twenty-two offices in South America we are in a position to furnish trade and credit information on foreign markets and act for you in any capacity where a bank specializing in foreign business can be of service.

Our Service in Europe

England, France and Spain are completely covered by seven of our own offices. Correspondents are located in all other parts of the world. Thus we are enabled to offer the broadest kind of foreign banking service. Our facilities are at your disposal through the medium of your own bank, if you so desire.

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F. C. Harding, Agent

W. M. Dawkin, Sub-Agent

following topics: the New Britain; France and the future; Holland and world trade; Switzerland the buffer state; the German in Spain; the New Italy; Can Germany come back?; America's opportunity.

Bank Advertising Exchange

Those listed herewith are willing to exchange booklets, folders and other advertising matter issued by them. Subscribers can get on this list free of charge

Watch for New Names and Other Changes

A

Adams, F. R., Will County National Bank, Joliet, Ill.
American National Bank, Pendleton, Oregon.
American Savings Bank, Springfield, Mo.
Ansley, D., Central Trust Co., San Antonio, Tex.

B

Bader, A. F., assistant cashier, Old State National Bank, Evansville, Ind.
Baker, I. W., Mgr., Advertising Dept., Guardian Savgs. and Tr. Co., Cleveland, Ohio.
Bailey, C. W., cashier, First National Bank of Clarksville, Clarksville, Tenn.
Banco Mercantil Americano Del Peru, Lima, Peru, S. A.
Bankers Magazine, The, New York.
Bauder, Ray E., manager new business department, National City Bank, Chicago, Ill.
Baugher, E. M., president, The Home Building Association Co., Newark, Ohio.
Bennett, H. D., assistant cashier, Capital National Bank, Lansing, Mich.
Bernhelm, E., Ph.D., Foreign Dept., The National Shawmut Bank of Boston, Mass.
Billings, K., asst. advertising mgr., Scandinavian American Bank, Tacoma, Wash.
Bize, L. A., president Citizens Bank and Trust Co., Tampa, Fla.
Bollman, H. C., cashier, First National Bank, Collinsville, Okla.
Branham, D. R., director publicity, Hellman Commercial Trust and Savings Bank, Los Angeles, Cal.
Brooks, T. J., vice-president, The Guaranty Trust and Savings Bank, Jacksonville, Fla.
Brown, R. A., assistant cashier, Citizens National Bank, Raleigh, N. C.
Bunch, F. B., cashier, Merchants and Farmers Bank, Statesville, N. C.
Burton, E. C., vice-president, Penn National Bank, Chester, Pa.

C

Conhaim, Herbert J., publicity manager, Fort Dearborn National Bank, Chicago, Ill.
Cotton Belt Savings & Trust Co., Pine Bluff, Ark.
Cox, Ray, cashier, American Savings Bank, Springfield, Mo.
Crowson, M. Clarence, cashier, Home Banking Co., High Point, N. C.
Culbreth, Eugene E., Commercial National Bank, Raleigh, N. C.

D

Davis, Clark B., asst. secy., Franklin Tr. Co., 166 Montague St., Brooklyn, N. Y.

Dayton, T. S., publicity manager, Guaranty Trust Co., New York City.
Delly, H. E., Tradesmen's National Bank, Philadelphia, Pa.
Dysart, W. R., assistant cashier, First National Bank, Ripon, Wis.

E

Eberspacher, J. C., assistant cashier, First National Bank, Shelbyville, Ill.
Eklrch, A. A., secretary, North Side Savings Bank, New York City.
Ellsworth, F. W., vice-president, Hibernik Bank & Trust Co., New Orleans, La.

F

Finch, E. W., assistant cashier, Birmingham Trust and Savings Co., Birmingham, Ala.
Fisher, C. J. (Miss), Hoggson Bros., 485 Fifth Avenue, N. Y. C.

G

Gehrken, George A., manager, New Business Dept., Seaboard National Bank, New York.
Germo, Eleanor, manager publicity department, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
Grimm, H. B., director, Dept. of New Business, St. Joseph Valley Bank, Elkhart, Ind.
Groves, J. W., advertising manager, Minnesota Loan and Trust Co., Minneapolis, Minn.

H

Hall, J. Comly, Farmers and Mechanics Trust Co., West Chester, Pa.
Hamsher, C. F., president First National Bank, Los Gatos, Cal.
Haskell, E. G., Barnett National Bank, Jacksonville, Fla.
Hatton, E. A., cashier, First National Bank, Del Rio, Tex.
Hillyer, E. L., secretary, Union Trust Co. of D. C., Washington, D. C.
Hodgins, J. H., Statistical Dept., Union Bk. of Canada, Toronto, Canada.
Hoffman, A. C., manager, department of publicity, Security Trust & Savings Bank, Los Angeles, Cal.
Hokanson, N. M., advertising manager, State Bank of Chicago, Chicago, Ill.
Holdam, J. V., advertising manager, Chattanooga Savings Bank, Chattanooga, Tenn.
Holderness, M. E., vice-president and adv. mgr., First National Bank in St. Louis, Mo.
Hunter, Harold G., Sec'y and Treas., Kansas City Terminal Trust Co., Kansas City, Mo.
Hutchins, E. M., Seaboard National Bank, New York.

I

Imhoff, Charles H., vice-president, Union National Bank, Newark, N. J.

J

Jarvis, Charles D., publicity manager, Savings Bank of Utica, Utica, N. Y.
 Jessup, Theodore, assistant cashier, Woodlawn Trust and Savings Bank, Chicago, Ill.
 Johnson, E. W., Warren National Bank, Warren, Pa.
 Jones, Marshall H., asst. cashier First and Citizens National Bank, Elizabeth City, N. C.

K

Kahn, A. T., vice-president, Commercial National Bank, Shreveport, La.
 Keller, C. B., Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
 Kittredge, E. H., publicity manager, Old Colony Trust Co., Boston, Mass.
 Kommers, W. J., vice-president, Union Trust Co., Spokane, Wash.

L

Lanier, B. W., asst. treas., United States Tr. Co., Jacksonville, Fla.
 Lang, Edgar R., advertising manager, Hibernia Bank and Trust Company, New Orleans, La.
 Logan, John, cashier, Columbus State Bank, Columbus, Mont.
 Levett, W. R., Atlantic National Bank of Jacksonville, Jacksonville, Fla.
 Lyons, Chas. S., Puget Sound Bank and Trust Co., Tacoma, Wash.

M

McCorkle, Josephine C., publicity manager, The City National Bank, Evansville, Ind.
 McDowell, J. H., American Trust and Banking Co., Chattanooga, Tenn.
 Mann, Ralph H., treasurer, Park Trust Co., Worcester, Mass.
 Marvel, Charles S., cashier, The First-Second Savings and Trust Co., Akron, Ohio.
 Matthews, Dave S., advertising manager, Farmers and Merchants Bank, Stockton, Cal.
 Matthews, H. B., advertising manager, S. W. Strauss & Co., 150 Broadway, New York City.
 Mead, Harold O., asst. cashier, The Bkg. Corporation of Montana, Helena, Mont.
 Merrill, Frank, advertising manager, Northwestern National Bank, Minneapolis, Minn.
 Meyer, A. J., publicity department, Union Trust Co., Rochester, N. Y.
 Mills, W. C., New Business Department, Metropolitan Trust Co., 60 Wall Street, New York.
 Montieur des Interets Materiels, 27 Pl. de Louvain, Brussels, Belgium.
 Muralt, Henry de, secretary, Swiss Banking Association, Zurich, Switzerland.

N

Nye, Frank T., cashier, First National Bank, Northboro, Iowa.

O

Overton, J. A., cashier, National Bank of Smithtown Branch, Smithtown Branch, N. Y.

P

Pierce, Matthew G., publicity manager, Harris Trust and Savings Bank, Chicago, Ill.
 Poole, John, president, Federal National Bank, Washington, D. C.
 Potts, W. W., secretary and treasurer, The Federal Title and Trust Co., Beaver Falls, Pa.
 Powell, W. M., cashier, Home Savings Bank, Brooklyn, N. Y.
 Pratt, Thomas B., Henry L. Doherty & Co., 60 Wall Street, New York City.

R

Raven, F. J., American Oriental Banking Corporation, Shanghai, China.

Reid, Carol S., publicity manager, People's Bank, Ltd., Hilo, T. H.
 Rittenhouse, C. M., Farmers Loan and Trust Co., New York
 Ruff, William J., cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

S

Sacramento Bank, Sacramento, Cal.
 Schlenker, Almot, cashier, First National Bank, Brenham, Tex.
 Sclater, A. G., Union Bank of Canada, 49 Wall St., New York.
 Scott, Walker, vice-president, Virginia Trust Co., Richmond, Va.
 Shepherd, George W., c/o International Trust Co., Boston, Mass.
 Shoven, A. M., cashier, Kankakee County Trust and Savings Bank, Kankakee, Ill.
 Smith, A. C., vice-president, City National Bank, Clinton, Iowa.
 Smith, Allen T., manager Special Service Department, Industrial Savings Bank, Flint, Mich.
 Staker, F. M., manager, safe deposit dept., Commerce Trust Co., Kansas City, Mo.
 Starr, E. L., publicity manager, Wachovia Bank and Trust Co., Winston-Salem, N. C.
 Stein, Rudolph, assistant cashier, John Nemeth State Bank, New York City
 Stewart, F. E., 1505 Jefferson St., Toledo, Ohio.
 Stoner, T. H., cashier, The Peoples National Bank, Waynesboro, Pa.
 Stover, J. C., secretary-treasurer Indiana Savings and Loan Association, South Bend, Ind.
 Sutton, Frederick T., publicity mgr., Mercantile Bank of the Americas, New York.

T

Taylor, C. E., Jr., president, Wilmington Savings and Trust Co., Wilmington, N. C.
 Tidewater Bank and Trust Company, Norfolk, Va.

V

Van Blarcom, Wessels, assistant cashier, Second National Bank, Paterson, N. J.
 Van Name, Miss M. L., 515 Stephen Girard Building, Philadelphia, Pa.

W

Wadden, John W., president, Sioux Falls National Bank, Sioux Falls, S. D.
 Wadden, Thomas A., vice-president, Lake County Bank, Madison, S. D.
 Wilkes, W. H., assistant to the president, National Bank of Commerce, St. Louis, Mo.
 Williams, F. H., treasurer, Albany City Savings Institution, Albany, N. Y.
 Williams, J. E., assistant cashier, Third National Bank, Scranton, Pa.
 Winship, Addison L., vice-president and manager, New Business Department, National Shawmut Bank, Boston, Mass.

Z

Zimmerman, Frank A., treasurer, Chambersburg Trust Co., Chambersburg, Pa.
 Zimmerman, Paul E., cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAMES

Rouff, Melvin, assistant cashier, Houston National Exchange Bank, Houston, Tex.
 Brown, G. W. C., assistant secretary, Tidewater Bank & Trust Co., Norfolk, Va.
 Hudson, Paul L., assistant cashier, First National Bank, Corona, Cal.
 Keeton, Monroe, manager Savings Department, Merchants & Farmers Bank, Meridian, Miss.
 Ruzbee, Minnie A., manager Advertising Department, American Bank of Commerce & Trust Co., Little Rock, Ark.

Keep us in touch with your publicity work. Each month current advertising is reviewed and commented upon, ads are reproduced and criticised in BANKING PUBLICITY

Banking and Financial Notes

SPECIAL

The **BANKERS
MAGAZINE**

SECTION



UNION COMMERCE *National Bank* OF CLEVELAND

Capital, Surplus and Undivided
Profits \$7,500,000.00

THOROUGHLY equipped departments, and close affiliation with Banking institutions in every center of World Trade enable the Union Commerce National Bank to offer patron Banks and Bankers unsurpassed service.

We will welcome your Cleveland account, confident that such a connection will be mutually profitable and pleasant.

OFFICERS

WARREN S. HAYDEN	Chairman	HARRY E. HILLS	Asst. Cashier
GEORGE A. COULTON	President	CARL R. LEE	Asst. Cashier
GEORGE S. RUSSELL	Vice Pres.	FRANK A. WHITE	Asst. Cashier
WILLIAM E. WARD	Vice Pres.	FRED W. COOK	Asst. Cashier
CHARLES L. BRADLEY	Vice Pres.	GEORGE O. HALL	Asst. Cashier
ELMER E. CRESWELL	Vice Pres.	EZRA W. BOURNE	Asst. Cashier
WALTER C. SAUNDERS	Cashier	JAMES DUNN, Jr.	Mgr. Income Tax Dept.

UNDER JOINT OWNERSHIP WITH
THE CITIZENS SAVINGS AND TRUST CO.
COMBINED RESOURCES OVER \$145,000,000.00



THIS modern bank building, the home of the Warren Institution for Savings of Boston, stands on Park Street, facing famous Boston Common and adjoining historic Park Street Church. It is a good example of the highest type of combination bank and office building. It was planned by

Thomas M. James, Architect

3 Park St., Boston, Mass.

Banking and Financial Notes

MERCANTILE BANK OF THE AMERICAS

At a meeting of the board of directors of the Mercantile Bank of the Americas held on September 18, Jacob Bloom was elected treasurer.

The Mercantile Bank of the Americas has also announced the opening of a branch of the Banco Mercantil Americano de Colombia at Bucaramanga which makes the ninth branch of the latter bank in Colombia.

C. F. PRITCHARD JOINS NATIONAL BANK OF COMMERCE IN NEW YORK

Clarence F. Pritchard, manager of the Office Bureau of the Government



CLARENCE F. PRITCHARD
National Bank of Commerce, New York

Loan Organization for the Federal Reserve Bank of New York, has resigned to become director of employment of the

National Bank of Commerce in New York. He began his new duties last month.

Mr. Pritchard, who was formerly with the Pritchard Publishing Company, took charge of the Office Bureau in July, 1917, shortly before the beginning of the Second Liberty Loan campaign. He had charge of the employment of workers in the last four loan drives and in addition had charge of the accounting division of the organization's publicity department.

When the Federal Reserve Bank took over the War Savings Committee for this district last January 1, he was appointed manager of the newly created School Bureau. He was the originator



The Branch
Our first President

Merchants National Bank

RICHMOND, VA.

Capital \$400,000
Surplus and Profits over 1,600,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"

of the "Penny School Savings Book" thrift plan, which has since been adopted by schools throughout this state.

L. G. HARRIMAN GOES TO BUFFALO

One of the interesting changes of the year in bank personnel is the resignation of L. G. Harriman, investment trust officer of the Guaranty Trust Company, and his election as vice-president and member of the board of



LOUIS G. HARRIMAN
Vice-President Fidelity Trust Company,
Buffalo, N. Y.

directors of the Fidelity Trust Company of Buffalo.

Mr. Harriman was born in 1889 in Windsor, Conn. He went to school in Hartford and subsequently to Trinity College, where he received the degree of Bachelor of Science in 1909. He received the degree of Master of Science at the same institution, after doing some special work in economics. He was a

member of the Psi Upsilon fraternity.

On leaving college Mr. Harriman engaged in engineering work for the American Creosoting Company and subsequently spent some little time in real estate work in New York in connection with the construction and management end of the business. He found the financial end of the business more interesting than the operating side and became associated with the investment firm of Coggshall & Hicks, members of the New York Stock Exchange, and then with Merrill, Lynch & Company, also members of the Exchange. From Merrill, Lynch & Company Mr. Harriman came to the bond department of the Guaranty Trust Company and later to the trust department where he became assistant trust officer and later investment trust officer.

During the last two years Mr. Harriman was also a member of the faculty of New York University, lecturing on finance.

AMERICAN BANKERS ASSOCIATION—SAVINGS BANK SECTION

The Savings Bank Section of the American Bankers Association announces the appointment as secretary of Leo Day Woodworth, having accepted with regret the resignation of Milton Harrison, who after five years of particularly efficient service for the section, becomes executive manager of the New York State Savings Banks Association.

Mr. Woodworth for the past two years has been secretary of the Advisory Council of Real Estate Interests, composed of the principal real estate lending and owning interests of New York city, of which the chairman is Alfred E. Marling, president of the Chamber of Commerce of the State of New York. Mr. Woodworth was formerly an extensive dealer, appraiser and developer of real estate in Rochester and in New York city, having represented various savings banks in connection with their real estate loans, and served as an appraiser for the Federal Farm Loan Board. Also he was active in organization work as secretary, vice-

Your New England Business

WHEN you have any banking or trust business to transact in New England for yourselves or for any of your customers or clients, we should be glad to help you take care of it. As the "oldest trust company in New England", we naturally have experience, equipment and connections which enable us to render satisfactory service.



Rhode Island Hospital Trust Company Providence, R. I.

HERBERT J. WELLS, President	
HORATIO A. HUNT, Vice President	PRESTON H. GARDNER, Vice Pres't & Trust Officer
THOMAS H. WEST, Jr., Vice President	HENRY L. SLADER, Vice President
JOHN H. WELLS, Secretary	GILBERT A. HARRINGTON, Asst. Trust Officer
ERNEST A. HARRIS, Asst. Trust Officer	ROBERT T. DOWNS, Asst. Trust Officer
JOHN E. WILLIAMS, Asst. Secretary	HENRY B. HAGAN, Asst. Secretary
GEORGE H. CAPRON, Asst. Secretary	RALPH S. RICHARDS, Asst. Secretary
G. BURTON HIBBERT, Asst. Secretary	

president, and president of the Real Estate Board of Rochester, Farm Brokers Association of the State of New York, and the Real Estate Association of the State of New York, and he has served as chairman of the committees on state legislation, advertising and resolutions of the National Association of Real Estate Boards. He is a member of the American Economic Association, National Tax Association, Academy of Political Science, National Housing Association, American Conference on City Planning; is secretary-treasurer of the New York State Tax Association; member of the special committee on taxation appointed by the New York State Conference of Mayors, and member of the New York State committee on amortization of mortgage loans appointed by the Savings Bank Section, American Bankers Association, is widely known as a writer on subjects relating to the security of investments, taxation, cost of government, and

business methods for real estate brokers and agents.

Mr. Woodworth will be located at No. 5 Nassau street, New York.

NEW OFFICERS FOR GUARANTY

At a recent meeting of the executive committee of the Guaranty Trust Company of New York, N. D. Putnam, treasurer, was appointed a vice-president; Hugh R. Johnston, assistant secretary, was appointed treasurer, and Arthur B. Hatcher, assistant treasurer, was made an assistant vice-president.

ITALIAN DISCOUNT AND TRUST COMPANY

The rapid growth of the Italian Discount and Trust Company, of which George P. Kennedy is president is made evident by the September 12 statement of the financial condition of that institution. The statement shows deposits of \$19,631,145.05, an increase during the past three

Where Does He Bank?

How many times has this question been asked and how vital the answer has often been for you in your business career.

An account with a strong, time honored bank gives you a prestige that spells "Success."

We are seeking new business on our record.

Capital paid in	- - - - -	\$ 300,000
Capital earned	- - - - -	2,700,000
Surplus earned	- - - - -	10,000,000
Deposits	- - - - -	86,000,000
Resources	- - - - -	130,000,000

The Chemical National Bank of New York

(Established 1824)

months of more than \$9,000,000. Resources are \$21,363,570.33, which represents an increase during the same period of more than \$9,200,000. The company has been in business only ten months.

RESULTS OF OVERSPENDING.

One of the leading causes of the prevailing extravagance is the illusion created by currency inflation, says the Mechanics and Metals National Bank of New York. Realities change faster than mental conceptions. A worker who a few years ago was getting \$30 a week, and is now getting \$45, imagines that his pay has been increased 50 per cent., though it can really purchase no more goods than before the increase, if, indeed, it can purchase as many. But under the illusion that his pay has been enlarged, he thinks he can indulge in luxuries which previously he considered out of his reach.

Extravagance leads to increased pro-

duction of luxuries, which draws labor away from the production of necessities, and consequently makes the supplies of necessities smaller and their prices higher at a time when the world can least afford it. But—more's the pity—it has an evil effect beyond even that. An orgy of spending fosters envy and unrest in those not capable of indulging in it; it leads to discontent, strikes and social disorder.

One of the arguments which those who are endeavoring most earnestly to inculcate thrift might do well to stress at this time is the likelihood, amounting almost to a certainty, that the course of the past five years is now to be reversed, that inflation will be succeeded by gradual deflation, that money put aside now will not only accumulate interest, but an increased purchasing power that will make it more valuable as time goes on, and that the rewards of saving will be greater now than they have been for two generations.

Where Service Counts—

Seaboard service is backed by thirty-seven years of experience in handling accounts of banks and bankers, corporations, firms and individuals throughout the United States.

It is the kind of service that gives personal, individual attention to every account—large or small—and will satisfy every particular requirement and financial need that your business may demand.

We offer you this distinctly personalized financial service and the complete facilities of our well equipped departments, with the assurance that any business entrusted to our care, will be handled with accuracy, promptness and unfailing courtesy at all times.

The Seaboard National Bank of the City of New York

Resources more than	\$72,000,000
Deposits	66,000,000

VICE-PRESIDENT OF NATIONAL BANK OF COMMERCE IN NEW YORK GOING ABROAD

David H. G. Penny, vice-president of the National Bank of Commerce in New York, in charge of the foreign department, sailed on the Aquitania last month to confer with the European representatives of the bank.

Mr. Penny, who joined the National Bank of Commerce in New York in February of this year, was formerly assistant director of the Federal Reserve Board's foreign exchange division and is widely known as an authority on foreign exchange.

SNELSON CHESNEY WITH TEXTILE BANKING COMPANY.

Snelson Chesney has taken up his duties as vice-president of the Textile Banking Company, Incorporated, 50 Union Square, New York, which was recently inaugurated by the Guaranty

Trust Company of New York and the Liberty National Bank of New York. Mr. Chesney has been engaged in credit work and commercial banking during his entire business life, and for the past four years has been western representative of the Liberty National Bank of New York.

SAFE DEPOSIT RECORD FOLDER.

The Equitable Trust Company of New York has prepared a Safe Deposit Record folder for the use of Liberty Bond Owners, showing the various tax exemption privileges, official names of original and converted issues and containing space for all items pertaining to Liberty Loan investments. Copies may be had on application to the Company.

CITIZENS NATIONAL TO INCREASE STOCK

Notices have been sent to the shareholders of the Citizens National Bank of New York, calling a special meet-

THE
**CHATHAM
 AND
 PHENIX**

**NATIONAL
 BANK**
 OF THE
 CITY OF NEW YORK

100 YEARS OF COMMERCIAL BANKING

LOUIS G. KAUFMAN, President
 GEORGE M. HARD, Chairman

FRANK J. HEANEY Vice-President	RICHAARD H. HIGGINS Vice-President
WILLIAM H. STRAWN Vice-President	BERT L. HASKINS Vice-Pres. and Cashier
NORBORNE P. GATLING Vice-President	C. STANLEY MITCHELL Vice-President
H. A. CLINKUNHROOMER Vice-President	ROLFE E. BOLLING Vice-President
MAX MARKELL Vice-President	GEORGE R. BAKER Vice-President
WILLIAM MILNE Vice-President	WALLACE T. PERKINS Vice-President
JOHN B. FORSYTH Vice-President	HENRY L. CADMUS Asst. Cashier
WALTER B. BOICE Asst. Cashier	HENRY C. HOOLEY Asst. Cashier
VINTON M. NORRIS Asst. Cashier	JOSEPH BROWN Asst. Cashier

HARVEY H. ROBERTSON
Asst. Cashier

ACCOUNTS INVITED

RESOURCES 180 MILLION DOLLARS

ing of the stockholders of the bank on October 22 for the purpose of increasing the capital stock from \$2,550,000 to \$3,000,000 by the issue of 4,500 additional shares, to be offered to the

shareholders ratably for cash at the par value of \$100 each—thus giving the holder of each share of the existing stock the right to subscribe to three-seventeenths of a share of the new stock.



EDWIN S. SCHENCK

Pident Citizens National Bank, New York

The business of the bank has been steadily growing, and, in addition to the proposed increase of the capital, the board of directors has recommended an increase in the surplus fund to \$3,000,000, by transferring the sum of \$550,000 from undivided profits. The combined capital and surplus of the bank will then be \$6,000,000, and it is expected that the present dividend rate of twelve per cent. per annum will be continued on the increased capital.

The deposits of the Citizens National have practically doubled during the past five years—the recent report of the bank to the Comptroller showing deposits of approximately \$18,000,000, with total resources approaching \$70,000,000. The Citizens is located in the heart of the downtown wholesale district at 320 Broadway, and its remarkable growth indicates the prosperity of that district.

RESTAURANT FOR BANK'S EMPLOYEES.

A remodeled and enlarged restaurant for the nearly 2,400 employees of its main office at No. 140 Broadway, which



ATLANTIC National Bank

Broadway-Opposite City Hall
NEW YORK CITY

Statement of Condition, September 12, 1919

RESOURCES		LIABILITIES	
Loans and Discounts	\$16,205,171.99	Capital Stock	\$1,000,000.00
U. S. Bonds and Certificates of Indebtedness	1,295,763.78	Surplus and Undivided Profits	1,068,100.12
Other Bonds, Securities, Etc.	1,201,534.50	Unearned Discount	104,365.71
Due from Banks and Bankers	381,560.66	Reserved for Taxes, Expenses, Etc.	374,177.77
Cash, Exchanges and Due from Federal Reserve Bank	5,101,587.59	Deposits	20,368,446.93
Interest Accrued	36,572.71	Bills Payable with Federal Re- serve Bank	1,500,000.00
Customers' Liability under Let- ters of Credit and Acceptances	1,617,188.87	Circulation	139,100.00
		Letters of Credit and Acceptances	1,630,885.57
	\$25,845,380.10		\$25,845,380.10

Commercial and Travelers Credits issued but not drawn against, \$1,603,630.23

Phineas C. Lounsbury, Chairman
Herrnan D. Kountze, President

Edward K. Cherrill, Vice-Pres.
Gilbert H. Johnson, Vice-Pres.
Kimball C. Atwood, Vice-Pres.
Charles F. Junod, Vice-Pres.

Frank E. Andruss, Cashier
John P. Laird, Asst. Cashier
John H. Brennan, Asst. Cashier
John H. Trowbridge, Asst. Cashier

increases in the staff during the past year made necessary, was opened October 14 by the Guaranty Trust Company of New York. Including an auxiliary kitchen, this addition to the present dining room, where the Company provides meals for its employees without charge, comprises 4,396 feet of space. The total space devoted to the kitchen, restaurants and men's and women's club rooms is now 17,396 square feet. To obtain this additional space a number of the departments have been relocated and new quarters secured for others outside the Main Office building. By way of marking the opening of the new restaurant a special menu was provided, and flower girls passed among the tables and distributed carnations to the diners.

Five years ago there were only 550 employees in all of the Company's offices, both in this country and abroad. Today there are 2,370 employees at the main office alone, and of these 802 are

women. A much larger club-room has also been provided for the women, adjacent to the dining room. The main kitchen and the old dining room on the sixth floor have been remodeled. Additional cooking ranges, new steel bake ovens, and other equipment have been installed in the main kitchen, where all of the food will be prepared and that for the additional dining room carried to the auxiliary kitchen by elevators. The auxiliary kitchen is equipped with steam tables, coffee urns, milk coolers, and mechanical dish and glass washers. The coolers are operated from a central refrigerating plant. All food served, except bread, is prepared on the premises. The lunch periods have been lengthened from half an hour to three quarters of an hour, and under the new arrangements it will be possible to serve 500 persons at each of the five lunch periods.



BENJAMIN E. SMYTHE

Vice-President Liberty National Bank, New York:
formerly Vice-President Scandinavian Trust
Company, which was recently absorbed by
the Liberty



M. F. BAYARD

Vice-President Liberty National Bank, New York
formerly Vice-President and Treasurer of the
Scandinavian Trust Company, which was
recently absorbed by the Liberty

Underwood & Underwood Studios, N. Y.

ALL AMERICA CABLES

This company has announced the opening of its new offices at 89 Broad Street, New York, in the heart of the import and export, marine and financial district.

This company maintains direct route to all South and Central American countries.

**NEW SOUTHERN REPRESENTATIVE FOR
CHEMICAL NATIONAL BANK**

Fred A. Hull, of Asheville, N. C., has been appointed Southern representative of the Chemical National Bank of New York. Mr. Hull was National Bank Examiner for the South Atlantic States for about nine years,

doing special work for the Comptroller in that period. He was trust officer of the Wachovia Bank & Trust Company of Winston-Salem, N. C., for about a year, and recently has been engaged with the Industrial Finance Corporation in the organization of Morris Plan companies in the South. Mr. Hull is well known among the bankers of the South.

E. BRAINERD BULKLEY IN NEW POSITION

E. Brainerd Bulkley, formerly assistant secretary of the Guaranty Trust Company, has become associated with the United States Mortgage & Trust Company, New York, in charge of new business for the Transfer and Trust Departments.

Banks, Bankers and Trust Companies

New York Banking facilities are at certain times vital to the interests of banks and trust companies throughout the country, both for their own account and that of their customers. This Company is fully equipped to meet the requirements of correspondents and takes pleasure in placing its facilities at the disposal of members of the American Bankers Association and other financial institutions. Inquiries are invited.

UNITED STATES MORTGAGE & TRUST COMPANY

Capital and Surplus \$6,000,000

NEW YORK

AMERICAN TRUST COMPANY, NEW YORK, SHOWS BIG DEPOSIT INCREASE.

In its statement issued at the close of business September 30, 1919, this company showed total deposits of \$8,514,035.29. Its capital and surplus is \$1,200,000. The remarkable growth of the deposits of this company will be seen from the following figures:

January 31, 1919.....	\$1,291,068.05
March 31, 1919.....	2,622,520.08
June 30, 1919.....	4,446,553.78
September 30, 1919.....	8,514,035.29

NEW TRUSTEES OF GREENWICH SAVINGS BANK.

Garrard Comly, vice-president of the Citizens National Bank, New York, and W. M. V. Hoffman have been elected trustees of the Greenwich Savings Bank. The latter institution now has

over 100,000 depositors and deposits of more than \$75,000,000, and on its board are several of the best known bankers in New York City.

NEW APPOINTMENTS IN MERCANTILE BANK OF AMERICAS

At the last meeting of the board of directors of the Mercantile Bank of the Americas the following appointments were made: Assistant manager, Philip R. Rodriguez; assistant secretaries, W. R. Galbraith and W. H. Schubarth; assistant treasurer, W. G. Meader.

TEXTILE BANKING COMPANY, INC.

The Textile Banking Company, Inc., which was recently inaugurated by the Guaranty Trust Company and the Liberty National Bank of New York, has opened its offices at 50 Union Square, 4th Avenue and 17th Street,

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	-	\$10,000,000
Surplus and Profits	-	20,479,000
Deposits (Sept. 12, 1919)	-	405,569,000

A. BARTON HEPBURN, Chairman of the Advisory Board
 ALBERT H. WIGGIN, Chairman of the Board of Directors

EUGENE V. R. THAYER, President	CHARLES D. SMITH, Asst. Cashier
SAMUEL H. MILLER, Vice-President	WILLIAM P. HOLLY, Asst. Cashier
EDWARD R. TINKER, Vice-President	GEORGE H. SAYLOR, Asst. Cashier
CARL J. SCHMIDLAPP, Vice-President	M. HADDEN HOWELL, Asst. Cashier
GERHARD M. DAHL, Vice-President	S. FREDERICK TELLEEN, Asst. Cashier
REEVE SCHLEY, Vice-President	ROBERT I. BARR, Asst. Cashier
ALFRED C. ANDREWS, Cashier	SEWALL S. SHAW, Asst. Cashier
CHARLES C. SLADE, Asst. Cashier	LEON H. JOHNSTON, Asst. Cashier
EDWIN A. LEE, Asst. Cashier	OTIS EVERETT, Asst. Cashier
WILLIAM E. PURDY, Asst. Cashier	GEORGE E. SCHOEPPS, Asst. Cashier

DIRECTORS

H. W. CANNON	J. N. HILL	E. R. TINKER	E. V. R. THAYER
A. B. HEPBURN	D. C. JACKLING	H. B. ENDICOTT	C. J. SCHMIDLAPP
A. H. WIGGIN	F. A. SAYLES	E. T. NICHOLS	G. M. DAHL
J. J. MITCHELL	C. M. SCHWAB	N. CARLTON	A. FLETCHER
G. E. TRIPP	S. H. MILLER	F. H. ECKER	

WE RECEIVE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT

in the heart of New York's wholesale textile district.

The company specializes in all branches of textile financing. It acts as commercial banker (or factor) for textile mills, converters, and other merchants in the industry, and finances merchandise and raw material requirements, as well as current operations.

John P. Maguire, who was formerly assistant cashier of the Liberty National Bank, has resigned this position to become active vice-president of the Textile Banking Company.

N. C. HALSTEAD RECEIVES NEW APPOINTMENT.

Nathaniel C. Halstead has been appointed manager of bond department of Tucker, Morris & Lockwood, Inc., Investment Bankers, Buffalo. Mr. Halstead has had many years experience in Wall Street and was recently manager of the Buffalo office of Kean, Taylor & Company.

NATIONAL BANK OF WESTFIELD IN MODERNIZED QUARTERS

The National Bank of Westfield, N. J., has just opened for business in its former banking quarters, which have been thoroughly remodelled and enlarged, decorated and equipped by Hoggson Brothers. The increase in working space was made necessary by reason of the bank's steadily expanding volume of business.

The National Bank of Westfield was organized in 1912. Its present officers are: T. R. Harvey, president; Patrick Traynor and S. A. Emery, vice-presidents; Harold Gordon, cashier, and M. D. Young, assistant cashier.

NEW BUILDING FOR THE FIRST NATIONAL BANK OF JERSEY CITY

The First National Bank of Jersey City is erecting a large bank and office building, which it is expected will help the great congestion now existing in the

AT YOUR SERVICE IN CHICAGO

We want your Chicago account.
We have the facilities and the
spirit to serve you well.

The personal attention we give
to accounts aims to be as broad-
ly helpful as we can make it.

BANKING SAVINGS BONDS TRUST

Member Federal Reserve System

The Northern Trust Co.-Bank

N. W. Corner La Salle and Monroe Sts.

Capital and Surplus - \$5,000,000

CHICAGO

financial district of lower Manhattan, being but a few minutes in the Hudson Tubes under the river. The building is about 250 feet from the station on Exchange Place, which will make this building nearer to the heart of Wall Street than the City Hall.

The ground floor and the mezzanine will be occupied entirely by the bank, which makes the most complete possible provision for safety deposit accommodations so that any corporation taking offices in this building will have the same advantages that they would have, had they stayed on Wall Street.

The directors of this institution are: L. N. Hine, A. G. Hoffman, E. I. Edwards, R. E. Jennings, H. E. Niese, G. T. Smith, E. L. Young, Charles Siedler, and the president, Mr. E. I. Edwards, is now the Democratic candidate for Governor of the State.

The work is starting on this operation right away and the bank will stay in its present quarters until the rear half of the building is completed; it will



First National Bank of Jersey City, N. J.



EDWIN BIRD WILSON

President of Edwin Bird Wilson, Inc., New York

Mr. Wilson's address "What of To-morrow!—A Look Ahead Into Financial Advertising" was one of the most significant utterances at the Advertising Convention in New Orleans. This address will be printed in full in the November number.

then move into this section and the front half will be completed.

The architect and engineer for this operation is Alfred C. Bossom, New York City.

CITIZENS NATIONAL BANK OF BOSTON.

The Citizens National Bank of Boston, which began business in June, 1919, with something over a million of deposits, at a recent meeting of the stockholders voted to increase the capital stock of the bank from \$500,000 to \$1,000,000, and the surplus from \$250,000 to \$500,000. The location of the bank in Dewey Square, close to the great wool, leather and shoe districts, makes it desirable to do business on a much larger scale than at first planned. Guv A. Ham is president of the new

bank, and Wilbur F. Beale, formerly of the Dorchester Trust Company, is vice-president and cashier.

NEW BANK BUILDINGS

After the long delay in the carrying out of projects for new bank buildings, occasioned by the war and general high prices, building is being rapidly resumed. Thomas M. James, architect, Boston, has the following new operations under way:

At East Orange, N. J., an individual bank building, 40 x 85, of brick, costing about \$100,000, and another at South Orange, N. J., of limestone, costing about \$125,000, both for the Savings, Investment & Trust Co.

At Waterville, Me., an individual brick stone building, costing about \$100,000, for the Ticonic National Bank.

At Newtonville, Mass., an individual building, 40 x 65, of Colonial brick and limestone, for the local branch of the Newton Trust Co. The cost will be about \$85,000.

At New Bedford, Mass., an individual building of stone, 40 x 70, costing about \$100,000, for the newly organized Textile Trust Co.

At Turners Falls, Mass., a \$75,000 brick and stone building for the Crocker National Bank.

At Natick, Mass., extensive remodeling of the quarters of the Natick Five Cents Savings Bank, consisting of new vaults, new interior, etc.

At Clinton, Mass., alterations to the building of the First National and Clinton Savings Banks.

HOME SAVINGS BANK

At a special meeting of the board of trustees Robert F. Nutting was elected assistant treasurer of the Home Savings Bank of Boston.

NEW PRESIDENT OF BOSTON SAVINGS INSTITUTION

A recent valued addition to the ranks of savings bank men in Boston is Fred-eric B. Washburn, who came from Worcester to take the presidency of the

THE THING NEEDFUL

TO DO the regular routine operations of banking requires no uncommon effort by the banker, but to live up to the slogan —

“ Every Banking Service ”

means to do the thing needful, at the time needed, for every correspondent.

That's the “ Commerce ” interpretation of service.

Isn't that what you expect ?

National Bank
of Commerce

Commerce Trust
Company

Resources 125 Millions

In the Commerce Building, Kansas City

Franklin Savings Bank. Mr. Washburn is well known in Boston, having been Commissioner of Savings Banks from 1902 to 1905, in which office he gained a valuable experience. In the latter year he resigned to take the assistant treasurership of the Worcester Five Cents Savings Bank, later becoming treasurer and then president of the same institution. Under his active management the business of the Worcester bank steadily grew, until the deposits had reached more than 16 millions and the number of depositors had grown to over 55,000. Mr. Washburn is a director of the State Mutual Life Assurance Co. of Worcester and has been president of the Massachusetts Savings Bank Officers Club. He is also a member of the executive committee of the Savings Bank Section of the American Bankers Association.

NEW BANK IN SOUTHBRIDGE, MASS.

A new banking institution, the Peoples National Bank, has recently



FREDERIC B. WASHBURN
President Franklin Savings Bank, Boston

569

Is It Not Sound Policy

to send your Baltimore business to the bank whose half century of experience gives assurance of efficiency and strength?

For the handling of collections and all other banking business, this institution is admirably equipped.

Large capital, surplus and resources enable this bank to offer you complete banking facilities and services which are real and not visionary.

The National Exchange Bank Baltimore, Md.

Capital & Surplus, \$2,500,000 Resources, \$22,380,000

WALDO NEWCOMER, President

SUMMERFIELD BALDWIN, Vice-President

PAUL A. SEEGER, Vice-Pres.

CLINTON G. MORGAN, Vice-Pres.

JOSEPH W. LEFFLER, Cashier

WILLIAM R. WEBB, Asst. Cash.

been successfully launched in South-bridge, Mass. It has capital of \$100,000, surplus \$25,000, and its deposits already total over \$125,000. Leon E. Young of the Dupaul-Young Optical Co. is president, Larned S. Whitney of the Snell Mfg. Co., Fiskdale, Mass., vice-president, and U. S. G. Morrill, formerly of the Park Trust Company, Worcester, Mass., vice-president and cashier.

NEW VICE-PRESIDENT FOR HIBERNIA BANK AND TRUST COMPANY

Robert N. Sims, who for the past five years has been examiner of state banks for the State of Louisiana, has been elected a vice-president of the Hibernia Bank & Trust Company, New Orleans.

In his new position Mr. Sims will be very intimately connected with the out of town commercial and banking business of the institution. Mr. Sims is a native of Louisiana, and obtained his education at Jefferson College, the Lou-



ROBERT N. SIMS
Vice-President Hibernia Bank and Trust Company,
New Orleans, La.

Rapid Collection of Funds

Ninety per cent of all out-of-town checks sent us by correspondent banks are collected DIRECT or through but one intermediary.

Should not the factor of rapid collection of funds enter into your selection of a correspondent?

The NATIONAL CITY BANK *of* CHICAGO

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, Vice-President

HENRY MEYER, Assistant Cashier

S. P. JOHNSON, Assistant Cashier

R. V. KELLEY, Assistant Cashier

isiana State University and the University of the South at Sewanee. He has had a wide business, professional and banking experience which will prove exceedingly valuable to him in his new work.

In 1915 Governor Hall appointed him examiner of state banks in charge of the State Banking Department, where he has served for the past five years. He was a member of the executive council of the Louisiana Bankers Association for fifteen years; in 1908 was elected vice-president, and in 1909 served as president. He is secretary and treasurer of the National Association of Supervisors of State Banks, and is very active in that organization.

President Hecht of the Hibernia Bank and Trust Company, in announcing Mr. Sims' election, said:

"We feel that we are fortunate in being able to secure the service of Mr. Sims, as his ability and judgment which has been so conspicuously displayed in his administration as examiner of state

banks will prove mutually beneficial to the bank and to our out of town customers in properly and competently extending our varied facilities to them."

NASHVILLE CONSOLIDATION.

Realizing the necessity of larger banking facilities for Nashville and of handling the increased business of the South, the officers, directors and stockholders of the American National Bank and the Cumberland Valley National Bank, have announced the consolidation of these two institutions to be effective at an early date. The combined resources will enable the new bank to handle the business of the large commercial and industrial organizations now developing in the South while continuing its interest and financial relations with the many personal friends of the two old institutions.

The individuality of the two institutions will be carried into the new organization, imbuing it with all the sincerity and cordiality of the old. All officers,

**service
to you is
what
counts**

THE ample resources, the varied departments, the strong personnel and the nation-wide connections of the Mississippi Valley Trust Company are not the things that will bring us your account or keep it with us year after year.

It is service to *you* that counts—understanding of your particular needs, courtesy and liberal treatment day after day, not when *we* are ready to give it, but when *you* are ready to ask it.

Whether your balances are large or small, this organization can give you a distinctly personalized financial service. It is confidence in our ability to do this that makes us ask for your account.

Mississippi Valley Trust Co.

SAINT LOUIS

directors and employees of both banks, will be retained in the new organization to serve their customers in the same personal way which has characterized their conduct in the past.

The combined institution will be known as The American National Bank, Nashville, Tenn. The business of these two institutions will be conducted in new and handsome quarters occupying the entire ground floor of the Stahlman Building. Extensive improvements are to be made before occupancy.

The banking house now occupied by the American National Bank will be used by The American Trust Company, owned jointly by the stockholders of the American National Bank and the Cumberland Valley National Bank. The Cumberland Valley Bank & Trust Company, a branch of the American Trust Company, and owned by the same stockholders, will occupy the present quarters of the Cumberland Valley National Bank in the Jackson Building, on the corner of Fifth Avenue and

Church Street. Both companies will conduct all the departments of modern trust companies and savings banks, providing their customers with efficient service and convenient locations.

The detailed plans of the merger will be announced later.

THE A. I. B. CONVENTION.

The seventeenth annual convention of the American Institute of Banking was held in New Orleans, October 7, 8 and 9. Approximately 700 delegates were present. J. C. Thomson, assistant cashier of the Northwestern National Bank of Minneapolis and president of the Institute, presided. The program was particularly attractive. R. S. Hecht, president of the Hibernia Bank & Trust Company of New Orleans, told of the tremendous possibilities of the South in an address entitled "The South of Today." W. A. Day, deputy governor of the Federal Reserve Bank of San Francisco, spoke

on the subject of Greater Educational Facilities for the Institute.

One of the outstanding features of the convention was the debate between Chattanooga and New York chapters on the following question: Resolved, That: Congress co-ordinate the Merchant Marine and Railroads for the purpose of encouraging Foreign Trade. The debate was won by the Chattanooga Chapter, who defended the negative side. A symposium on practical banking problems proved particularly attractive, carrying as it did the subjects of Modern Bank Machinery, Social Side of Banking, New Business, Bank Advertising and Trust Departments.

Two striking addresses were delivered on the closing days of the convention. J. Howard Ardrey, vice-president of the National Bank of Commerce, New York, in his address entitled "Has the War Made Us Better Bankers?" summed up the great lessons which have been taught during the world war. F. N. Shepherd, field manager of the Chamber of Commerce of the United States, Washington, D. C., spoke on "The Business Man in Commercial Organization." The keynote of his address was that all who live in America must be Americans.

An entire session of the convention was devoted to the consideration of acceptances. The discussion was led by Freas Brown Snyder, president, W. C. Hamilton & Sons, of Philadelphia, and the speakers were Jerome Thralls, secretary-treasurer of the Discount Corporation of New York and Robert H. Bean, executive secretary of the American Acceptance Council, New York.

The election of officers for the ensuing year resulted as follows: President, Gardner B. Perry, vice-president, National Commercial Bank, Albany, New York; vice-president, Stewart D. Beckley, assistant cashier, City National Bank, Dallas, Texas. Members of executive council, Harry R. Kinsey, Williamsburg Savings Bank, New York; Joseph J. Schroeder, National Bank of the Republic, Chicago, Illinois; J. H. McDowell, American Trust &

First



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Developed through the growth and experience of more than half a century

The First National Bank of Chicago

James B. Forgan, Chairman of the Board
Frank O. Wetmore, President

and the

First Trust and Savings Bank

James B. Forgan, Chairman of the Board
Melvin A. Traylor, President

offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and to international requirements.

**Combined resources over
\$300,000,000**

Equipped for Service



LOCATED in a modern building with every facility for the efficient handling of its business, this bank is in a position to offer you prompt and adequate service in your Philadelphia banking transactions.

Union National Bank PHILADELPHIA

Resources over . . . \$19,500,000

Banking Co., Chattanooga, Tennessee; Edward J. McQuade. Liberty Savings Bank, Washington, D. C.

A. I. B. RESOLUTIONS.

The following resolutions were adopted at the final session of the Seventeenth Annual Convention of the American Institute of Banking, at New Orleans, October 9, 1919:

"The most appalling war the world has ever known has ended and we are fortunately able to enjoy once more the blessings of peace.

"At the present time we are confronted with numerous important problems due to economic changes resulting from the war, but we look forward to the future with confidence and believe that the sinister motives of those who have attempted to spread abroad in our land the seeds of bolshevism and other similar doctrines are rapidly becoming evident to every one and soon will be entirely discredited

"Ours is an educational association for

the benefit of the banking fraternity of the country and within our membership may be found on an equal basis both employees and employers, and in full appreciation of the opportunities which our country and its established institutions afford, and especially in appreciation of the fact that the profession of banking affords to its diligent and loyal members, especial opportunities for promotion to official and managerial positions and as a result of the establishment and maintenance of the merit system in most banks, a large number of Institute members have through individual application achieved marked professional success: we at all times and under all circumstances stand for the merit system and for the paying of salaries according to the value of the service rendered.

"We believe in the equitable cooperation of employees and employers and are opposed to all attempts to limit individual initiative and curtail production, and, in so far as our profession

Resources over
\$200,000,000

Capital and Surplus
\$10,000,000

The
Philadelphia National Bank

Established 115 Years

A Bank of Character, Strength and Service

LEVI L. RUE, President

CHARLES P. BLINN, Vice-President

HOWARD W. LEWIS, Vice-President

WILLIAM S. MADDOX, Vice-President

HORACE FORTESCUE, Vice-President

O. HOWARD WOLFE, Cashier

is concerned, are unalterably opposed to any plan purporting to promote the material welfare of our members, individually or collectively, on any other basis than that of efficiency, loyalty and unadulterated Americanism.

"Intelligent and systematic practice of thrift develops a higher type of individual and increases the economic strength of the nation; we therefore pledge ourselves to continue in co-operation with the several bureaus and departments of the government and also such other organizations or agencies as are engaged in promoting public and private thrift. We especially pledge our selves to support and work for the success of the thrift plans being made for the week beginning January 7, 1920, by the War Loan Organization of the Treasury Department

"To the bankers and citizens of New Orleans, and to the members of New Orleans Chapter, we express our hearty thanks and appreciation for their cordial hospitality. We also express

our thanks and appreciation to Mayor Behrman for his warm welcome, and to the several speakers for their very instructive and inspiring addresses.

"To the officers and the several committees of the Institute, and especially to the Transportation, Program and Arrangement Committees we express our appreciation for their work in making possible the holding of such a successful convention.

"To the Ladies' Committee of New Orleans Chapter, we express our sincere thanks and appreciation for the courtesies which they have so graciously tendered.

"To our Educational Director for the able manner in which the educational work of the Institute has been conducted, we express our appreciation and take this opportunity to offer assurance of our earnest co-operation and support.

"The American Bankers' Association has continued to encourage and support our work and we express to the officers

THE
Omaha National Bank

OMAHA, NEBRASKA

Established 1866

Capital	\$1,000,000
Surplus (Earned)	\$1,000,000
Total Resources	\$33,000,000

J. H. Millard, President

Walter W. Head	Vice-President
Ward M. Burgess	Vice-President
B. A. Wilcox	Vice-President
Frank Boyd	Vice-President
Ezra Millard	Cashier
O. T. Alvison	Assistant Cashier
J. A. Changstrom	Assistant Cashier
W. Dale Clark	Assistant Cashier
Edward Neale	Assistant Cashier

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of the Association our thanks for their keen interest in our progress and welfare.

"During the past year several local



GARDNER B. PERRY

President A. I. B., Vice-President National
Commercial Bank, Albany, N. Y.

conferences of Chapter Presidents have been held and much good has resulted therefrom and we suggest to the Executive Council that they consider the advisability of making definite plans for

the holding of similar conferences at stated intervals in the future.

"Most Chapters in the Institute hold their annual elections during the month of May, thus affording their newly elected officers an opportunity to plan their educational and other activities during the summer months. We believe that it would be of advantage to

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HEADS of the bond departments of banks, the country over, are making use of our national bond service.

As a source of prompt, accurate information on markets, quotations, and new security issues, as a strong and friendly advisor on conservative investments, National City Company service enables the officers of banks to meet the investment needs of their clients with resourcefulness and authority.

Our complete service is now available through correspondent offices located in more than 50 of the leading investment centres. Fast work is facilitated by more than 10,000 miles of private wires.

We shall be glad to arrange a personal call upon you by one of our representatives upon request.

Our Monthly Offering Sheet will be sent to you on request for **FB115**.

The National City Company

National City Bank Building New York

Correspondent Offices in 50 Cities

BONDS

SHORT TERM NOTES

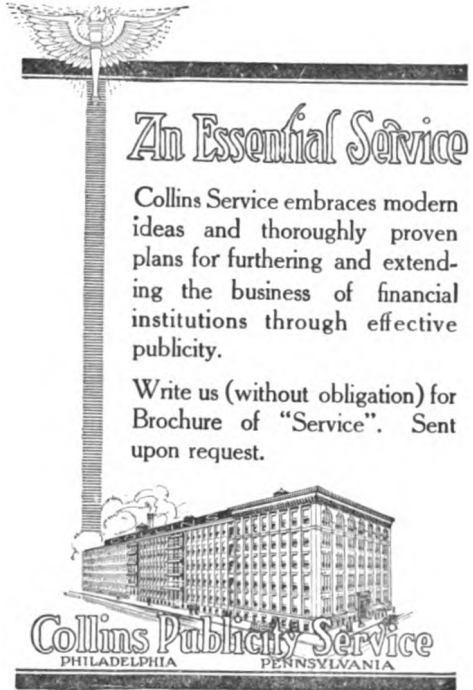
ACCEPTANCES

local Chapter officers to have the Convention of the Institute held early in the summer thus giving them an opportunity to meet and confer with other Institute leaders before definitely arranging their annual programs. The advisability of holding our conventions at an earlier date is submitted to the Executive Council for their very careful consideration.

"Increased expenses resulting from an extension of our educational activities leads us to believe that it would be advisable to confer with the officers of the American Bankers' Association regarding our finances and we therefore request them to receive our newly elected President and his two immediate predecessors in office as a committee authorized to discuss plans for closer financial co-operation.

"The movement to introduce trade and bankers' acceptances into more general use has grown in importance and the advisability of making so extensive a change in American business methods is receiving the careful attention of leading business men and bankers. We recommend that the proper use of acceptances and the growth of this movement be studied exhaustively by our members.

"These then are the sentiments of the Delegates to the Seventeenth Annual Convention of the American Institute of Banking, in executive



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Collins Publicity Service
PHILADELPHIA PENNSYLVANIA

session assembled at New Orleans, Louisiana, this ninth day of October, nineteen hundred and nineteen."

The committee of resolutions included the following: Ralph D. Spaulding Chairman, J. H. Puelicher, P. Sayward, T. Oas, O. F. Allgaier, S. D. Beckley, C. A. Schacht.

ADRIAN H. MULLER & SON

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"The Man at the Desk"*



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It earns money for its owner by sparing his nerves and husbanding his energy.

It brings relief to the typist, but to the employer it brings both relief and profit. If you think otherwise, try it and see.

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Impressive
List of Users*

The NOISELESS TYPEWRITER

The Noiseless Typewriter Company, 253 Broadway, New York

ILLINOIS BANKERS CHOOSE LEROY GODDARD PRESIDENT

Le Roy A. Goddard of Chicago was elected president of the Illinois Bankers Association at the annual convention held last month. Other officers elected were: W. C. White, Peoria, vice-president; J. H. Standard, Oglesby, treasurer; N. A. Gaettinger, Springfield, secretary.

TRADE CONDITIONS.

Some slight progress has been made in reducing the cost of living in this country, says the National City Bank of Chicago. But these changes have not been sufficient to materially reduce the burden of high living expenses at centers of industrial activity. Slowly but surely, however, the American people are adding to their thrift fund. Continued sales of war savings and thrift stamps have been of important assistance in this direction. Savings deposits in various states are showing

steady expansion. The average wage earner receives a higher wage than he ever had before and the indications are that notwithstanding high living costs his family is enjoying a larger percentage of luxury and comfort. An interesting feature of the present situation has been the increased absorption of jewelry by the so-called middle classes. Advices from London show that the American demand absorbs three-quarters of the world's production of diamonds. Besides this there has also been an increased demand for other precious stones, notwithstanding the fact that prices for some qualities have risen from 200 to 300 per cent. within five years. The people are purchasing automobiles as never before. The recent advance in prices has had apparently little effect upon the demand. The nation-wide movement to build new roads and to provide for extensive highway improvements will be an important factor in further increasing the demand for automobiles. The pros-



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pects for larger exports of American motor trucks have been improved by the refusal of Great Britain to place a large import duty on these vehicles. The authorities discountenanced such a proposal on the ground that British manufacturers were not able to supply the home demand for these vehicles and that it would be of real service to the country to continue the importation of American motor trucks.

A strong effort is being made by government authorities and various commercial organizations as well as by some labor leaders to increase the industrial output of the country. This movement is of great importance and if it succeeds will be most helpful in reducing the high cost of living. In the clothing and kindred industries where the wages have been doubled since 1914, it is estimated that per

capita production has declined fully one-third. It is obvious that in this and other industries the most urgent need is to increase the industrial output per unit of worker. The situation cannot be met by the public to abstain from buying, nor to form “old clothes clubs” as a protest against the relatively high prices charged by tailors and outfitters. The more than 2,000 strikes and lock-outs that have been reported since January first have entailed a frightful economic waste. The loss in wages alone is estimated at about \$30,000,000, while from the reduced production, the public has taken a loss of probably \$125,000,000. There is no telling what the indirect loss has been through the partial tying up of kindred industries and the dislocation of business engaged in the distribution of the products. Recent statistics given out by the Bureau of Statistics of the Department of Labor show that the increase in earnings per hour by employees in eleven leading industries during the past six years amounted to 221 per cent. for the steel and iron industry and from 52 to 94 per cent. in various other industries. The great industries could probably stand these increases without hardship if production per man was as great or greater in 1919 than it was in 1916. The universal testimony, however, is that production has actually declined in almost every instance as wages have advanced. The consequence is, of course, that the country is doing business today at the highest expense ratio ever reported.

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Business Book Specialists

CHICAGO BANK MERGER.

Beginning October, the earnings of the Illinois Trust and Savings Bank, the Merchants Loan and Trust Company and the Corn Exchange National Bank, all of Chicago, have been pooled and the merger of these institutions is an accomplished fact so far as the common interests of the stockholders are concerned.

Each bank will retain its organization and identity for the time being, pending completion of the details of the consolidation and erection of the new building which will be the home of the combined banks under the name of the North American Trust Company.

The bank will be the second largest in the city and have deposits of more than \$300,000,000.

JOHN J. ARNOLD WITH BANK OF ITALY.

John J. Arnold has resigned as vice-president of the First National Bank of Chicago to become general manager of the international business department of the Bank of Italy, San Francisco. Mr. Arnold has been connected with the First National Bank since 1891, shortly after he came from Canada. He has filled successively the posts of assistant bookkeeper, head accountant, chief clerk, assistant manager in charge of the foreign exchange department, then manager and finally vice-president. He is chairman of the Illinois Bankers' Association Committee on Foreign Trade and is well known as a writer and speaker on international questions.

WOMAN DIRECTOR FOR F. A. A.

For the first time in history a woman was elected a director of the Financial Advertisers Association when Miss Jessamine G. Hoagland, publicity manager of the Savings Department of the National City Bank of Chicago, was elected to that position at the recent convention held in New Orleans of the Associated Advertising Clubs of the World.



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The charter of the Financial Advertisers Association was amended at their final session so as to provide a place for a woman director. The directorate heretofore had been composed of twelve members. These twelve positions were filled by a full quota of men at the election held during the first session of the Association. As amended the charter provides for thirteen members and Miss Hoagland was unanimously elected to the thirteenth place.

WILLIAM A. NICOL PROMOTED.

The board of directors of the Great Lakes Trust Company have promoted William A. Nicol, assistant cashier of the bank since the organization, to the position of cashier. Charles C. Willson, who has been acting as vice-president and cashier, relinquishes the latter title.

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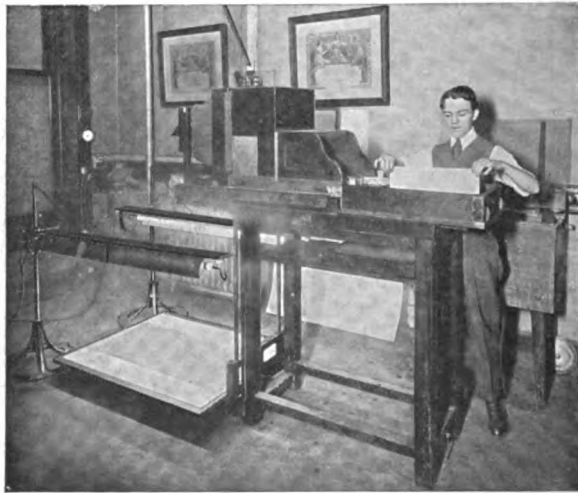
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Societe Anonyme Alfred Herbert, Paris, France,
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Graham Brothers, Stockholm, Sweden.

Mr. Nicol began his banking experience with the old National Bank of North America which was afterwards absorbed by the Continental National Bank. For the past fourteen years he has been identified with the Chicago Savings Bank and Trust Company having worked through all departments to the position of assistant cashier,



WILLIAM A. NICOL
Newly Elected Cashier Great Lakes Trust Co.,
Chicago

from which he resigned to join the Great Lakes organization.

The board created three new positions for assistant cashiers and elected to them Roy J. Birkle, formerly auditor, and F. Marvin Austin and Henry R. Gross, both of whom have been identified with the new business department.

NEW CINCINNATI AFFILIATION.

The recent affiliation of the Fifth-Third National Bank and the Union Savings Bank and Trust Company has

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led to the development of an entirely new form of stock certificate to be issued stockholders of both institutions on the basis of exchange contained in the merger agreement.

The new security is to be a joint stock certificate representing units composed of three-fourths of a share of Fifth-Third Bank stock and one-fourth of a share of Union Savings Bank and Trust Company stock. This joint certificate will be the only evidence of ownership in both institutions, the present stock of each being cancelled under the new plan. This is said to be the first certificate of its kind devised and represents an innovation in the security field.

The new plan does away with trusteeing the stocks of the two banks as was at first proposed. Instead of placing the outstanding stocks of the Fifth-Third and of the Union Trust in escrow, these stocks will be retired and cancelled.

The new certificate will certify the holder's ownership of stock in both institutions and will be the sole evidence of such ownership. It will bear upon its face the amount of Fifth-Third stock the holder is owner of as well as the amount of Union Trust stock. It is provided that "shares in either corporation shall be transferable only in conjunction with the transfer of shares in the other in the proportion of three shares of the capital stock of the Fifth-

1865



1919

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Third National Bank of Cincinnati and one share of the capital stock of the Union Savings Bank and Trust Company."

The certificate will bear the signatures of the president and cashier of the Fifth-Third Bank and the president and secretary of the Union Trust. To be transferred it will have to be registered by the transfer agent of each institution.

TEST CASE ON VALIDITY OF FARM LOAN BONDS

The validity of Federal Land Bank bonds and Joint Stock Land Bank Bonds will be tested in the courts in the trial of a case filed in the Federal Court at Kansas City.

Former Chief Justice Charles E. Hughes has been retained to represent the holders of Federal Land Bank bonds. The United States has instructed the district attorney at Kansas City to appear and defend. The Joint Stock Land Banks will be represented by former Attorney General Wickersham and by Hon. W. G. McAdoo, former Secretary of the Treasury.

Hon. Wm. Marshall Bullitt of Louisville, Ky., formerly Solicitor General of the United States, and Frank Hagerman of Kansas City, will appear for plaintiff in attacking the validity of the bonds.

Bonds of Joint Stock Land Banks and of Federal Land Banks are declared by Congress to be "instrumentalities" of the Government, and are exempt from taxation.

If the courts decide that Congress exceeded its constitutional power in making that declaration, both future and past issues of bonds of both classes of banks will be subject to taxation.

WOMAN NAMED ASSISTANT TRUST OFFICER BY BANK

Miss Mary J. Scherrer, an employee of the National Bank of Commerce in St. Louis, has been appointed by the board of directors an assistant trust officer. She also won a cash prize of

\$125 for bringing new business to the institution within a certain period.

Miss Scherrer is the first person to any national bank in the country, as he appointed assistant trust officer of



MARY J. SCHERRER
Assistant Trust Officer National Bank of Commerce
in St. Louis

the organization of trust departments in national banks has been a recent occurrence, according to Virgil M. Harris, trust officer of the bank.

Miss Scherrer was formerly secretary to the trust officer. She began her business career as a bank stenographer and won her way to a successful position through hard study and close application to her work. She is considered an authority on law pertaining to Probate Court matters and construction of wills.

JOHN RING, JR., FORMS ADVERTISING COMPANY.

John Ring, Jr., publicity manager of the Mercantile Trust Company of St. Louis and for the past two years presi-

ENDURANCE

Diebold Safes and Vaults have stood
the test of time

DIEBOLD SAFE AND LOCK CO
CANTON, OHIO.

dent of the Advertising Club of St. Louis, entered the advertising agency business on October 1.

The new company has opened offices

papers, magazines and outdoor mediums.

GETTING THE STOCKHOLDER TO CO-OPERATE.



JOHN RING, JR.

Formerly Publicity Manager Mercantile Trust Company of St. Louis, who has entered the advertising field in St. Louis

in the Victoria Building and will be incorporated as the John Ring, Jr., Advertising Company.

The company will do a general advertising business, placing copy in news-

A pamphlet recently sent to its stockholders by the National Bank of Commerce, St. Louis, contains a frank appeal for their co-operation in building business for the bank.

The pamphlet reads:

"A large number of people own The National Bank of Commerce. They have committed its affairs to a board of directors. That board, in turn, has elected officers. A short-sighted stockholder might feel that his work was done when these formalities were over. A stockholder who reflects will see that it is only begun.

"Banks, like other business institutions, live upon patronage. The public gives them things to do; and the more they do the more profitable they become to their stockholders. The officers do much toward procuring patronage but people who are outside the active organization do much more.

"The older patrons of any business bring it most of its newer patrons. They tell their friends, their neighbors, even their mere acquaintances, that they are pleased and the friends and neighbors and acquaintances are moved to try relations with that business for themselves.

"The work of these patrons in influencing new business is the more effective because it seems to be disin-

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If you have it, you have all the law down to date, and the Banking Law Journal, with its Index Digest, will supply your future wants

Price, \$5.00 postpaid

 This book is not to be confused with the Digest of the Opinions of the General Counsel to be issued by the American Bankers Association, or with Harri-ou's Bank Law and Taxation Digest, which is a digest of the state banking laws relating to negotiable instruments, holidays, days of grace, reserves, capitalization, organization of banks, etc.

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Date..... By.....

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terested. If an officer of a bank asks for patronage, his invitation is discounted; the man to whom he speaks feels that he has a selfish motive. But the man who is approached by a friend who tells of his satisfaction with the service the bank is rendering, feels that the interest of that friend is in him, and not in the bank. He feels that the excellence of the bank's service is mentioned so that he may profit by it.

"That is why a little work done by a stockholder is often more effective than a great deal of work done by an officer of a bank. That is why a mere complimentary mention, a mere reference to personal satisfaction over excellent service courteously rendered, will often do more, coming from the lips of a depositor, than an urgent solicitation, voiced by an officer whose connection with the bank is widely known.

"That is what a stockholder can do

for his bank. There are many reasons why he should do it—first of all, because it is his bank. He would not fail to put the full force of his influence behind the business which is under his personal direction. He realizes the importance of patronage to that business; and he leaves no stone unturned in obtaining it. He loses no opportunity to give his friends and acquaintances a favorable impression of that business—because it is his own. Yet, in a lesser degree, the bank is his business, too. He owns a part of it. If it profits, he profits.

"Another reason is that a stockholder expects more from a bank than an ordinary patron receives. He feels that he has a special claim to its aid in times of stress. Therefore, if the bank is strong, its power to assist him is greater. In building up its business, he is creating a tower of strength which may serve him in a critical moment.

"We all remember the story of the old man who called his sons to his bedside and asked them to break a bundle of sticks. None of them could do it. Then the old man untied them; and, feeble, as he was, broke them—one by one—with ease.

"The strength of our group of stockholders is like that of the bundle of sticks. Collectively, we show a wonderful strength. If each of us becomes a quiet, persistent advertiser, and solicitor for new business, the growth of our resources would amaze the community. Yet every stockholder owes his duty to every other stockholder. He would hurry to the bank for accommodation if he needed it. He should be tireless in placing the resources there which he may one day require.

"To fit yourself as a quiet solicitor for bank business you should first know everything that your bank is able to do. It is more than an ordinary commercial bank.

"It has a trust department that is equipped to manage and settle estates, to act as executor under wills, and to serve in all fiduciary capacities.

"This trust department affords the people of St. Louis the safest, most ex-

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perienced and specially skilled executor, administrator, guardian or trustee that their estates could have. You need not hesitate to commend it warmly. It has been carefully organized by an experienced and specially trained trust officer. It is ready to render fiduciary service of the highest order, and the large responsibility of the bank is back of its transactions.

"Because the bank possesses qualities that the uncertain individual cannot possibly have, it has become the recognized agent in the United States for the execution of fiduciary matters. Not only does its large capital protect the estates in its charge, but the people entitled to these estates profit by the good judgment of its officers and directors. It will not die as individuals do; so it will be certain to finish the administration of any estate that is placed in its charge.

"The collective ability of a group of specially trained men assures the handling of the estate in the most efficient manner. Under the law, the bank can

charge no more than the individual and because of its superior accuracy, promptness and business-like methods, it insures against unnecessary expense.

"You have a bank that deserves your pride. Its prosperity depends in no small degree upon you.

"Get behind it. Help to push. Appoint it the executor of your will."

FREDERICK W. ALLEN IN NEW POST.

The American State Bank of Detroit, Mich., has announced the appointment of Frederick W. Allen of Chicago as manager of its foreign department.

Mr. Allen was born in Detroit, but moved to Chicago in 1896, and started with the First National Bank in 1902. His experience in the foreign exchange department of the First National Bank of Chicago covers a period of more than seventeen years and his connection with the foreign department of the American State Bank of Detroit insures to its patrons service of the first order.

THE BANK OF TORONTO

Branches of this bank have been opened at Terrebonne, Quebec, and Stettler, Alberta.

UNION BANK OF CANADA.

Announcement is made of the appointment of Joseph Anderson as Eastern Inspector of the Union Bank of Canada, to be resident in Toronto. Mr. Anderson has been attached to the head office as Inspector of Branch Returns for some time, previous to which he was manager at Calgary, Alta. He will take over the duties of his new office immediately.

Mr. Anderson succeeds G. M. Upham, who at his own request is taking an extended leave of absence on account of ill health. Mr. Upham expects to go South for the winter season.

With the opening of two new branches at Blenheim, Ontario, and at Redland, Alberta, the Union Bank of Canada has brought its across-Canada chain of branches up to a total of 377. The branch at Caledon, Ontario, for some time run as a sub-branch to Erin, Ontario branch, has now been established as a separate branch.



Robbery of Federal Reserve Bank a Felony

SENATOR GORE has introduced the following bill making the robbery of a Federal Reserve bank or member bank a felony:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled: That any person who assaults any officer or employee of any Federal Reserve bank or member bank, as defined in the Federal Reserve Act approved December 23, 1913, within the building occupied by any such bank, with intent to rob, steal, or purloin any money, securities, or other personal property in the custody or possession of such bank, or forcibly breaks into or

attempts to break into any such bank with intent to commit therein any larceny or other depredation, or robs or attempts to rob any such bank, shall be guilty of a felony, and upon conviction for a first offense under this section shall be punished by a fine of not less than \$2,000 or imprisonment for not less than two years nor more than ten years, or by both such fine and imprisonment; and any person who, in effecting or attempting to effect such robbery or forcible entry, wounds or injures any officer or employee of such bank, or who puts the life of any such person in jeopardy by the use of a dangerous weapon, or is convicted of a subsequent offense under this section, shall be punished by imprisonment for not exceeding twenty-five years."



New Counterfeit \$10 Federal Reserve Note

A NEW counterfeit \$10 Federal Reserve note on the Federal Reserve Bank of Chicago, Illinois, is reported by W. H. Moran, chief of the secret service division of the Treasury Department. Check letter "A"; face plate No. 114; series of 1914; W. G. McAdoo, Secretary of the Treasury; John Burke, Treasurer of the United States; portrait of Jackson.

This counterfeit is printed from photographic plates on two pieces of paper between which silk threads have been distributed. Some attempt has been made to color the seal and the treasury number but they appear black instead of blue except in spots. In the portrait of Jackson most of the lines of the face and hair are missing, so that the face shows up very white, and the background behind the portrait is solid black instead of crossed lines. The fine lines of the lathe work are missing in the border of the face of note. The back of the note is more deceptive than the face, but the green ink is entirely too dark. The note is about a quarter inch shorter than the genuine.

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, Editor

SEVENTY-THIRD YEAR

NOVEMBER 1919

VOLUME XCIX, NO. 5

The Vital Issue in the Present Industrial Situation

NOW that the leaders of the coal miners have recognized the authority of the United States by calling off the strike which began on November first, the operators and the miners' representatives, with the coöperation of the Government, are proceeding in the adjustment of wages and the reconciliation of other differences. That is the orderly and sensible method of procedure, and surely it is the American way as well. The sense of fair play inherent in the great majority of our people may be relied on to see justice done to the miners and all other laborers, and no coercive measures amounting virtually to war upon the community and the Government are necessary nor will they be tolerated by our people.

Until the miners' representatives agreed to respect the court's injunction against the strike, it looked as if they and the radical leaders of the labor unions were determined upon enforcing their demands by the complete paralysis of all industry and by starving the people into submission by tying up production and transportation. This would constitute nothing short of deliberate war by a comparatively small part of the community upon all others. The radical labor leaders are bent on having their way at whatever cost. It is a rule or ruin policy. The people of the United States have met this challenge. They deny the right of a few persons to dictate to all the rest of us where and when and how we shall work, or whether we may work at all, or whether we shall even have the right to exist. Free Americans are not going to be ruled either by the tyranny of capital or of labor. They have shown the big trust magnates that the law is their master, and are now administering the same salutary lesson to the rule or ruin radical leaders of labor. The authority of law must be established for labor as well as for capital. The public welfare must be protected from the assaults now being made against it. This is the vital issue—the only issue—now. When the country has definitely shown organized labor that it must be governed by

the orderly processes of law, and that threats and strikes are wholly futile in terrorizing and subjugating a free and independent people, then we may discuss in the calm light of reason and justice wise and practicable means of adjusting differences and establishing better conditions.

This is the issue made by events and clearly defined by the Government of the United States. To the support of the Government in this conflict every patriotic American will rally without for a moment stopping to argue with those who are employing coercive means to enforce their demands irrespective of the rights of others.

The result of the recent election in Massachusetts, the rising tide of Americanism, are heartening elements in the situation. Nearly all of our people are laborers, whether organized or not, and it is idle to think that their just claims can be or will be ignored. But neither a small number of laborers nor a large number can trample upon the rights of all others and defy the Government of the United States. It is not believed that the great body of American workers, organized or unorganized, wish to do anything of the kind. Upon their patriotism and good sense, when finally aroused, the country may with safety rely.

Nothing would more surely contribute to the general prosperity of this country than for the people to forget their differences, which are few, and to remember their common interests, which are many; and, having done this, go to work as never before with energy and hearty good will. We are nearing the beginning of a new year; why not make 1920 a record-breaker of business and prosperity for all?



America's Golden Opportunity

POETS and philosophers are fond of discussing the subject of "opportunity". There are two schools of thought, one holding that countless opportunities offer themselves to us day by day, and the other that opportunities are as few and far between as angels' visits. Perhaps each school of thought is right. But there is much to be said in favor of the view that great opportunities rarely come to nations and individuals. The main chance once missed may not recur again.

But however this may be, it is certain that at the present time an almost matchless opportunity confronts the people of the United States, and if allowed to slip by it may be gone forever.

The nations of the world that have suffered most severely from the war are sorely in need of goods and materials and of the credits with which these may be obtained. No other country is so well sit-

uated for supplying these needs as is the United States. Without convicting ourselves of selfishness, we may enter upon this service chiefly from business motives. It was pointed out by Thomas W. Lamont, in an address before the recent convention of the Investment Bankers Association at St. Louis, that in the last five years Europe and other foreign markets had absorbed American products to the value of \$26,000,000,000. Surely, it is not necessary to explain that this enormous trade was the source of huge profits and that it served to help immensely in giving work to American laborers, to the farmers, and added incalculably to our commercial prosperity. We shall be told, of course, that America is now short of goods and of food, as the high prices would seem to indicate, and that our exports, for the present at least, should be curtailed. Even if this shortage actually exists, the remedy for it is more production. Does any intelligent person imagine for a moment that we are producing anything like our capacity of food? Many millions of fertile acres still lie uncultivated, and on the land under tillage we are laggards in production. Belgium, France and Great Britain are far ahead of us, for instance, on the yield of wheat per acre.

Never was there such demand for American goods and materials as exists now. We shall be able to meet this demand only by a customary display of American enterprise and by a disposition to take such special measures to assist our customers, on a business basis, as the peculiar circumstances now existing may require. In taking advantage of this unexampled opportunity, we need make no professions about desiring to help humanity or to serve mankind, though incidentally we may render the world a great service. The principal object should be, however, to follow an enlightened policy that will result in continued employment for American labor at good wages and prosperity for our farmers, manufacturers and traders.

This great opportunity is in part financial and in part industrial and commercial. Without financial coöperation—not from Wall Street and the banks alone, but from all our people—the industrial and commercial part of the programme cannot be carried out.

The devastated countries of Europe are looking to us to meet this opportunity in a manner consistent with the American spirit. Should we not do so we may lose their regard, not for failure to exhibit altruism but to exercise that ordinary business shrewdness which we have been supposed to possess.

Shall we allow industrial unrest and the lack of a consistent policy upon the part of the Government in dealing with international problems to deprive America of its matchless opportunity in the commerce and finance of the world?

America's Attitude Toward Foreign Banks

THE restrictions imposed by the banking laws of New York and some other states on the operation of branches of foreign banks are gradually leading to similar restrictions being imposed by other countries upon the branches of American banks established abroad. That such an outcome was probable was thus stated by the editor of *THE BANKERS MAGAZINE* in an address delivered before the Pan-American Commercial Conference at Washington, February 17, 1911:

"One thing we must remember—there should be international reciprocity in banking as well as in trade. If we expect to invade Mexico, Central and South America with our banks, we must expect the banks of those countries to come here. And if we restrict the operations of their banks here, we may expect them to throw like restrictions around our banks there. Already many foreign banks have agencies in New York and other American cities, but the state laws generally prohibit these agencies from doing a banking business; that is, they may not receive deposits, and thus their ability to make loans is largely curtailed. Can we reasonably expect that Latin America will allow privileges to our banks which we deny to theirs?"

The answer to the question then raised is just being given in the Argentine Republic, where a proposal has been introduced in the Chamber of Deputies to tax foreign banks twenty per cent. of their net profits except banks of those countries which permit branches of Argentine banks to accept deposits. The main provisions of this proposed law are as follows:

"Article 1.—Branches of foreign banks shall pay a tax of twenty per cent. on all profits they make in the country.

"Article 2.—Banking establishments in whose countries of origin the law confers upon branches of Argentine banks desirous of opening there the same privileges as are enjoyed by private banks and does not levy any special tax upon them are exempted from the twenty per cent. tax.

"Article 3.—Exemption shall likewise be given to the branches of foreign banking establishments which do not operate in the Republic as banks of deposit, or which are constituted as Argentine joint-stock companies.

"Article 4.—The special tax created by this present law shall be collected without prejudice to other taxes to which such businesses are liable in the country."

Señor Martinez Zuviria, who is said to be chiefly responsible for this measure, thus explains and defends it:

"Every day there are being established among us foreign com-

panies, especially banks, availing themselves of the stupendous liberality of our law, and the judges place them in a legal situation to carry on business, without ascertaining whether in their country of origin the Argentines enjoy the same liberty.

“In this manner we see commencing to swarm among us these sympathetic North American ‘national banks’, novel and hustling, and so sure of themselves that they come almost with one hand behind and the other stretched out, to till our vineyard; without reminding us, naturally, in applying for authorization to establish themselves, that not long ago, when one of our great banks wished to open a branch in New York, the North Americans slammed the door in its face.

“We wish to exclude no one from our market. The National Constitution has opened the country to all honest initiatives of capital, of labor, and of the ingenuity of men from all parts of the world. But it is not just, and it is ridiculous that we should not exact some compensation for the stupendous advantages we grant, at least by establishing some differences in favor of the nations which accord like advantages to Argentine traders, and against those which close their doors inexorably against them without prejudice to their sending their scouts to exploit our inexcusable liberality.

“This project of law ought in due course to be complemented by general banking and joint-stock company legislation. But in the meantime it will suffice to restrain the understandable enthusiasm of bankers in all parts of the world who are hastening to Argentina to seek for our money, as certain traders go to Central Africa to purchase from the unsophisticated natives skins, spices and ivory, paying for them in colored beads.”

Action of a similar character has been taken in Italy, where the “official Gazette” has published a royal decree under which the establishment of branches of foreign banks in Italy is subject to obtaining the corresponding authority from the Minister of Finance. Foreign banks which ask for such authority should attach to their request their charter and their by-laws, indicating also the amount of capital which they intend to allocate for their business in the territory of the Kingdom, and the persons who will direct or manage said branches.

All changes which take place after having obtained the license must be duly notified to the Minister of Finance.

The authorization will be given by a decree of the Minister of Finance, who will give an unappealable decision in accordance with the Minister of Foreign Affairs and the Minister of Industries and Commerce.

Among the facts which the Minister of Finance will take into

consideration in deciding whether to give the authorization or not will be the treatment given by the laws of the country to which the banks belong which apply for the authority to the Italian institutions which might intend to do business in the same territory. In the same decree will be established the terms under which the concession will be given, and non-compliance with these terms might cause revocation of the license. Three months after receiving notice of the decree of authorization, the foreign banks must comply with the prescription of Articles No. 20 and 231 and 232 of the Civil Code, and obtain registration of their charter for the purpose of doing business in the territory of the Kingdom. The branches in the Kingdom must prepare a separate balance sheet, which shows the capital allocated to transactions in the country, and the capital really used in such transactions. The foreign banks which on the date of this decree have branches established in the Kingdom will not be obliged to ask for special authorization in order to continue their business. These banks, however, are subject to the above regulations.

Particular attention is called in the above regulations to the stipulation which reads as follows:

“Among the facts which the Minister of Finance will take into consideration in deciding whether to give the authorization or not will be the treatment given by the laws of the country to which the banks belong which apply for this authority to the Italian institutions which might intend to do business in the same territory.”

This provision clearly intends to shut out our banks if we shut out theirs, or at least to impose upon our branch banks a like limitation which we impose upon the Italian banks.

Not only will restrictions upon American branch banks which may be imposed by foreign countries tend to hamper our present policy of international banking expansion, but it will also interfere materially with the growth of New York as an international banking centre. This view finds reinforcement in a paper published some time ago in the “Annals of the American Academy of Political and Social Science”. The author, Mr. E. L. Stewart Patterson, of the Canadian Bank of Commerce, says:

“The strength and broadness of the London market, apart from the natural resources of the country, lie in the ebb and flow of foreign capital through the machinery of the branches of foreign and colonial banks established there.

“Although London does not particularly encourage the establishment of foreign banks, it, on the other hand, does nothing to restrict the movement and allows freedom in banking privileges to all comers of good standing. This broadminded policy, though it perhaps affects to a certain extent the individual interests of some

of the British banks, is recognized as of great importance to London and the country in general, and, therefore, indirectly to the banks themselves. These branches of foreign banks, with their network of correspondents throughout the world, in addition to their direct influence on the exchange situation, give invaluable assistance to the Bank of England in preserving the equilibrium of the money market.

“The policy of New York in connection with foreign banks is just the reverse of that of London and is apparently based on a local and narrow point of view. New York bankers have always discouraged the establishment of foreign banks in their midst and have evoked state legislation and other means to this end. A few foreign banks are represented by agents, not by branches, they cannot take deposits or discount commercial paper, and their activities are practically restricted to making call loans and dealing in foreign exchange.”

At the request of a member of the New York Legislature the editor of *THE BANKERS MAGAZINE* prepared a bill for amending the New York banking law in a way that would have permitted the branches of foreign banks to transact a general discount and deposit business under proper safeguards and without giving them any unfair advantage over the institutions organized under State or Federal laws. This measure did not become a law, doubtless owing to the antagonism of the New York bankers who fear the competition of the foreign branches, but without good reason as it seems to us. The restriction in question is proving a two-edged sword, cutting both ways. But irrespective of this, it is believed that the New York banks themselves would actually gain if the restrictions in question were removed, maintaining, of course, such regulation of the foreign branch banks as would assure the safety of deposits and their compliance with substantially the same supervision and regulations as are imposed upon our own banks.

Perhaps this question might be a proper subject of discussion at the Pan-American Financial Conference to be held at Washington in January. The matter would also seem to be worthy of consideration by the Federal Reserve Board and by the Banking and Currency Committees of the House and Senate with a view to appropriate Federal legislation.

It would be unfortunate if at the very inception of a policy of international banking expansion the American banks should find their operations abroad hedged about by restrictions which would largely impair their efficiency. But if we ourselves practice a policy of that kind toward foreign branch banks, how can we expect anything better in return?

Those Who Pay The Income Tax

FINAL returns of the amount of income tax paid for the year 1917 reveal some interesting facts. It is shown that income tax returns were filed by only 3,472,890 persons, or about three per cent. of the total population. These figures no doubt afford considerable consolation to that rather large element in the community which is quite satisfied in passing the obligation of paying taxes along to their neighbors. Unfortunately this resignation of concern about taxes imposed on the other fellow is accompanied by a corresponding indifference as to how the revenues so obtained are expended, thus tending to encourage national extravagance.

Another notable fact brought to light by these figures is that while in 1916 there were 1,296 incomes reported amounting to \$300,000 and over, the number of such incomes had decreased to 1,015 in 1917. The million-dollar incomes also decreased from 206 to 141, and the decrease in amount reported by that class was \$157,427,730. This would seem to afford an official refutation of the oft-repeated statement that "the poor are getting poorer and the rich are getting richer"—or a least of the latter part of this assertion. But while there was this decrease in the number and amount of million-dollar incomes, such incomes paid more taxes than any other class, contributing \$109,424,999 to the Government out of \$306,835,914 in income reported. Persons with incomes of \$2,000 to \$3,000 paid the smallest amount of taxes, \$9,097,378 on returns of \$2,461,137,000. Taxes paid by all classes making returns aggregated \$675,249,450, and the total net income reported was \$13,652,383,207.

Both on account of the needs of the Government for large revenues and because it is looked on as a convenient means of redressing what some regard as an unequal distribution of wealth, an income tax of rather heavy proportions may be expected to remain a part of the country's fiscal policy. If made too heavy, though, a tax of this character may seriously impair the amount of funds available for needed capital investments.



Working Out of the Present Tangle

MANY bankers and others are raising a question as to how the country is going to work out of the existing economic tangle. They have seen in other times panic followed by a long period of depression resulting from situations much less serious than that in which the country now finds itself. Some of these

bankers are asking whether that will not be the end of the present era of inflation. That speculation is rife appears from many obvious evidences. How bank credit is being used for this purpose may be inferred from the following statement appearing in the "Federal Reserve Bulletin":

"The real character of the situation depends upon the use that is being made by member banks of the credit facilities to be obtained at Federal Reserve Banks. It is just here that the present situation must be regarded as unsatisfactory. The evidence which is currently available seems to point to the fact that member banks, under the influence of strong private demand, are in not a few cases greatly expanding their loans. The reports which come to the Board from the Federal Reserve Districts, general results of which are reviewed in the summary of business conditions for the current month, strongly suggest a marked advance in the growth of speculative transactions. It must be borne in mind that the growth of activity of this kind weakens the entire banking situation."

The fact is that the banks and industrial establishments are being severely taxed in one way or another; the banks by the insistent calls for loans, which only the seemingly inexhaustible rediscount facilities of the Federal Reserve Banks enable them to meet; industrial establishments by the demand for ever higher wages. Meanwhile prices, with a few exceptions, keep on mounting higher and higher.

Where will it all end? In other times such conditions would surely have brought about a financial crisis. But is this likely with the changed banking system? The tendency toward such an outcome is being corrected by the renewal of building activity, which acts to sustain the fabric of prosperity. Some danger threatens this activity on account of the high cost of labor and materials.

The curbing of extravagant expenditure, a restriction of speculation, devotion to business and hard work will mitigate the tendencies mentioned above. Are the banks quite sure they are completely fulfilling their duties in the present situation?

The "Federal Reserve Bulletin" for November indicates that bank loans are expanding and that this expansion does not represent war paper. The publication says:

"In the 'Federal Reserve Bulletin' for October there was published the result of a statistical analysis of the entire war loan paper situation, which showed that as of June thirtieth last, the total volume of such paper in the banking system might be taken as about six and five-tenths billions of dollars. There has been a decrease in such war paper since June thirtieth, but there has been a

continued expansion of loans and investments of member banks as shown by the following figures:

MOVEMENT OF LOANS AND INVESTMENTS OF FEDERAL RESERVE BANKS, AND OF ABOUT 775 MEMBER BANKS IN SELECTED CITIES

Date	Federal Reserve Banks	Member Banks in Selected Cities
June 27, 1919	\$2,354,167,000	\$14,350,197,000
July 25, 1919	2,482,558,000	14,379,579,000
August 29, 1919	2,448,977,000	14,968,907,000
September 26, 1919	2,503,088,000	15,297,458,000
October 24, 1919	2,751,751,000	15,537,104,000

An inference that this expansion represents only the influence of speculative borrowings would be wholly unwarranted. A large part of it may represent a perfectly healthy increase of business following the after-war readjustment, as surely much of it stands for a rise in prices, for which the banks are not even chiefly responsible. But allowing for all this, it would seem that the banks have a duty to perform at this time in scrutinizing their loans with a view to curbing the speculative tendencies of the times.



PUBLICATION of the November number of THE BANKERS MAGAZINE has been delayed on account of the printers' strike in New York, which is now at an end after having been in force for two or three months past. This will permit subsequent issues of the MAGAZINE to appear promptly in accordance with our regular schedule.

The forbearance shown by our readers and advertisers during recent unavoidable delays is greatly appreciated.

THE BANKERS PUBLISHING CO.

Sharing Profits With Bank Employees

By JESSE BLYTHE

HUMAN nature is about the same the world over. The desires and necessities of the worker in a white-collar job do not differ materially from the man in an overall job. Both classes are entitled to fair play in the new era of the industrial square deal.

The best way to preach loyalty is through the pocketbook, whether the application is to be to the bank employee in a white-collar job or the man in the shops in an overall job.

Whether the ultimate solution of the industrial upsetness following the war is profit-sharing, profit-dividing, welfare work, industrial representation, or a combination of the various elements of these classifications, the bank employee must be taken into consideration as one of the component parts of the industrial life of the community.

Festus J. Wade, president of the Mercantile Trust Company, of St. Louis, recently expressed a striking analysis of the situation from the viewpoint of a successful banker when he told me that in this readjustment period it should be remembered that the American workers do not want to buy any rainbows, and if they do they want to go out and buy their own rainbows.

The workers do not want complicated systems of measuring the market value of their labor which have glowing promises but put no real money in their pay envelopes, he asserted.

This applies as well to bank employees and other workers in white-collar jobs as to the mechanic in the overall job. The time has gone by when workers can be hired for mere bread and meat. There must be something left over for the education of the children, the amusement of their families,

and the thrifty savings account for the rainy day.

As applied to bank employees, the square-deal policy necessarily assumes a different form than that which might prove satisfactory to mechanics in the shops. The spirit of fair play must be the same to all, but the expression of it must assume a form to meet the various stations in life.

J. A. House, president of the Guardian Savings and Trust Company, of Cleveland, O., recently gave me an interesting insight into this difference in telling of his experience with thrift gardens during the war period.

He encouraged the thrift garden movement and leased a patch of land and parceled it out among the employees of his bank. He let them put in as much time as desired in the gardens with full pay from the bank for the time spent in gardening. The bank staff kept up its end during the war, but as soon as the armistice was signed the gardens became sadly neglected.

"I soon found out that the man or woman who pushes a pen or pounds a typewriter all day does not want to dig in a garden to finish off the day's work," he said. "The handling of money and pen-pushing does not fit in with blistered hands and sunburned necks of the gardening variety. The bank workers would rather blister their hands and sunburn their necks by boating and bathing."

With this difference clearly in mind, the modern banking management can go right ahead with the consideration of some form of industrial development which will meet the needs of its particular institution and aid in solving the big problem of human contentment and a square deal for all.

BANKERS AND EMPLOYEES A GREAT
DYNAMIC FORCE

The modern banker and bank employees form a great dynamic force of leadership in progressive community movements. This participation in taking the kinks out of community life of the present day is no longer of the benevolent variety, in which the banker assumed an air of benevolence and permitted the residents to use his name and push him to the front as a builder of public sentiment.

The banker of today goes right into it with a personal touch as a business proposition. He has come to know that the progress of the community builds business for his bank.

One of the sure-fire methods for the banker to demonstrate the sincerity of his efforts to solve the reconstruction problem along modern lines is to begin right at home—in his own bank—to bring about a spirit of the square deal as an efficiency builder in his own staff of workers.

This may be done in one of several forms of permitting his employees to participate in the profits of the financial institution which result from their labors. When the bank employees know they will share to some extent in the increasing business, they will take a new interest in their work. They will seek to develop more business which would bring them greater returns on their investment of labor.

ACQUIRING AN INTEREST IN THE BANK

The sale of stock in the bank on easy payments is one of the popular forms of profit-sharing, as applied to banks. When an employee becomes a stockholder in the institution—even of a few shares—he or she becomes an integral part of the business and is anxious for its success.

Several banks and trust companies have adopted stock-selling plans, in which they buy the stock at the market price for employees who subscribe for it, and charge a small rate of interest for handling the time payment account.

The employee is permitted to at once begin to draw the dividends and full benefits of stock ownership, such re-

turns being credited as payment on the stock. Seldom do the dividends fail to pay at least the interest charges for handling the account. If the bank dividend is not sufficient to carry the interest, it is doubtful whether such a stock-selling plan would be a success.

In case the market value of the stock is greatly above par, a plan similar to that of the Kelly-Springfield Tire Company, of Akron, O., might be used to encourage stock ownership by the employees. The par value of Kelly-Springfield stock is \$25 a share, but its market value is much greater.

The company buys the stock at the market price, and credits the employee with a bonus of \$1 per share each year so long as he holds it and remains in the service of the company. The employee also receives the regular dividends as credits on his installment payments.

Even after the stock is paid for, the worker will continue to receive the \$1 a share bonus so long as he remains in the employ and holds the stock. The purpose of this continued bonus payment is to retain the services of efficient and thrifty employees.

OTHER PROFIT-SHARING METHODS

As a substitute for the stock-selling method, the plan of the Kaynee Company, of Cleveland, O., might prove a big success.

By the Kaynee system the company at the end of each year awards a certain number of so-called profit-sharing certificates to employees who are recommended by heads of departments as having displayed special ability or performed some meritorious service of value to the company during the year.

Each of these certificates represents a face value of \$100, the same as the face value of the company's stock. At the end of each year the holders of the certificates receive dividends on their holdings at the same dividend rate paid to stockholders on their stock. All employees are eligible to share in this distribution who have been in the employ of the company at least one year, if recommended for merit.

Employees who have been in the com-

pany's service five years automatically share in the profit dividends, receiving two and a half certificates of profit-sharing value of \$250. For each additional year of service one-half share is added, up to a maximum of five certificates. If an employee is discharged or quits the service during the year he or she forfeits all interest in the profit distribution.

This plan may be more satisfactory in many instances than the sale of stock to employees. The profit-sharing certificates serve virtually the same purpose as stock ownership, and the workers have no chance to lose any part of their investment. The worst that could happen to them would be that there would be no profits to divide, and they would get no dividends that year.

At the end of each year the certificates automatically become canceled, and the workers must have proven their value to the company during the year to receive more certificates and share in the profits the next year.

This plan seems to eliminate the feeling of uncertainty among employees that the market value of their stock might depreciate for any reason, resulting in the loss of a part of their investment.

The plan of Strauss & Company, New York bankers, by which the bank will duplicate dollar for dollar the savings accounts deposited by its employees seems to furnish a good basis for similar action by other financial institutions. Each month the bank duplicates the savings of its staff and credits the amount with interest. The entire account then is invested by the company, if desired.

As thrift is a watchword of bankers, and the success of a financial institution results largely through thrift, this encouragement of saving by bank employees seems to point the way to contentment in the banking forces.

An interesting and apparently successful pension and profit-sharing plan has been tried out by the Guardian Savings and Trust Company, Cleveland. The bank contributes two per cent. of its net earnings annually to this fund, and believing that the plan

is effective is considering increasing its annual contribution to five or six per cent.

The employees of the institution pay three per cent. of their monthly salary into a pension and profit-sharing fund, up to a maximum of \$10 a month, for twenty-five years. The contribution of two per cent. of its net earnings is guaranteed by the bank to be not less than an amount equal to the total paid in by the employees.

Any employee reaching the age of sixty years, having been in the bank's service at least fifteen years, may retire on a pension based on two per cent. of his or her annual salary for the preceding ten years, multiplied by the number of years of service. No pension shall exceed \$2,000 a year.

After the pension payments are deducted from the fund each year, the remainder is credited to the profit-sharing fund for distribution among the employees at the end of three-year periods. Each three years the employees are paid in cash their pro rata share of the amount in the profit-sharing fund, in proportion to the amounts paid by them into the fund during the three years. After an employee has been in the service twenty-five years he continues to participate on the basis of his last annual payment to the fund so long as he remains in the service of the company.

The fund is controlled by a board of trustees composed of four members selected by the board of directors of the bank from their number, two members selected by the employees by ballot, and the president of the bank. If the bank increases its contribution to five or six per cent. of its net earnings the profit shares of the workers will be materially enlarged.

If an employee quits or is discharged the bank refunds the full amount he has paid into the fund, with interest, but he forfeits all profit-division accumulation. On the death of an employee the family is paid his full amount paid into the fund, plus the company's contribution, plus the earnings of the fund.

A similar thrift plan which seems eas-

ily adaptable to banks, with modifications to meet conditions, has been established by the General Motors Company, of Detroit, Mich. It is a combination of contributions by employees and the company, by which the company duplicates dollar for dollar the savings of its employees, as an encouragement of thrift and the saving habit, and as a reward for long service with the concern.

The company has established two funds, known as the Employees' Saving Fund and the Employees' Investment Fund. An employee is permitted to pay into the savings funds any amount up to ten per cent. of his salary, in multiples of \$5, to a maximum of \$800 a year. The company pays into the investment fund an amount equal to the total payments of the employees in the savings fund.

These funds are kept separate. The company credits six per cent. interest semi-annually on all amounts in the savings fund. Both funds mature in five years. A new class is formed each year, so that there will be a distribution each year after the first five years. The money in the investment fund is invested in the stock of the company, or other securities.

At the end of five years each employee will draw out in cash the amount he has paid into the savings fund, plus the six per cent. interest, plus his pro rata share of the sum paid by the company into the investment fund, plus his share of the earnings of the fund through forfeitures, dividends, etc., or he may get his share of the stocks held by the fund, if desired.

If an employee is discharged or quits before the expiration of the five-year period, he will receive in cash all he has paid into the savings fund, plus his pro rata share in the investment fund at the end of the previous year, forfeiting all other earnings or benefits of the funds.

A so-called Loyalty Plan of the Cupples Company, St. Louis, with modifications to meet conditions, might prove of value in financial institutions having a considerable number of employees. Its purpose is to retain efficient employees in the service and keep them working at

the top notch of their ability. It pays nominal financial rewards for good service and offers an incentive for merit, ability and enthusiasm.

All employees—from office boys up—are eligible to membership after a service of one year. Memberships are in five grades, designated as 1-bar, 2-bar, 3-bar, 4-bar, and 5-bar members. Each member is given a button or pin designating by bars his or her rank, and is required to wear it during working hours.

The 5-bar members are the highest grade, and compose the managing members with authority to select new members to the various grades or reduce them to lower ranks. Membership is based on the efficiency and diligence displayed in the particular job held by the employee, and not on general ability to perform special service in jobs higher up. If an office boy shows brightness in his job he is elected to membership in one of the grades commensurate with his merit in his particular field. If a member is shifted from one department to another he automatically returns to the 1-bar rank, and must demonstrate his ability in that job before he is promoted to a higher rank.

There are no dues or assessments. The company pays the entire expense. A bonus of \$1 a month is paid to 1-bar members. This bonus increase \$1 a month for each grade, to a maximum of \$5 a month for 5-bar members. Additional privileges and longer vacation periods are given to the 5-bar members as an extra reward.

The managing officials can tell at a glance what grading of efficiency has been conferred on each employee by the pin showing his rank. This information is valuable in making promotions and choosing employees for special services.

The president of the company each year appoints a committee of five from the managing members to watch the activities of all employees and make recommendations for membership in the various grades for loyalty and efficiency. The personnel of this committee is known only to the president and the managing members.

If a straight profit-sharing plan

seems more adaptable than the other methods mentioned, several systems have been tried out with apparent success. In most of them the profits are shared with the workers on the basis of the amount of their annual salary or wages, the profit-sharing percentage being the same as the dividend rate paid to stockholders, or some other rate.

These profit distributions are based on the theory that the worker puts in his investment of labor, and is entitled to the same dividends on it that are paid to stockholders who put in their investment of cash.

Outstanding forms of this method, each somewhat different from the others, have been established by the American Sash and Door Company, of Kansas City, Mo.; the Cleveland Twist and Drill Co., Cleveland, O.; the Browning

Company, Cleveland, and the Burroughs Adding Machine Company, Detroit, Mich.

The employees of financial institutions are human parts of the organization and fully appreciate the spirit of fair play. They are of the sturdy type of business element in the community who usually take the lead in progressive movements.

The management of banks and trust companies may well consider the square deal from the standpoint of legitimate advertisement of their business. The world likes a square deal, and there could probably be no more effective publicity for the financial institution than the knowledge by the public that it has been liberal with its employees and is actually putting into practice a square deal within its own walls.



FROM April 6, 1917, until November 11, 1918, the people of the United States forgot all differences of races, creeds and classes, and stood solidly together as Americans. In that period, they wrote a most glorious chapter in the country's history. A like unity now will carry us safely through these times of peril and assure the blessings of prosperity and well-ordered liberty to all.

—Collins Publicity Service.

International Trade Conference

WHAT some of those in attendance characterized as "the most important assemblage of business men ever convened in this country" was held at Atlantic City, N. J., October 22, 23 and 24. This was the International Trade Conference, whose meeting was arranged by the Chamber of Commerce of the United States.

Whether this designation was accurate or not, it is certain that the Conference was of exceptional importance on account of the prominent men in attendance from the United States and several European countries and because of the vital nature of the problems under discussion.

While the conference was chiefly valuable in that it brought together so large a body of representative business men from various parts of the world, it likewise offered an opportunity of hearing first hand a statement of the needs of those countries which have suffered greatly from the devastations of the war. In a constructive way the results of the conference were apparently to shape American financial sentiment in favor of acting under the provisions of the Edge Bill, which was still pending in Congress at the time the conference was held.

Summarizing the reports made by the European delegates, it may be said that the economic needs of the several countries are chiefly for credits to be used in the United States for the purchase of food, coal, raw materials and machinery. Italy and France have perhaps the most urgent requirements of the nations sending representatives to the International Trade Conference, both Belgium and Great Britain having already made arrangements for meeting their present needs. None of the countries, however, are in the attitude of seeking favors of any sort. What they do hope for is that the business

men of America will deal with them as they have in the past, on a business basis, taking proper account of the more extended credits which the present conditions require.

DELEGATES REPRESENTING THE SEVERAL COUNTRIES

In order that an idea may be had of the representative character of the conference, the list of the Inter-Allied Missions is appended:

BELGIUM

- M. Florimond Hankar, Chairman; Director National Bank of Belgium; Honorary Director General, Savings Bank of Belgium.
- M. Canon-Légrand, President Chamber of Commerce, Mons. Construction Engineer; Permanent President International Congress of Chambers of Commerce.
- M. Albert Neve, Departmental Director Ougree-Marihayé Works, Liège.
- M. Albert E. Janssen, Director National Bank of Belgium, Prof. University of Louvain.
- M. Alexandre de Groote, Vice-President Antwerp Chamber of Commerce.
- Prof. Paul Van den Ven, University of Louvain, Delegate of Belgian Minister of Finance at Paris Conference.

FRANCE

- M. Eugene Schneider, Chairman of Mission, Head of Creusot Steel Works; President of Iron and Steel Institute of Great Britain; former Member of Chamber of Deputies.
- M. Tirman, Councillor of State; Representative of French Ministry of Commerce.
- M. Le Baron du Marais, Vice-Chairman of Mission; Director of Credit Lyonnais.
- M. Andre Homberg, Vice-President of the Société Générale.
- M. de Pellerin de la Touche, President of French Trans-Atlantic Line; President of Paris Subways.
- M. Waddington, Textile Manufacturer; Vice-President of Syndicat Normand du Tissage.
- M. Roche, Delegate of General Syndicate of Chemical Products; Director of the Firm of Poulene Brothers.
- M. Julien Potin, Vice-President of Biscuit Syndicate; President of Dry Vegetable Syndicate; President of Potin & Company.
- M. Godet, former President of the Tribunal

- of the Section of Commerce of the Seine; ex-President of the General Association of Textiles; Member of Chamber of Commerce of Paris; Delegate of the Confederation Generale de Production.
- M. le Commandant Varaigne, head of French Mission associated with the American Services in Paris.
- M. Francois-Poncet, Delegate of the Steel Committee in France.
- M. Pesson-Didion, Mining Engineer; Delegate of the Union of Metallurgical and Mining Industries; Director of the Société Centrale pour l'Industries Electrique.
- M. Dolleans, Professor of Political Economy at University of Dijon.
- M. Parmentier, Engineer; Delegate to the Ministers of Commerce and Public Works; Assistant to M. Pellerin de la Touche.
- M. Loizeau, Engineer of the Credit Lyonnais; Assistant to M. le Baron du Marais.
- M. Collin, Engineer at Schneider establishment; Assistant to the President of the Mission.
- M. de Fremenville, Engineer at Schneider establishment.
- M. Mazot, General Secretary of the French High Commission; General Secretary of the Mission.
- M. Boyer, Director of American Services in the Bank of Paris; Assistant General Secretary.
- M. Pierre Lehideux Secretary.

GREAT BRITAIN

- Sir Arthur Shirley Benn, K. B. E.: M. P.; Chairman, London.
- Sir James Hope Simpson, Director and General Manager Bank of Liverpool.
- Hon. J. G. Jenkins, Corbiston, London; Member of Finance, General Purposes and Merchants Committees, London Chamber of Commerce; V. P. British Producers Association; former Premier, South Australia.
- Mr. Marshall Stevens, M. P., Manchester.
- Bailie John King, Chairman National Light Castings Association, Glasgow.
- Mr. Frank Moore, Moore, Eady & Murcott Goode, Ltd., Leicester.

Secretaries:

- Mr. George Berkes, Assistant Secretary Federation of British Industries, London; Associate Member Chartered Institute of Secretaries.
- Lieut. A. S. Jarratt, Manchester.

ITALY

- Commander Engineer Ferdinando Quartieri, Chairman; President of the Italian Corporation for Chemical Industries and other Italian companies.
- Commander Prof. Bernardo Attolico.
- Commander Engineer Dr. Luigi Luiggi, Member of the State Council of Public Works; Professor at the University of Rome.
- Commander Prof. Vittorio Meneghelli, President Chamber of Commerce of Venice.
- Commander Giorgio Mylius, President of the Italian Master Cotton Spinners and Weavers Association.
- Commander Domenico Gidoni, Delegate of the Italian Treasury.
- Commander Pietro Giovanni Lazzarini, Secretary General.
- Chevalier Giovanni Fummi, Stock Broker.
- Commander Ersilio Baroni, President of the Italian Union for the Manufacture of Explosives.
- Commander Dr. Augusto Jaccarino, Representative of the Banco di Napoli.
- Chevalier Gaetano Biasutti, Representative of the Banca Italiana di Sconto.
- Dr. Ildo Marchisio, Representative of the Banco di Roma.
- Chevalier Guido Pedrazzini, Representative of the Banca Commerciale Italiana.
- Chevalier Felice Bava, Representative of the Credito Italiano.
- Marquis T. Theodoli.
- Mr. Antonio Agresti.
- Engineer Mario Luigi Luiggi.
- Engineer Arturo Anzani.

EXECUTIVE COMMITTEE OF THE INTERNATIONAL TRADE CONFERENCE

- Alfred C. Bedford, Chairman, New York, Standard Oil Company.
- John H. Fahy, Vice-Chairman, Boston, St. Johns River Shipbuilding Co.
- Andrew H. Phelps, Secretary, Woolworth Building, New York.
- Delos W. Cooke, New York, Cunard Steamship Company.
- Joseph H. Defrees, Chicago, Defrees, Buckingham & Eaton.
- James A. Farrell, New York, Chairman, National Foreign Trade Council; United States Steel Corporation.
- Homer L. Ferguson, Newport News, Newport News Shipbuilding & Dry Dock Co.
- Edward A. Filene, Boston, William Filene's Sons Co.
- Thomas W. Lamont, New York, J. P. Morgan & Company.
- Ivy L. Lee, New York.
- Alfred E. Marling, New York, President, Chamber of Commerce of the State of New York.
- Edward G. Miner, Rochester, The Pfaudler Company.
- William Fellowes Morgan, New York, President, Merchants Association of New York.
- Lewis E. Pierson, New York, Irving National Bank.
- R. Goodwyn Rhett, Charleston, S. C., Peoples National Bank.
- George Ed. Smith, New York, President, American Manufacturers' Export Association.
- Ernest T. Trigg, Philadelphia, John Lucas & Company.

Harry A. Wheeler, Chicago, Union Trust Company.
 Theodore F. Whitmarsh, New York, Francis H. Leggett & Company.
 Owen D. Young, New York, General Electric Company.

While it is not possible to give the addresses in full, extracts from some of them are presented below. Besides the speakers from foreign countries, addresses were made by such well-known American bankers as James S. Alexander, Myron T. Herrick, Frank O. Watts and Governor W. P. G. Harding of the Federal Reserve Board. The opening address was made by Alfred C. Bedford, vice-president of the Chamber of Commerce of the United States, and Homer L. Ferguson, president of the Chamber, made the address of welcome. Breckinridge Long, Assistant Secretary of State, spoke on behalf of the American Government. Appropriate responses were made on behalf of the foreign missions. Mr. Hankar speaking for Belgium, Mr. Schneider for France, Sir Arthur Shirley Benn for Great Britain and Commander Ferdinando Quartieri for Italy.

THE PROGRAMME

The topics and speakers at the various sessions of the conference are given below:

Address—Honorable William C. Redfield, Secretary of the Department of Commerce, Washington.
 "The Situation in Europe Today"—Mr. Eugene Schneider.
 "Belgium"—Mr. Florimond Hankar.
 "Great Britain"—Sir Arthur Shirley Benn, K. B. E.; M. P.
 "Italy"—Comm. Prof. Bernardo Attolico.
 "France"—Mr. Eugene Schneider.
 "International Financial Problems"—Mr. Dwight W. Morrow, of J. P. Morgan & Company.
 Address—Mr. Norman H. Davis, President Trust Company of Cuba, New York.
 Address—Mr. Albert E. Janssen, Professor in the University of Louvain; Director National Bank of Belgium.
 Address—M. le Baron du Marais, Vice-President of French Mission; Director Credit Lyonnais.
 Address—Sir James Hope Simpson, Managing Director of the Bank of Liverpool, England.
 Address—Comm. Domenico Gidoni, Representative in the United States of the Italian Treasury.

Address—Mr. F. O. Watts, President Third National Bank, St. Louis, Mo.
 Address—Hon. William P. G. Harding, Governor of Federal Reserve Board.
 Address—"International Business Organization"—Mr. Harry A. Wheeler, First President of the Chamber of Commerce of the United States.
 Address—Hon. Myron T. Herrick former U. S. Ambassador to France.

In his address opening the conference, A. C. Bedford, who presided, said in part:

It is with peculiar pleasure that, as an American business man and as an officer of the Chamber of Commerce of the United States I welcome to this conference the distinguished business men who come to us from overseas. As President Wilson said so aptly at Turin last winter "The men who do the business of the world now shape the destinies of the world" and I think it may be truly added that upon the shoulders of the men represented in this conference more than upon those of any other group, will rest the welfare, certainly of the United States and Europe for the next quarter of a century.

This may properly be called an International Congress of Business—a conference, in conception and potentiality probably without precedent. We come together at a moment of great change. No man can tell what the morrow may bring forth, but it is certain that there is a searching of men's hearts going on throughout the world. Every institution and every relationship of our civilization is being subjected to the acid test of a new point of view.

Some of the early economists used to teach that a nation grew wealthy in proportion to the difference between the amount of goods it sold to other nations and the amount it purchased from them. In other words, the size of the export "balance of trade" was the measuring rod of national progress. Later Adam Smith and those who followed him taught that a nation must not only sell to the world but that it must buy from the world, and that the ideal situation was not represented by a huge "balance of trade", but by a large volume of trade at a virtual equilibrium between what was sold and what was bought.

This war has taken us a step further in the development of our thoughts. We now realize that it is not only necessary to sell to the nations of the world and to buy from the nations of the world, but that we have a direct interest in actually promoting on its own account the prosperity of the world, not alone of that part of it comprised within our national boundary lines, but quite as much the prosperity of lands remote from our own.

At this moment, although Germany has been vanquished, civilization is still threatened by insidious forces, not from without

but from within. Strange doctrines are abroad. The serious deprivations of war have given rise to counsels of despair; the reaction from the spirit of unselfishness and comradeship of war has been toward suspicion and expectations that cannot be fulfilled. We find people who speak as though the destruction of our whole moral and social fabric was impending. Not for a moment do I sympathize with such pessimism, and yet Cardinal Mercier before the Chamber of Commerce of New York a few days ago, spoke significantly of the sinister and destructive ideas which were falling on fruitful soil in his own native Belgium. The same condition prevails throughout Europe and evidences of its inroads are not lacking in the United States. The nations of the world face a common foe—an enemy within us, a parasite born of the war, and the destruction of which depends upon our prompt resuscitation from the devastation of war.

Upon the business men of the world rests the duty to see to it that these prophecies of despair shall not be verified, and that out of the waste and destruction of war there is reared a new world and a new prosperity which shall insure for all time the welfare and happiness of mankind. Upon these business men rests the opportunity and the obligation to pursue a policy of such sympathy and enlightenment that this new cancer in our social and business life shall have no opportunity to grow.

To accomplish this reconstruction of the world, the United States must cooperate primarily with these key nations, whose representatives meet here, which, just as in war the protection of these nations represented the safety of the world, so today their re-vivification and prosperity represents the salvation of civilization.

The American people have a direct, and, if you please, selfish interest in bringing about the promptest possible return to prosperity of England, France, Italy and Belgium. There is, however, no desire on our part to be other than helpful and no wish to undertake, but rather, to refrain from participation in the shaping of policies in matters purely European.

This return of prosperity can be accomplished:

First of all by cooperation between our business men. The petty jealousies, the short-sighted efforts to obtain temporary advantages through questionable methods—anything else than whole hearted mutual confidence and cooperation—cannot endure against the obligations of the new day. We shall be competitors, but let us be friendly competitors.

Second, by a return by our people to a realization of the dignity of labor, no nation that puts a minimum of its strength into labor can hope to compete with another that works at full blast; "to live, the world must produce more and talk less."

The spread of electricity and improvements in communication, the development of transportation, the opening up of opportunities for investment in every part of the world, the activities of security markets in all the great commercial capitals—all are tending to make trade less and less regardful of national lines. Just as labor is coming to see that the permanent welfare of labor in one country lifts the lot of the working man throughout the world, so business men are seeing that the development of their own interests cannot be confined within mere geographical limitations.

This conference, if it accomplishes nothing else, will I hope, result in giving to the business men of the great nations here represented more than ever before a world point of view. A realization that business in the future will call for the highest standard of efficiency and cooperation, will make for the destruction of ignorant selfishness and merely personal profit, and will be recognized to have succeeded just to the extent that it makes men of all nations realize their interdependence one upon the other, and acts upon the faith that an intelligent self-interest commands upon the part of each of us an active regard for the happiness and welfare of every land on this small earth.

Eugene Schneider, president of the French Mission and head of the great Creusot Steel Works, emphasized the need of coal and raw materials and said:

I am convinced that the United States cannot hold aloof from Europe. The needs of Europe are great and varied, and she will remain for a long time one of your best customers. Suppose that, on account of the rate of exchange, we should cease buying from you. How would your industries be affected? Would there not be over-production? Would there not be considerable unemployment? Would there not be wide economic disturbances, with all its consequences?

The gold heaped up in the cellars of your banks must not give you too much confidence. Bear in mind that gold is a fiction. Its value arises from its being a medium of exchange. If the gold is all on one side, exchange becomes an impossibility. An abundance of gold may be as evil in its consequences as a scarcity of gold.

Your interest, no less than ours, is involved in the financial problem of the old world, and if only loans can bring the rate of exchange down to a reasonable level that should be one reason the more for Americans to invest in such loans.

The coal requirements of France were thus outlined by M. Waddington of the French Mission:

In 1920 France cannot hope for more

than 15,000,000 tons from her own mines. About 38,000,000 tons must be obtained from the outside, with possibly 8,000,000 from the Saar Basin, 10,000,000 from England, 5,000,000 from Belgium and a gap of 22,000,000 tons which the United States might fill in part. We can absorb all the coal America can send us.

Commander Ferdinando Quartieri, chairman of the Italian Mission, had the following to say respecting conditions in Italy:

The Italian Government, free from all old-fashioned financial prejudices, gave freely all that was required to win the war; it is now prepared to give that generous and unconditioned help to industry and agriculture which the economic revival of Italy demands.

The heroic policy of very heavy taxation which was adopted from the start, and which has been courageously persevered in, has yielded results which justify the belief that the national budget will soon recover its equilibrium without inflicting too severe sufferings on the country, and this is clear proof that productive work has been resumed.

In studying the items, which now turn the balance of trade so heavily against us, we find that they fully justify confidence in a rapid economic recovery. The excess of imports is accounted for mainly by raw materials for which there used to be but a limited demand, but which our new factories now require to transform into manufactured goods which Italy formerly imported from European countries, mainly from Germany.

As for our food imports, they will gradually be reduced now that our men are returning from the armies to the farms.

Our industrial development and our agricultural revival, therefore, justify the belief that in a few years' time the balance of trade will once more be such as to make Italy the self-supporting country, she was before the war. She will then be able to pay off the debts she has incurred with foreign countries without being unduly hampered by excessively high rates of exchange.

M. Florimond Hankar, chairman of the Belgian Mission and director of the National Bank of Belgium, made the following interesting statement regarding conditions in his country:

When Germany visioned defeat she set about destroying all of Belgium's industries which before the war had competed with her in the world market. Machinery in factories which was not shipped into Germany was wrecked. One of the great tasks confronting the Belgians after the armistice

was the recovery of the stolen machinery and material to replace that which had been destroyed.

Under the direction of the Minister of Economic Affairs, Belgium has been bringing stolen machinery out of Germany at the rate of 3,000 tons a week. The last report I saw set the total amount recovered at 39,000 tons. This work began in April and is still going on.

One of the most important projects for the general reconstitution of Belgium is that of agricultural restoration. The plan provides for the taking over by the Government of farms at their 1914 value, putting them in good condition and returning them to their owners.

Another plan for bringing Belgium back to normal conditions is being carried out by the Fonds du Roi Albert. This is an enterprise created in 1916 and recently allowed by the Government 40,000,000 francs. It had previously received 700,000 francs, largely from American sources. This institution provides homes for shelterless people. Huts are erected in the devastated regions. The Germans destroyed 100,000 homes in my country. Thus far the Fonds du Roi Albert have erected 12,000 homes.

Belgian railroads damaged or destroyed during the German occupation are being rapidly repaired and re-established, and on many lines schedules are normal. When the armistice was signed 1,500 kilometers of railroad had been destroyed. So rapid has been the work of restoration that there remain less than 55 kilometers of unimportant lines unrestored.

Naturally, this conference wants to know all there is to know about conditions in Belgium. In opening the trade conference last Monday Mr. Bedford asked several important questions having to do with this subject. Permit me to answer them briefly and generally in so far as they apply to Belgium.

Mr. Bedford asked: "What are the menaces to social order and stability in the different countries in Europe today? Have the dangers of Bolshevism or Socialism passed? Is there any danger anywhere of the confiscation of private property, the non-recognition of the rights of ownership and business management or the annulment of law?"

To the first and second questions I will say that there is no taint of Bolshevism in my country. Our people are restless and in many cases dissatisfied, it is true, but what people rendered homeless by war and facing the problems of life resultant from a great war would not be? But that does not mean they are inclined against law and order or are Bolshevik in tendencies.

Let me assure you also that there is no danger of confiscation of private property, non-recognition of the rights of ownership or annulment of laws which fundamentally depend on successful reciprocity in commer-

cial intercourse between Belgium and the nations of the world.

Mr. Bedford quite properly asked: "What will the attitude of the various governments be toward American industry and commerce? Will it be accorded freedom of trade and equal privilege and opportunity or will it be threatened with restriction of imports and the menace of government control or monopoly?"

Speaking for Belgium, I may tell you that my country, as you must know, desires always to consider America, Belgium's greatest friend, as an ally in peace as in war, and to work with and for America just as much for the good of American industry and commerce as for the advancement of Belgian industry and commerce. We want America to have freedom of trade without hindrance by governmental discrimination or monopoly.

One of the most notable addresses was that of Baron du Marais, vice-chairman of the French Mission and director of the Credit Lyonnais. This address, substantially in full, is given below.

Several weeks after the signature of the armistice, I met one of our best known generals. As he knew the terrific strain which our country had undergone, he asked whether France, victorious in arms, could still muster up sufficient strength to bear the financial burden that five years of continuous warfare had imposed upon her. I simply replied: "During the most trying days of the struggle you never doubted your soldiers. The signing of the armistice has not ended the war. It has merely transposed the field of battle. Why not have the same confidence in the worker of France as we have all had in the soldier of France? He is one and the same man."

Facts later ratified this confidence. Little by little, slowly but systematically, the transition from the state of war to that of peace took place. The problems of the new era presented themselves for examination. I can not say that they have been solved. The most urgent have already been approached, and solution is already in sight. So that today, at your invitation, before this assembly composed of the great business men of the New World, deemed its men of thought and action, companions all in struggle and friends all of France, I have the honor to present to you, in the name of the French delegation, a general exposé of the financial situation in France.

I shall take up first the French budget of 1913 and then the one now in force. I shall then reckon, based upon reliable data, the yearly expenditures of the after-war period and measure the amount of new taxation that must be met in order to balance the

budget. This reckoning takes into account the increase in resources that will come, first from the northern regions of France when their economic life has been resumed, and, second, from Alsace and Lorraine when they will be fiscally re-united with France.

We shall next consider the reconstruction of the devastated regions and the quantity of raw materials and manufactured articles that will be required during the period of reconstruction.

These facts, when analyzed, will dictate the financial means that must be employed to meet our needs, and will bring us to the discussion of the disturbance of the exchange. This disturbance is the visible symptom of our present ailment and will disappear of itself, together with the ailment, when we have returned to the normal conditions of life.

THE FRENCH BUDGET

The French budget in 1913 amounted to one billion twenty million dollars.

Of this, less than 860 million dollars came from that part of France which did not later suffer invasion.

This year, this same section will pay into the Treasury almost the total amount of the budget of two billion dollars, which constitutes an increase in burden of 120 per cent.

From the above figures alone, you can judge how unjustified it would be to accuse us of not having exerted ourselves sufficiently to increase our taxation to a reasonable degree.

If you take into consideration the fact that forty per cent. of the male population of France was mobilized, you will have to acknowledge that few countries in such circumstances would have been able to attain equal results.

These two billion dollars which the Treasury will have at its disposal in 1919 will be enough to pay all the civilian expenditures of our budget, including the entire interest on the public debt.

We have a right to be pleased with this result, but we shall not halt at this stage. Our Minister of Finance recognized this fact when he proposed to Parliament new taxes amounting to 360,000,000 dollars. These taxes are to be considered at the next session of Parliament, which is scheduled to convene immediately after the coming election. At any rate, the fact remains that, on the average, each French citizen will pay into the National Treasury during 1919 about \$56, whereas in the United States, according to the National budget, each American citizen will be required to pay into the Federal Treasury only \$49.78.

Let us see how the budget will balance after the war, when the public debt has been funded, when the increase in the salaries of our public employees will have to be faced, and when provision will have to be made for military pensions as a guaranty at least.

The interest on the public debt will amount on a capital of 40 billion dollars to two billion dollars. Civilian expenditures amounting to 380 million dollars in 1913, will probably reach 900 million dollars. Military and naval expenditures will reach 400 million dollars, making a total of three billion 300 million dollars. To this total we may add pensions amounting to 800 million dollars, raising grand total to four billion 100 million dollars.

With what resources shall we meet these appropriations?

To the resources of 1919, equaling two billion dollars must be added the share of the devastated regions in their before-war proportion to the whole of France, amounting to 400 million dollars.

Alsace and Lorraine highly developed industrial regions will furnish 200 million dollars.

The increase over the present yield of taxes, without enacting a change in rate, is expected by experts to reach 200 million dollars.

This increase will result from the organization of the ranks of tax collectors which were so depleted by mobilization as to make it impossible for those who remained to meet their overburdened duties, which included the paying of allotments and other gratuities to the families of soldiers.

The increase in railroad tariff which has become an absolute necessity will bring in from net earnings, and a decrease of guaranteed interest paid by the State about 150 million dollars. Making a total increase of 950 million dollars, which raises existing taxes as they now stand to two billion 950 million dollars.

To fill the gap between this figure of two billion 950 million dollars and our expenditures of four billion 100 million dollars, which include military pensions (although they are really part of the German indemnity), an increase of fifty per cent. above the present taxes will be sufficient. Undoubtedly, this increase is large but need not be feared when we consider what the people of France have already achieved.

I have introduced the above figures to show that the credit of France does not depend entirely upon the fulfillment of the obligations to which Germany is pledged. According to the Treaty of Peace, Germany is to repay pensions that have been paid to widows, children left fatherless by the war and mutilated soldiers. This refund will be available in part to reduce the taxation that is needed to balance our budget and, chiefly, to create an amortization fund which no Minister of Finance will dare to forget in the face of so great a public debt.

You may therefore be assured, gentlemen, that the public finances of France are in such shape as to make us feel absolutely secure about the balancing of our budget and the recovery of our country.

The French citizen is already heavily

taxed; he knows perfectly well that he is to pay still more. With quiet fortitude he will accept the burden of the further taxation that balancing the budget makes necessary. He deems this task light in comparison with the one he has accomplished during the four years of warfare. We cannot doubt him when we recall that he has given proof of his desire to meet his obligations during the four years of war, by withdrawing from the Bank of France commercial paper amounting to 800 million dollars for the maturity of which a moratorium had been decreed.

THE DEBT OF FRANCE

As to the debt of France which reached five billion 600 million dollars before the war, it has mounted to forty billion dollars. This figure might appear disquieting if it were not for the fact that our foreign debt constitutes but a small part of it, namely six billion dollars. Moreover, we can oppose to this foreign debt, the still larger amount that is owed France by eastern and neutral Europe. France cannot realize these credits today but will undoubtedly be able to do so in the future.

It must be emphasized, however, that the realization of this budget depends upon the following factors:

1. The rapid restoration of the devastated regions of France.
2. The resumption of activity in all the manufacturing plants of France, based upon their being supplied with a sufficient amount of raw materials.

REPARATION OF WAR LOSSES

The Treaty of Peace holds Germany responsible for war losses.

Unfortunately, the extent of these losses is so great that those who negotiated peace found it impossible to devise practical means by which Germany could pay, within a limited period, the full sum that would cover total losses.

As a result, France will be obliged to advance the sums to be expended which will reach a very elevated figure since it is essential, above all, that reparation be effected within the shortest time possible. This is of supreme importance because France will be entirely absorbed in the work of reconstruction until it is completed. Consequently, particularly in view of her depleted equipment, she will not be able to regain her place in the world's markets save slowly and to a very limited degree.

It is precisely at this point that France many require the coöperation of the United States to secure, through credits, the means of paying for merchandise (raw material and manufactured articles) which she could obtain in return for her exports under normal conditions.

France can give as guaranty for these advances the German bonds which the Treaty

of Peace allots to her. She has no doubt that these bonds will be paid at their maturity, but, in the event, which is most improbable, that Germany does not meet her obligations, she would not think it fair to have the entire burden of reconstruction fall upon her.

Upon France has just been conferred the tragic honor of serving as the battlefield of Europe. She has shielded Europe from the barbarians. If, unfortunately, she should be left alone to rear up the cities and villages which the children of America and England, struggling side by side with the soldiers of France, saw crumbling into ruins, she would not despair. She would merely take up her task.

But it would mean that her wounds would take longer to heal. She would toil on in suffering, and suffering does not always inspire wisdom.

History shows that suffering often transforms into violent movements evolutions that are in themselves most legitimate, and no one can foretell the far-reaching repercussions of these movements.

FOODSTUFFS AND RAW MATERIALS

France requires additional food products for her people, and raw materials for her plants. As a result of the mobilization, of the chief part of her population, of the hardships brought on by the war and, to cap it all, of the unfavorable weather condition, crops in France during 1919 were short. It will therefore be necessary again in 1920 to import large quantities of foodstuffs. Competent commissions have estimated importations of food at about 150 million dollars, but these imports will not come entirely from America.

Our cotton industry requires about 1100 thousand bales of cotton, the value of which, delivered in Havre, is figured at 200 million dollars.

Our plants require about 100,000 tons of copper which will cost us about seventy million dollars.

Our consumption of oil and gasoline will probably reach a total of seventy-five million dollars.

The above items bring us to a figure of about 500 million dollars to cover our needs for the year 1920.

We must add to this our requirements in chemicals, tobacco, metallurgic products, fuel oil and coal, amounting altogether to from 100 to 150 million dollars without counting various other articles that will be imported in the course of trade.

As for the years after 1920, until reconstruction has been completed, we cannot yet cite definite figures. These figures will depend entirely upon the rapidity of reconstruction which, in turn, will be in proportion to the resources at the disposal of France.

The rise in the cost of raw materials and the increase in ocean freight rates have al-

ready imposed a heavy burden upon France. The rise in exchange that has taken on altogether extraordinary proportions within the last few months threatens to make the cost of material delivered in France almost prohibitive.

The dollar which at par is worth about five francs eighteen has been quoted higher than eight francs sixty-five lately. We are obliged to face an increase of seventy per cent. above par in the value of the dollar, which is particularly hard on France, who has yet to import part of the foodstuffs she requires to feed her population. It falls heavily upon exporters also, as you know.

It is to improve this condition that we must devise means.

EXCHANGE

Depreciation in exchange is not an isolated phenomenon. It is the visible sign of unfavorable economic conditions and of insufficient means of payment available for the nation suffering from the depreciation which is itself a consequence of insufficient production.

It is therefore out of the question to devise artificial remedies, however ingenious they may be, such as the creation of international currency, for instance. In such case, innovations are dangerous. In trying to cure the malady of one, we must be careful to avoid spreading contagion to others. We must be careful to avoid carrying to our neighbors the germ of inflation from which the country in which currency has depreciated almost always suffers.

The danger lies in making general that rise in the cost of living which causes endless suffering among all peoples.

What we must do to improve the exchange is:

First: To improve the internal economic conditions of the country.

Second: To procure means of payment through appropriate financial measures.

That is one of the chief problems that confront the new French Parliament which will be elected soon.

By means of new taxes, by issuing loans at home and abroad, the French State must get into a position that will enable it to reduce its debts to the Bank of France and decrease the circulation of bank notes.

The present circulation is over seven billion dollars, unquestionably an excessive figure. Before the war, the circulation of bank notes in France had been kept for several years within about one billion dollars. There was, moreover, in circulation, 600 million dollars in gold coin which has since been withdrawn. The total circulation that met commercial needs was thus about one billion 600 million dollars.

We admit that the general increase in prices justifies an increase in this figure and that a circulation of from two and one-half to three billion dollars is not too great under present conditions. As the French Govern-

ment owes the Bank of France four billion dollars, it is apparent that with the payment of this debt circulation will be reduced automatically to the acceptable level.

Nor can we fail to mention the important help which the Bank of France rendered its country during the war.

Through skilful financial arrangements with our Allies, by using part of the gold reserve which had been increased for that purpose and by patriotic appeals to the French public, the Bank of France was in a position to negotiate very important credits for the French Treasury abroad and so to protect our exchange for several years.

During the difficult hours of the war this vast institution placed at the disposal of the State all the means of payment it required and the backing of its long-standing credit.

To-day, changing roles, the State has to place itself in a position to repay the Bank of France. By so doing, it will contribute to a large degree to the improvement of the exchange and will make the task of this great institution easier in supporting our trade and our industry. This support is more indispensable than ever during the period of reconstruction upon which we are now embarking.

A factor of no less importance is the increase in production of all kinds in France and its colonies. This increase will have to include agricultural products, raw material, fuel, ore, and manufactured articles that are to be produced in such large quantities as to make it possible for France to meet her domestic requirements to a large extent and to recover the place on the foreign market that is really hers. Shortage of production causes the sufferings of the world.

It is up to men like these who are gathered here to repeat to the world the laws of modern production. They have the right to do so since they have learned them from long experience.

Production does not depend upon the workingman alone. A weaver in India produces barely several inches of coarse cloth as a result of an entire day's work.

Production does not depend upon the "ingénieur" alone. Without capital he cannot realize his machines.

Production does not depend upon capital alone. Capital without the workingman and the "ingénieur" would be sterile.

Production depends rather upon the harmonious combination of workers, technical knowledge and capital. It is the fruit of these three elements.

In order to have work well paid, its output must be large. Human effort must be directed and coördinated through the intelligence and technical knowledge of the head of the enterprise. Production must be multiplied by the use of the machine, which is the issue of capital.

Every increase in wages that does not carry with it a corresponding increase in production raises the cost of living. It is

but a deceptive phantom. When every one will be brought to the realization of this point, it will mean that the chief part of economic difficulties has been solved or at least lessened and that an important step forward has been taken towards social progress.

MEANS OF PAYMENT

To obtain an improvement in the exchange, we must devise measures to increase means of payment. The first idea that comes to our mind is to resort to commercial credits abroad. These credits have been used at different times during the war for private transactions of little importance and also for collective operations with the backing of powerful groups of financiers.

Commercial credits will undoubtedly be used again in particular instances but the length of these credits, even if they are renewed several times, is comparatively short.

Short maturity would not allow the French importer to count legitimately upon the return of the exchange to parity before the repayment of his credits.

After a minute consideration of this question, it is our opinion that, in view of the period required for the restoration of France, ten years would be the minimum duration for credits that are to be extended.

Now, credits of this nature cannot be extended by banks as they would impair the liquidity of their assets. These credits must accordingly be obtained either by borrowing direct from the Government or by issuing long-term securities to be taken by individuals or corporations.

During the war credits were obtained in the form of loans from Government to Government. It is not up to us to say whether it would not be wise to employ similar methods for limited quantities in specific cases, as, for instance, in supplying France with foodstuffs and raw materials, which would be imported under the control of the French Government during the period of reconstruction.

To issue French securities on the American market would be the best method, beyond all doubt, of providing France with the means of payment she requires. These securities could be issued either straight to the public or through the intermediary of American corporations that could issue their own bonds against foreign securities which they would keep as collateral.

Moreover, you cannot get away from the fact that for a country in which exports exceed imports by a huge difference, it is absolutely necessary to make foreign investments.

A country in such a position cannot insist upon receiving gold indefinitely from its foreign customers. Such an influx of gold would become useless as soon as its gold reserve would exceed the needs of its trade.

On the other hand, insistence upon payments in gold would result in impoverishing

the importing country financially, in impairing its credit and consequently in depriving it, for the future, of every other means of payment.

Investment in foreign securities, on the contrary, when safely made, can be considered a supplementary gold reserve, but one which bears interest. It affords the best means of regulating exchange, as the "arbitrages" of securities between foreign markets will always occur at an opportune moment to limit fluctuations in exchange.

Both England and France had made foreign investments before the war, which proved the chief element of their financial strength. We are at liberty to say to-day that these foreign investments alone enabled these two countries to carry the war against Germany to a successful close.

Because the rapid development of the United States required so much capital before the war this country employed all its resources at home. It was rather a borrower than a lender.

However, the situation is reversed now. During the war capital kept piling up, so that many economists and financiers are of the opinion that Americans could easily invest yearly from one to two billion dollars abroad. I share this opinion and believe that this investment could be effected without difficulty as soon as the American public can be brought to realize the advantage of it, and as soon as American banks have developed the necessary organization for selling large amounts of securities to the public.

Such organizations, when well-planned, are known to yield amazing results. In this very way, one of our large banking institutions in France sold securities amounting to twenty-seventy billion francs (five and one-half billion dollars) for the French Government since the declaration of war.

The United States has now an exceptional opportunity to start similar investments. The best possible securities are offered it from the entire world upon exceptional terms.

As far as French securities are concerned, the temporary depreciation in exchange adds a particular speculative attraction for Americans to acquire them.

France can offer the United States securities of various kinds, such as Government bonds, French obligations, industrial securities or foreign securities from Central and Eastern Europe.

Government bonds and bonds of railroad companies or other large corporations (Crédit Foncier or Crédit National pour la Réparation des Dommages de Guerre) are particularly interesting securities for Americans.

The improvement in the financial situation during the last few months, the wide distribution of securities (they are now held by more than seven million people in France) as well as the fact that French "rentes" enjoy a very broad market

should make them worth the special attention of the American public.

* * * * *

The future opens up radiant before France in this rejuvenated world wherein she is determined to retain her place.

Nevertheless, viewing the immensity of her task, France is cheered to feel coming towards her from all corners of the earth that same warm sympathy which pervades this assembly of those who were her brothers in arms of yesterday, her companions in toil to-day.

She is confident that America who comes out of the struggle more powerful, more united and wealthier than ever, will stand by her side. The most severely stricken of all, she must of necessity for a certain period of time to devote all her energy to healing her wounds; but, during this time, she trusts that America will supply her with the raw materials and the equipment she requires for immediate recuperation.

France is confident that America will follow along the path we have just indicated and will actually take practical measures to postpone settlement until the forces of France have been fully restored.

If this should come to pass, if America, broadening her scope of activity and extending it to other nations should give to the exhausted world the support it awaits, our task would be much simplified in attaining in each country the coöperation of all social classes which tends towards the organization of production and in attaining among nations the coöperation that will promote an exchange of ideas and service.

And thus will humanity start forward towards a new world.

Sir James Hope Simpson, managing director of the Bank of Liverpool, said that the business men of Great Britain were not looking for any special credit arrangements or government intervention, but that business transactions shall go on as before.

The vast majority of Britishers never enter into any contract unless they see their way clear to pay. We have not come to ask help of any organization; we ask only that no obstruction be placed in the way of ordinary, normal business transactions.

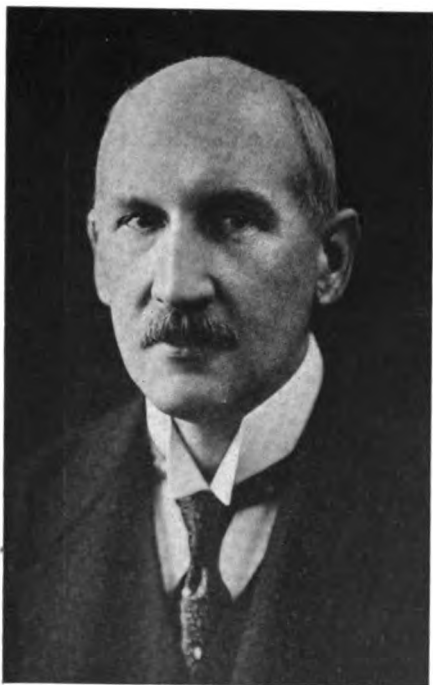
In reviewing the position of England, he said that as a result of the war his country had added very greatly to the national debt. Before the war he said it was £700,000,000 and it is now £7,000,000,000.

His country, he said, now owes £1,400,000,000 abroad, whereas it owed nothing abroad before the war. As an offset, however, he said foreign

powers and colonies owe England £1,700,000,000, and although they are not counting on expected indemnities, if such indemnities materialize they will further reduce the debt.

Continuing, Sir James said:

No Government will stand in England which would contemplate for a moment any weakening in regard to the payment of our debts. England is always determined to pay



SIR JAMES HOPE SIMPSON
Managing Director Bank of Liverpool,
Liverpool, England

her debts. She has always paid her debts, and she always will.

In regard to the general financial position it must not be supposed that, because the Government is so indebted, individual citizens are in a condition of indebtedness. There has been an enormous amount of saving and a large part of the Government debt is owing to British citizens. We still have £3,000,000,000 of investments abroad, which is a sheet anchor. Another source of revenue is our shipping. Other sources are insurance premiums, banking commissions and other unseen items.

We have lost 1,000,000 men and it might be expected that our power of manufacture for export would have been diminished, but during the war we added machinery to sup-

plement labor, so that our power of manufacture for export is probably approximately what it was before the war.

Sir James then took up the matter of labor and asserted his belief that the crisis has been passed and that the laboring classes are getting tired of strikes and are gradually putting more energy into their work. Employers in England, he said, are coming to realize that labor must have larger remuneration, more of the amenities of life and a greater share in management. In summary he said that England would pay her debts, that the producing power of the nation was approximately equal to pre-war days, and that capital and labor were becoming more friendly and efficient.

The future of England is not a dark future. It is as bright as could be hoped for after making allowances for the war.

Professor Albert E. Janssen of the University of Louvain and director of the National Bank of Belgium, in an address stated that Belgium needs long-term credits. He pointed out that the present exchange rate virtually put an export tax of seventy per cent. on goods sent from the United States to Belgium, and that therefore the latter country would buy in America only the food-stuffs and raw materials absolutely needed. As bearing on the social stability of his country, Professor Janssen said that out of a total population of 7,500,000 there were 3,000,000 depositors in the savings banks. A part of Professor Janssen's address follows:

As concerns private banks, I take great satisfaction in saying to you that they have weathered the storm well and all to-day are in excellent shape, well equipped to contribute to the economic and industrial reconstruction work in Belgium. During the last month there has been established an important bank named the National Company for Credits to Industry, which will extend credit to industries and which will play a big part in the undertaking of repairing the damage done during the war. Many of our private banks have doubled or increased their capital and reserve since the armistice. The confidence of the public in the banks is shown by the fact that deposits in the banks which, before the war, were \$400,000,000, to-day are double that amount—\$800,000,000.

So, you see, money is abundant and cheap

in Belgium to-day. The discount rate at present is $3\frac{1}{2}$ per cent.

The first financial step the Belgian Government took directly after the armistice was to withdraw all German marks which were in circulation. A total of 6,000,000,000 marks was taken out of circulation, and the Government gave to the Belgian people in return Belgian currency at the rate of 1.25 for the mark, to enable them to renew their industries. At that time the National Bank advanced the Government \$1,160,000,000. It was not so much a business as a monetary operation, consisting in substituting our own money for the depreciated mark. Our issue of bank notes, which before the war had been \$200,000,000, increased to \$950,000,000. But it could not be avoided. We had to make the exchange in order to revive our industrial life.

But I can assure you that reduction of our issue of notes to-day is an important feature of our finance policy. We fully realize that inflation of notes has always provoked a depreciation of the monetary unity and contributed to the high cost of living.

For our war expenses, the French, English and the United States made advances to Belgium which, at the time of the armistice, were about one billion dollars.

The peace treaty provides, as you know, that Germany shall reimburse Belgium in the form of gold bonds for loans made by the Allies before the armistice.

Heads of the delegations at the Peace Conference, President Wilson, Premier Clemenceau and Lloyd George, have said, in a letter they wrote on June 16, 1919, to our Foreign Minister "to recommend to their respective parliamentary bodies that German reparation bonds be substituted for advances made by the Allies to Belgium, thus cancelling the debt."

Since the armistice, we have contracted an external debt of \$260,000,000, with which our Allies will be paid out of the first German reparation payments. The internal debt contracted by our Government to the amount of \$1,500,000,000 to make up for the six billion marks will be paid when we liquidate the marks. In view of these facts our Minister of Finance announced at a meeting of Parliament the beginning of this month that our unpaid debt of pre-war expenses and forced war contributions will remain about \$1,200,000,000, which must be covered by loans, of which the greatest part already has been raised.

ADDRESS OF JAMES S. ALEXANDER

The address of James S. Alexander, president of the National Bank of Commerce in New York, as chairman of the Committee on Credits and Finance, follows:

I want to extend a most cordial welcome to our friends from Europe who have undergone the trouble and inconvenience of so long a journey to give us the benefit of expert and personal viewpoints on conditions in their respective nations. We have assembled a strong and representative group to confer with them. We are here as a committee of the Chamber of Commerce of the



JAMES S. ALEXANDER

President National Bank of Commerce in New York

United States to discuss, I hope with a mutual frankness that will preclude any reserve on either side, the state of trade between America and Europe.

I assume we are all agreed that there is serious maladjustment in the machinery of international commerce. I think we can all agree, in general terms, as to the fundamental nature of this maladjustment; and I hope we shall be able to define and analyze, in broad terms at least, the ways and means available for promoting and hastening the return of normal trade conditions.

This in no sense means that we are going to attempt to offer to those engaged in foreign trade a cure-all. We cannot provide, nor would it be advisable to do so if we could, any single scheme or special method for financing trade between Europe and America which did not relate itself wholly to the orderly processes of commerce as they

have grown and will grow out of the basic interchanges between peoples. World trade is based upon elemental principles which have not been rendered inapplicable by the war. We must remove the unusual conditions which prevent those principles from functioning. If any new machinery is set up we must have constantly in mind that it is simply a temporary scaffolding which will be removed when the main structure of trade has been repaired and put once more in working order.

When we refer to normal conditions, we do not necessarily imply a return to a pre-war basis; for some changes wrought by the war will be found to have become an integral part of the new order of things. Even in the throes of war the world has continued to progress. Some good has come out of evil times. Therefore, we must look to the present and to the future, as well as to the past, to guide us in our analysis of the vital factors in world trade as we shall from now on come in contact with it.

NORMAL COMMERCE AN INTERCHANGE OF COMMODITIES

Normal commerce between nations means the interchange of such commodities and services as are determined by natural factors to be reciprocally profitable and beneficial. What is normal to-day is largely what can be done profitably to-day, or what cannot be left undone today without prejudicing what will be required tomorrow. We must face things as they are, and with no idea of doing business on the basis of things as we would wish them to be. We must face them as they are, aiming to adapt them and ourselves to a practical working basis.

Let us consider briefly some basic elements in the situation which has called us together. During the war, and since the armistice, we have been sending to Europe an enormous excess of exports. In the ten months preceding the armistice so far as the published figures go, our exports exceeded our imports by about \$248,000,000 a month. Since the armistice the figures have risen. In January our export balance was \$409,000,000, in April it was \$442,000,000, in June it rose to the astonishing figure of \$625,000,000. Exports in that month were \$918,000,000 and imports were \$293,000,000. Our average export balance for the first eight months of 1919 was around \$400,000,000 a month. All of this excess, and something more, has been in our trade with Europe. Thus, in April we sent Europe \$500,000,000 worth of goods and received back from Europe \$43,000,000 worth of goods, a balance of \$457,000,000 where our balance with the whole world was \$442,000,000.

When the situation is viewed from the other side, even more striking figures appear. France imported over 12,000,000,000

francs worth of goods in the first six months of 1919 and exported only a little over 2,000,000,000 francs worth of goods, leaving her an adverse balance of trade of nearly 10,000,000,000 francs. Similar proportions appear in the export and import figures of Italy. Great Britain has had during the first eight months of 1919 an adverse trade balance equivalent to something over \$2,000,000,000.

Our exports to Europe have changed in character radically since 1913. Before the war we sent Europe largely crude foodstuffs and raw materials. Today we are sending Europe very largely foodstuffs partly or wholly manufactured, and finished manufactures. In other words, we have been, since the armistice, sending Europe chiefly goods for immediate consumption rather than those things which she could use setting her industries going.

It is axiomatic that what is bought must be paid for and that nations engaged in foreign trade in the long run pay for imports by exports. The existing unpaid and unbalanced state of trade between America and Europe has been made possible by credits granted by the United States Government to the governments of Europe. These credits have largely ceased to be available for the support of the export trade, and our exports are now going to Europe largely on open account. There has come, as a consequence, a dramatic break in virtually all the European exchange rates, and the foreign exchange markets are badly demoralized. It is recognized on the part of all of us that in the absence of special emergency measures the exchange rates will continue to fall until American exports to Europe are so checked that imports will pay for them.

In addition to paying for her excess of imports over exports Europe has the problem of meeting interest payments in the United States, and the problem of paying maturing capital obligations. Many of the countries of Europe are heavily burdened with shipping charges in addition. Practically all these "invisible items" in the international balance of indebtedness, freights, interest payments, banking commissions, travelers' expenses and the like have been altered to Europe's disadvantage in the last five years.

The pressure on the exchanges is very heavy and the obstacles in the way of getting needed exports to Europe are correspondingly great, and it is this situation with which we have to deal.

The exports and imports of one kind or another in the commerce of the world do not, from the point of view of any one nation, give evidence of *trade*—of exchange of commodities on a reciprocal and balanced basis. Therefore I think we can be specific in our agreement that the chief abnormal international trade factor is this alarmingly unbalanced interchange of goods,—that the

balance of trade is too favorable to the United States and too adverse to Europe for the best interests of both, and that the correction of the exchange situation resulting from this one-sided trade balance will find its natural and permanent solution only through a reduction of our exports or an increase of our imports until a point of approximate equilibrium is reached.

DIFFICULTIES OF MEETING THE PRESENT SITUATION

It is a difficult task. What are the elements involved in our attempt to meet it? First of all, regarding the official phase of the situation,—that is, the cessation of United States Government loans to European nations,—Federal Reserve officials have said that "Europe's needs should now be supplied through the private initiative of foreign manufacturers, merchants, and bankers dealing with similar American groups and not through the concerted efforts of the governments concerned,—that from the viewpoint of the United States, the ability of our Government after completing its own war financing to assist foreign Governments without vast inflation and consequent danger to our own credit is problematic."

I have quoted this passage from governmental authority because it contains a definite suggestion,—that is, that the time has come to turn away from outright government financing of international commerce, and to resume once more a course of private enterprise and initiative; to turn as rapidly as possible from an abnormal war basis back to the normal basis of peace.

Practical measures are well advanced in this country to facilitate and expedite this transition, but probably no comprehensive plans will be definitely formulated until the Treaty of Peace is signed. To mention only one of the measures now under discussion, the Edge Export Finance Bill, before Congress, aims, in essence, to make possible the organization, under Federal incorporation of the instrumentalities for a larger volume of international commercial transactions on a credit basis. As explained by Senator Edge, the American manufacturer or exporter will sell his goods to European buyers and will accept collateral satisfactory to an American corporation organized under the Edge bill; against this collateral the corporation will issue debentures to be sold to investors, and by this process the American manufacturer or exporter will be paid.

The general outlines thus laid down seem to represent one form of coördination of existing business facilities to handle present international commercial needs along lines that will hasten the return of business ultimately to a basis that will require no special machinery. I take it that is just what business men on both sides of the water are really after today.

From the point of view of France this

thought has been set forth recently by Baron de Neutize, whose words have been widely read throughout the United States and accepted as presenting a sound view of the situation. He has said:

"Now, the first thing for taxation is not taxes. Our Government problem is to get taxable income. Taxing it afterwards is easy, provided the political situation is straightened out, and this, as I have shown you, will happen next fall.

"Therefore, the real question comes to this: Will there be a big enough taxable income in France, or in other words, are French people working?" Elsewhere he says: "France does not want charity and does not ask for it. It is a business proposition. It is as such that we ask the American people to look into it."

DOING BUSINESS ON A BUSINESS BASIS

It is a business proposition, and we should aim here to facilitate and expedite the re-establishment of our business with the nations of Europe on a business basis. That basis will be best for the United States, and it will be best for every country in Europe. We do not need to say to our guests that there is unlimited goodwill in America toward England, France, Belgium and Italy; just as large and warm a heart beats in this country as during the war; but with the return of peace the minds of the people have turned again to the normal pursuits of business and industry which were completely interrupted during war-times. We are trying to put our own house in order.

But we know our friends from Europe well enough to believe that they very generally recognize the fact that it is best for them to get money on a basis that is determinable and permanent. Our goodwill insures our making every possible effort towards reaching a speedy solution of present uncertainties. But the solution itself must rest not upon a basis of sentiment, but rather upon a foundation of economic fact, of common sense, and sound commercial practice.

The nations of Europe want credit; but they are not seeking primarily credit for today, but rather a fundamental credit understanding, a system of credit which they can trade upon and make commitments upon. They want to know they can count on help based not upon a generous impulse of the moment, but upon the more permanent, if more impersonal, desire of men to trade with one another on the basis of mutual profit and satisfaction. This is a staff they can lean upon. Any commercial arrangement grounded solely upon the uncommercial and shifting element of goodwill and friendly sentiment no matter how firm and true that sentiment may be, will in the end prove unsatisfactory.

This brings our attention to another cardinal element in the solution of our problem. It is an element which I can touch upon frankly without appearing to be offer-

ing advice to our good friends from overseas; for this lesson is of as vital importance to America at this moment as to any nation in the world. I refer to the necessity of the greatest possible number of people doing a day's work and of the greatest possible conservation of the results of that work. The motto "work and save" represents in every sense a national necessity with us.

The Federal Reserve Board has declared that the whole situation is one that can be met only if the necessity of working and saving is "taken to heart by every class in the nation and made its guiding principle until the trying conditions left by the war are finally surmounted". This doctrine, enunciated for the people of the United States by the most important official financial body in the nation, may well be repeated to the people of the whole world. It is a thought that will give us sound guidance, for in a sense never before so universally applicable, industry and thrift are in this aftermath of war's destruction, essential not only to the happiness, but even to the very existence of the human race. Never was an economic proposition more simple and self-evident.

That this view is officially shared abroad has been manifested in many ways. Our government officials emphasize particularly the words of the British Chancellor of the Exchequer who, in presenting a recent budget, said:

"The deposits at the joint-stock banks have more than doubled. The position of these banks, judged by every approved criterion of sound banking, is stronger than it ever was before, but the securities—British Government securities standing behind the deposits, standing behind the legal-tender money—represent to a large extent not existing wealth, but wealth consumed in the operations of the war, which it must be our business to replace out of the exertions of the present. Both are drafts on future labor, on the future creation of wealth."

This doctrine of thrift and industry is applicable, I think we may all agree, equally to conditions in all the nations engaged in the war; and the encouragement of its practical application is a primary step in any program of reconstruction. We may as well face the fact that the majority of our loans to the nations of Europe are secured at the present time solely by the probability of future productive work. The people of Europe can repay these loans made to them by the people of America only by producing raw materials and manufactured articles, by saving, by sound policies of taxation. The same policies must and will be adopted in the United States. But the world situation cannot be helped one iota by all the planning and discussion and clear thinking of the combined bankers and business men of the world unless all the peoples of the world return to their healthy and normal tasks and begin to do a day's work. We must

stop leaning on our governments and depend upon ourselves.

I would repeat that the solution of the problems we are here to discuss seems to demand as a chief element the maximum of industry and thrift within the nations; it calls for the restoration of a greater degree of equilibrium in the commercial interchange between the United States and the countries of Europe; the cessation of our government's financing for foreign purchases here; the encouragement of private enterprise and initiative in place of government assistance and the provision of a larger measure of long time credit to finance the foreign purchases of American goods until such time as Europe can pay for what she buys approximately by what she sends us.

These are, as I understand them, the raw materials for us to work upon here. If we can coordinate these elements and arrive at a common understanding as to the bearing of each upon the problem of foreign trade and international credit, I believe we shall have materially advanced the discussion of this important phase of the present economic situation. I hope this understanding will serve as a basis for definite practical steps in the months to follow.

THE PROBLEMS OF INTERNATIONAL CREDITS

On this important subject Dwight W. Morrow, of J. P. Morgan & Co., delivered this notable address:

It is a very great pleasure for me to be here this evening. It is a very great privilege to be at this meeting and have the opportunity of listening to the fine presentation of the economic position of France made by Mr. Schneider. I would like to more or less abandon the dry topic of international credit and talk a little bit about what those people abroad have done which entitled them to credit in this country and to credit in all countries at all times. I have been quite impressed at this conference with the way people keep coming back to the question of international finance. Mr. Schneider said in that very able paper of his that he would not touch upon that subject, which was the crux of this whole matter of trade, but he would leave that for his colleague tomorrow. Today one of the members of one of the committees that has been meeting here said that "this thing has all been going along very well. The Metal Committee and the Shipping Committee and the Cotton Committee have all agreed with our friends from the other side, but you people on the Finance Committee have done nothing yet."

Now, there is something quite fundamental in that. Here we are in the United States very anxious to sell something to our friends on the other side, and there they are, very anxious to buy something from us, and the Committee on Cotton has got it all settled

with the people over there who need cotton and the people with ships have got it all settled, and the steel people have got it settled, and the wool people, and it is all done, except for one little thing that seems to be a very essential part of trading in civilized countries; it has not yet been arranged how it is to be paid for. And that poor committee has not yet got the answer to its part of the problem.

I did intend to give you a lot of figures this evening, but they would be pretty dry and I think in Mr. Alexander's speech at the opening of the conference you probably got all of the figures that I could give you. Roughly, there are some fundamental facts which are, you might say, the limiting factors in this question of paying for the things that are to go abroad. Perhaps it would be easier for us to determine the matters upon which we disagree if we first start with those facts which are perfectly clear and well known, the facts that we get out of dry government reports. In the last ten years the exports from this country have gone up from something like \$1,800,000,000 a year, to \$7,200,000,000 in the last fiscal year. That is a very great increase. A great deal of it is accounted for by the increase in prices during the last few years, but after all that is taken into account, there has been a tremendous increase in the volume of goods that have gone out of this country during the past four years. But it is not the amount of the exports that trouble bankers or commercial men and people that want to sell abroad; it is this strange and new word that the people of the United States are hearing for the first time. They haven't been bothered very much about that, except these people that we have referred to as parasites, the exchange brokers that somehow or other make money doing nothing. They are the only people that have had to bother about exchange; but for the first time that word is beginning to trouble the man in Massachusetts who wants to sell shoes, or the man out in Missouri who wants to sell mules, or the man in the south who wants to sell cotton. Somehow or other this question of exchange is beginning to be of interest, as well as this other strange expression, balance of trade.

Now, in this country during the last ten years the increase in the balance of exports over imports, the excess over imports, the increase in a single decade, speaking not accurately, but in rough figures, has gone up from \$180,000,000 to over \$4,000,000,000 in the last year; from \$180,000,000 ten years ago to \$4,000,000,000 last year. That is a tremendous increase. That means the amount of our exports from this country that are not compensated for by imports into this country and, to speak of something very fundamental and very elementary, it is that difference that has to be settled for in one way or another between nations. To be sure, there are what the economists call

invisible items, the settlements that are made that do not appear in the estimate of physical exports and physical imports that go through the customs house, things like remittances on travelers' notes, interest on business debts that go from one country to another; but after you have taken off from the merchandise export balance the net invisible items that are in favor of one country or the other, the remainder has got to be paid in gold, or has got to be extended by a credit. Now, that is fundamental. That is the basis of this problem, and that export balance during the past four years in this country has amounted to something over \$14,000,000,000. And how has it been settled? Something like a billion of gold has come in, and something over twelve billion dollars of credit have been extended, ten billion or more by our government, and about two and a half billion dollars by the people in the United States in the way of private loans. At the present time we are going on rolling up an export balance of something like four billion dollars a year, and it is that export balance and the lack of any arrangement to take care of it that is the thing that is disturbing or going to disturb your trade. It is the thing that this troublesome, negligent committee that has nothing to do but the financing of it, has, somehow or other, got to get a solution for before the agreements that the various other committees have made have any reality.

It seems to me so far I have tried to deal with facts. Now, I am going to touch upon what seems to me the simplest way of stating the problem. All of these foreign exports that are not paid for in gold or taken care of by some of these items that we call invisible, items like the sale of securities that are still held abroad or other properties in this country; all of those exports eventually must be taken care of either with gold or a credit. Now, the simplest way to visualize that problem is to take it in its simplest form. There is nothing that I know of that prevents the boot manufacturer of Boston, when he wants to sell something in Europe, giving a credit to a man in Europe to whom he sells his goods, and going right on giving credits as long as he can. That takes care of it. But the man who is manufacturing boots in Massachusetts cannot invest in a long time credit anything more than his savings or his profits. Otherwise he has to stop manufacturing boots. When he has invested all of his own profits or savings in a foreign credit he has got to look around for somebody else with accumulated savings and get that person to buy from him, the boot manufacturer, the credit that he himself has taken from his customer abroad. Now, that seems fairly clear in theory, but in practice the boot manufacturer cannot do it. The men with the savings may live very far away from the boot man, and if he goes out looking for

the man with the savings he has got to stop manufacturing boots, so what he actually does in practice is to go to a banker, one of these fellows that really does not do anything, and he goes to that banker and tries to get him to find a man with savings and in a plan like this he uses the banker; he uses a thousand bankers whose names he has never heard of, who are trying to find a man with savings in the country, and trying to find the man in the other country who desires credit and who is entitled to it, and to bring the man with the savings in touch with the man who wants credit and to get the man with the savings to loan those savings to the man who desires credit. An international banker's function is to try and gather together a thousand little rivulets of savings into one great loan and loan it to somebody whose credit is good on the other side, and that takes care of that international trade balance, it is done solely in order to enable that boot manufacturer, or that man with the mules out in Missouri, or that cotton grower down in the south, to get his goods over to the other side. That is the function of a banker, and the primary function of a banker, but the ordinary man cannot loan his own money any more than the boot manufacturer can keep carrying credits; the banker is the conduit which brings together the man with savings and the man who desires credit and gets the man with savings to loan these savings to the man who desires credit and who is deserving of them.

Now, that is all perhaps, very elementary, but I want to go on a little bit longer, if you are not bored. What possible way have we of telling how much these credits should be? Well, as a matter of fact, we have not any way; we can simply guess. We have heard how much France needs and how much Italy needs, and how much Belgium needs, and England is trying to find out how many people she can help and feels that she does not need anything from this country if we will only take care of some of the countries in Europe, but after you add up all these items which at best are merely estimates of what ought to be done, you do the best you can, and no man can predict how many credits should be extended to Europe in the next year. I think one might say that if the trade balance—at the present time the export balance is going at the rate of something like \$4,000,000,000 a year, there is only one thing that can happen; that export balance has got to do down or our exports have gradually got to reduce and the imports from those countries into this country have got to gradually increase. It is not conceivable that this country could go on piling up year after year an export balance of \$4,000,000,000. But after there has been a great reduction in our exports, gradual, I hope, and a great increase in the imports into this country,—gradual, I hope,—after that, there

will still be a very substantial balance to settle either with gold or by the extension of credit. It has been estimated that next year that balance might be gotten down to about \$2,000,000,000, as against over \$4,000,000,000 last year. Perhaps that figure is a little bit high. No one can tell; one person is entitled to guess, if he has the figures before him, just as well as another person; but assuming it is \$2,000,000,000, are we going to be able—is this country going to be able to extend \$2,000,000,000 of credit to the nations of Europe during the next twelve months?

Now, that seems to me to involve two quite distinct questions, and fairly fundamental questions, if we do not beg ourselves with technical terms. First, have we got it? First, can this country produce \$2,000,000,000 to loan? And second, if they can, can they find anybody in Europe to whom they are willing to lend it?

PRODUCING POWER OF THE UNITED STATES

Can we produce \$2,000,000,000? That seems, with all the wealth of this country, like a fairly simple question, but all of the wealth of this country is already invested in one form or another of capital, and if we want to loan \$2,000,000,000 to Europe in the next twelve months there is only one possible way we can do it, that is, by producing that much and saving it. There are going to be a great many minor actors in this great enterprise of restoring Europe, but there is one indispensable man that you cannot get along without, and that is the plain, old fashioned gentleman who produces more than he consumes and is willing to save the difference. The banker and the manufacturer, the school teacher, the lawyer, or the wage earner, may be that man, any one of them; but one of those persons as such can do anything to save Europe that amounts to much. That capital fund can be produced in the only way that capital funds have ever been produced, by accumulated savings, and that old-fashioned gentlemen scattered all over this country, and ladies, too—there were 20,000,000 of them bought Liberty Bonds—you have got to look to those people to produce that \$2,000,000,000 with which to help in the restoration of Europe, and unless they go on saving money Europe is not going to get any aid from this country.

Now, is that an impossible task? We are talking about pretty big figures, but we are talking about a very big country with a lot of very strong, eager, energetic people in it. If the 100,000,000 people in the United States would save twenty cents a day, say, on an average—that would be a great saving for some and a negligible saving for others—to assume they could save twenty cents a day on the average of 300 days, that would be \$60 a year, or \$6,000,000,000 saved in those 300 days. A large portion of that amount would be needed for necessary capital expenditure at home, and the balance would

be available for Europe. I do not believe that there is any doubt that this country, if it wants to, if it realizes what it has got to do, if it goes on saving instead of assuming that all necessity for saving is over because the war is done, I do not think that there is any doubt that the amount of fresh capital can be produced that is needed by Europe, in order to aid in this process of restoration.

Now, the second question is when this old-fashioned gentleman has saved money for his children and expects to get it back some day, expects to get interest on it in the meantime, and hopes perhaps to send his boy or girl to college, with the results of it when he gets enough, in this old-fashioned gentleman going to find anybody in Europe to whom he is willing to loan his savings? And I must say that until this distinguished group of representatives came to this country, when we were listening to some of our own American people talking about Europe, the old-fashioned gentleman did not receive very much encouragement.

There has been a great deal of talk about the bankruptcy of Europe. There has been a great deal of talk about France, Italy and Belgium being shell shocked. There has been a great deal of talk, by Americans I mean, about it being impossible for us to get any money for Europe except on receivers' certificates. That kind of talk is not going to appeal to the man who has been urged to save his money in order to put it in something safe from which he expects to get it back some day. There is no use fooling ourselves about it, nobody is going to loan money to Europe because Europe has nothing and cannot pay it back. The people who are going to loan money to Europe are going to loan it because they believe these stable countries in Europe are strong and that they are going to pay it back; and one of the inspiring things to me in attending these meetings of the last few days—and we cannot express our appreciation fully enough to Mr. Bedford, Mr. Ferguson and the other members of the committee who have brought us together—is that we have talked with a number of men from Europe who have told us not so much of the weakness of their countries, but have told us proudly of their countries' strength. I believe, ladies and gentlemen, as Mr. Schneider so well said, I think in his speech of the evening, that those people who come back from abroad and tell us Europe is ruined and won't get on her feet again in a hundred years, because they have seen that scar across northern France but have not seen these peasants working all over France, do not know what they are talking about. Those people did not see the real France. Those people do not know the real France. I wish they might sit in this audience and hear M. Schneider read a paper like that. We hear from some who come back that France has done nothing, that she is sitting still; and

then M. Schneider tells us of all these schools that have been opened and of all those ditches that have been filled up. And anyone who was over there and saw all that barbed wire can well understand that the French people might perhaps be hesitant until they had their facts and were sure they were moving in the right direction; but shell shocked, no. France is strong and alert, vigorous and ready to go ahead; proud of her past and confident of her future.

ITALY'S VITALITY AND COURAGE

Those of you who have heard Prof. Attolico at the very many meetings, private meetings here and the public meeting this afternoon, know how much courage and vitality there is in Italy. I had the very great privilege for one year of working with Prof. Attolico. I know how much the Italians did during this war. No man who did not have something to do with the economic side of this war will ever appreciate the discouragements under which the Italian nation had to fight this war from the beginning to the end for they were short of so many of those essential things without which people cannot fight. They were using about—and I believe my recollection is correct—they were using about a million tons of coal a month in times of peace and there was allotted to them during the war for their great munition plants, for their factories, for their aeroplane automobile factories, for the movement of their troops backwards and forwards across the land, for keeping their people warm, something like six hundred thousand tons of coal a month and they did not get that during the last months of the war. There were many times during this war when Italy was within a few days of being entirely without coal and yet she kept on and on and on with a terrible defeat at Capporetto, with her heart torn open and yet, never discouraged she kept on and almost unaided won those overwhelming victories at the end. And I wish this great group of men who are going back home to tell the people what they have seen and heard from these delegates from abroad would carry with them a little bit of the feeling which I have that this country, with all its talking about what it has done during this war, can well afford to take its hat off to Italy for what Italy did during this whole war.

Now what has that got to do with credit? Why, it has got everything to do with credit. Credit is not based upon the accumulations of the past; credit is not based upon the amount of property that one has inherited or accumulated. Credit always has depended, and credit always must depend upon the moral and economic traits of all producers, their willingness to work, their ability to save. Take any of you men from any part of the United States; look back ten years in the history of your own city.

Are the people who are strong in your communities today necessarily the people who had property ten years ago? In almost every community in this land they are the people who had ideas ten years ago, who had courage ten years ago, character, capacity and thrift. And we have seen these nations abroad go through this great war. We have seen them emerge from the war; and I tell you if credit is a thing to be extended to creditable people those nations in Europe today should have the highest credit in the world.

I have not said anything to you about Belgium. It is hardly necessary to say anything about Belgium to an American audience at this time or at any time, especially when her great king and her great prelate are over here reminding us of the part that that nation took in this war. Is there any man who thinks of credit in terms of character who would rather loan money to Belgium if she had nothing but the remembrance of what she did in this war than if she had everything and had done differently than she did at the outbreak of the war? Now, I am not speaking sentimentally. I am not saying that we should loan money to Belgium any more than we should to any other nation if we did not expect to get it back; but I am going on the simple cold principle of getting it back; because the payment of a debt means the keeping of a promise. You have more chance of getting it back from a man of character with little property than from a man of no character with great property.

May I say a word about England. I have taken too much of your time already, but I cannot help saying something about England. It is very difficult to talk to an American audience about England after you have talked about France, Belgium and Italy. I hope my English friends will bear with me until I go on with the statement a little further. Admiral Sims said several times that one reason that we did not get along with England is that we are so much alike. He says that the Englishman comes into a drawing room as though he owned it; and that the American comes into a drawing room as though he didn't care a damn who owned it. And neither of those attitudes approach in politeness the manner in which our gallant French visitors would perform that same simple act. But when we get down to the things in this war that business men will appreciate; when we get down to those prosaic, dull things that had to be done in this war we will have to be a long distance away from them before we will ever have sunk into the men and women and children of America the tremendous contribution that Great Britain made to the success of the Allies. I am not going to speak at all of what she did with her navy on the sea, with her army on the land, or with her aircraft in the air. Great as that

contribution was, Italy and France were on a parity with England there; but the great contribution that England made in this war to us all was that steadying influence of keeping them going on and on and on. When there was anything disagreeable to be done we looked to England to do it; if there was anything disagreeable to say we generally said it about England.

Does anyone think an English obligation is not good? England measures her obligations carefully and kept them carefully. I remember one time during the war when I was trying to get a prominent English statesman to put in a telegram that he hoped that we would get a certain amount of ships by a certain date. He said, "I can not say we hope we will do it because the expression of a hope by His Britannic Majesty's Government is the equivalent of a promise;" and that is a little bit of the spirit of that tenacious English race. Pay their debts? Keep their promises? Why, of course they will if credit means anything in this world.

I am very much obliged to you, ladies and gentlemen, for listening to me so long. I did not intend to talk so long. I intended to read some figures to you. But I cannot let this opportunity go without impressing upon you with all the strength and earnestness I have that it is the duty of the members of this audience; it is the duty of the representatives of these chambers of commerce all over the United States, as they go back to their own friends and business acquaintances, to see that people measure values by the only proper perspective. It is your duty to see that people measure values by the only thing by which values can be measured, by the lessons that are available; and that means character, and thrift, and steadiness of purpose. And I am glad that these representatives of foreign governments have come to us not as supplicants asking for credits because of their weakness; but they have come standing erect, asking for credit because of their strength. I do not know just how they are going to get it, but I know they are going to get it. I did not know in April or May how we were ever going to put two million men in France, but somehow or other we were sending ten thousand men a day when the war closed. And the established governments of Europe are going to get the credit they need to obtain their goods and to move their goods. They are going to get the credit because they are rightly proud of their past and rightly confident of their future. I thank you.

BINDING THE COUNTRIES MORE CLOSELY TOGETHER

Frank O. Watts, president of the First National Bank in St. Louis, pointed out that this conference, at which were represented the industrial and financial interests of the United States and their allied nations, only

served to bind together more firmly the peoples of these countries. The good will and sentiment already existing are based upon not only ties of human relationship, but intimate association and coöperation in trade and finance. While sentiment cannot be made the primary basis of credit, yet confidence is an important factor, and because the people of the United States have confidence in the industry and ability of the peoples of England, France, Belgium and Italy, the working out of plans for extending further credit will be made easier.

The representatives of these nations have said that they do not ask for charity but appeal to the Americans to look upon the matter strictly as a business proposition.

Mr. Watts pointed out that the problem of extending such credits must be based upon a consideration of several factors.

First, there was the necessity of restoring more normal trade relations. That is, to say, the Europeans, must increase their exports and decrease their imports. This will be necessary in order for them to pay the interest upon the loans which have been made to them, and it is also in harmony with the necessity for them to restore as soon as possible, their regular industrial life. They have a large equity in income producing property and it is for the people of the United States, through a further extension of long time credits, to make it possible for them to realize on this equity. Therefore their exports must increase both to the United States, and to other nations, in order that, supplemented by their strict economy in consumption, they may have a larger credit balance to satisfy the interest on their loans and other maturing obligations.

In the second place, it is necessary to recognize that the interest rate on future loans will be relatively high as compared with those to which the Europeans have been accustomed, before the war. Through their industry and thrift, they had a large surplus of funds for investment, upon which they realized only a moderate rate of interest. The United States is still a large market for capital investment and the interest rates on loans to the European nations must be such as will compete with our own market demands for capital. They will, therefore, have to be perhaps somewhat higher rates than many of our domestic loans.

In the third place, there is great need for many of the European nations to give attention immediately, to their problem of currency reform. Paper money has been issued in very large amounts in many of these nations. This needs to be reduced by whatever method is most applicable in the particular country. Along with this policy, there will need to be stringent budget legislation in order to bring in by taxation, as much as is possible from the people of these countries.

Mr. Watts further analyzed the export and import trade of these nations, and the budgetary systems now proposed. In conclusion, he pointed out that there was no one single solution of the present problem. Neither the government alone, nor the commercial banker, nor the investment banker, nor the exporters as a single group could work out an adequate policy. It will require the coöperation of all these interests.

ADDRESS OF W. P. G. HARDING, GOVERNOR
OF THE FEDERAL RESERVE BOARD

W. P. G. Harding, Governor of the Federal Reserve Board, called attention to the fact that the Federal reserve system could do but little in the present circumstances towards financing our trade with European countries. The Federal Reserve Act provides that the maturities of all paper discounted with Federal Reserve Banks be not longer than ninety days, except in the case of agricultural paper, or paper based on live stock, which may be taken when it has not longer than six months to run. He said:

It is the view of the Federal Reserve Board that the need of Europe is for long credits, and that the situation, therefore, is one which appeals to the investment market. Many of the problems which now confront European countries are present in an acute form in this country, and there is a great need for larger production, reduced consumption, more economy and thrift. The liquid wealth of the world as represented by goods and commodities has been reduced to an alarming extent by reason of the war, and the volume of credit throughout the world is out of all proportion to the volume of goods. In order to bring about more normal conditions, it will be necessary to restore the proper balance between credits and goods. This process will necessarily be a slow one, but it is essential that a beginning should be made and the restoration can be made only by rigid application of the principle of work and save.

The United States Government, beginning shortly after its entrance into the war, authorized advances to the governments of the nations associated with it in the war aggregating ten billion dollars, nearly all of which has now been allotted and used. There is no reason whatever to believe that our Government will, nor, indeed, could it without the most harmful inflation, continue to make advances out of its treasury to foreign countries, and I am convinced, therefore, that the problem of financing Europe, as far as America is concerned, is one for private initiative and individual enterprise.

It is to the mutual interest of Europe and America that any credits which may be extended shall be employed in the purchase of necessary articles, raw materials, machinery, and such manufactured goods as are necessary to relieve distress and enable the countries of Europe to resume productive operations. Credits for the purchase of luxuries should be discouraged, but it is manifest, of course, that action in this respect should be initiated in Europe rather than in this country.

It should be borne in mind that while the United States now occupies relatively a stronger position in the field of world finance than it has ever held, our bankers have had comparatively little experience in extending long time credits in foreign countries. Their transactions have hitherto been in the direction of dealings in short bills and in placing American securities in foreign countries, and it is important that the judgment and cooperation of European bankers be enlisted when we undertake the new role of purchasing long time securities, especially of private enterprises, with which we cannot be expected to be familiar.

The Federal Reserve Board appreciates very deeply the importance from every point of view of promoting our foreign trade, and believes that the banks of this country generally understand that longer credits than can safely be granted by banks are necessary if we desire to export our surplus of essential commodities. Under the Federal Reserve Act national banks having a capital and surplus of not less than one million dollars are authorized either to establish branches in foreign countries or to take stock to the extent of ten per cent. of their capital and surplus in banks or corporations principally engaged in foreign banking, and under a recent amendment to the Act all national banks, regardless of their size, are authorized to subscribe not more than five per cent. of their capital and surplus to the stock of corporations principally engaged in such forms of financial operations as are necessary or conducive to the export of goods. The Edge Bill, which has recently passed the Senate and which has been reported favorably by the House Committee on Banking and Currency, provides for the Federal incorporation of foreign banks and of corporations to finance foreign business. The latter are authorized under the terms of the bill to issue their own obligations or debentures against securities acquired abroad which they may offer to the investing public. These corporations will be under the general supervision of the Federal Reserve Board, and as their funds will be drawn directly from the investment market, their operations will not impair the liquidity of the assets of the Federal Reserve Banks.

Hon. Myron T. Herrick, former United States Ambassador to France,

made a brilliant address. He pointed out that the courage and endurance exhibited by the Allied Nations in the war indicated that character which formed the surest basis of credit.

ADDRESS OF HON. WILLIAM C. REDFIELD,
SECRETARY OF COMMERCE

As I see it, the obligations of the world to the United States, as a whole, understated. Ten billions of debt due us from abroad is Government debt. That consists of loans made by the United States Government itself. It has nothing to do with the private transactions of the time. To that must be added soon, if not at once, the amount of a billion and a half dollars, being approximately three years' interest on this great sum, which it is probable we shall fund for the nations abroad, making the total Government loan eleven billion, five hundred millions when so reckoned. To that must be added an accumulating balance at the present rate of four billions per annum on merchandise accounts outside of the Government loans, making a total of fifteen and a half billions, and to that must be added another billion by reason of the difference of exchange of which I have just spoken. So if we state the problem as one which involves the earlier or later meeting of obligations at least fifteen billions in extent we shall know pretty well what it is we have to face.

Now, gentlemen, debts are paid in three ways, and only three—in service, in goods, or in cash or credits, which are a deferred form of cash. Before the war we had what we called a favorable trade balance of what seems now a trifling sum, from four hundred to six hundred million dollars a year, more or less as years vary. But that was only a visible balance, and the invisible balance covered it all up. We received, for example, the services of foreign vessels for carrying our exports; we disbursed in Europe large sums for travelers' accounts; we had the services of insurance of various kinds done for us; and we paid interest on foreign investments in this country, and in this and other ways absorbed the so-called "favorable balance," but those things do not exist to-day, and the problem is the worse on that account.

We are not spending largely for traveling abroad; we are creating our own merchant marine; we are developing our own marine insurance companies and our other companies on a larger scale; we do not seek the services that we did seek, and which we then had to have; we are not able now to buy goods largely. The remaining source is cash or credit, and in that way we must face the problem as it stands.

Consider, that at the opening of our part in the war two years ago in April there were considered to be but three hundred

thousand investors in securities in the United States, and as a matter of fact over twenty-one million persons became subscribers to Liberty bonds. That was a revolution in thought. Now, just such a revolution in thought has yet to take place in the business circles before we shall get the means of dealing adequately with this fraternal problem. We have not been accustomed to buying the securities of foreign lands, and there is no time to educate one hundred and ten million people in that problem. The problem is too urgent; the needs are too great; they are here. We have got to do something far more effective than that.

It seems to me we must have some such organization which shall itself be in intimate and active daily touch with the countries who need our help and whom we desire to serve; that that company shall have a capital, so large as to compel respect and confidence from the beginning; that it shall be supervised by the Federal Reserve Board, and thus have the added confidence of intimate touch with the Government, although I do not believe that the Government itself should have any further place in granting these credits.

Such an organization, of such a character, so supervised should be able to offer quick credits all over the world, and nothing less than the whole round world will do, for we shall greatly err if we think of ourselves as limited in this matter to Europe itself. It might be our duty in behalf of Belgium to help along in the Congo; it might be our duty in behalf of France to do something in Madagascar, to make some property there more profitable. It might be our duty to aid in Algeria.

So I hope for a great organization which ought to have not less than five hundred million dollars capital in it—a billion would be better still, which will take the securities of nations, provinces, States, railways, corporations of all kinds, public utilities, and against these and supported by its own wealth, issue in this country at a current commercial rate of interest in small and large amounts its own debentures, so that Tom Jones, who has got fifty dollars, can buy a fifty-dollar debenture and know that he is helping France to her feet and be glad of the knowledge.

And these should be put upon a basis so broad, should be so disseminated in the country by an organization akin in its scope to our Liberty Loan organization that they should become household words everywhere, for I take it that nothing less than several billion dollars is going to do the job as it ought to be done.

REPORT OF THE COMMITTEE ON RECONSTRUCTION

The report of the American Committee on Reconstruction thus summarized

the economic needs of the respective countries:

BELGIUM

The Belgians need from us principally, first of all, money, the tools, coal, coke, oil, mining machinery, railroad engines and lumber.

The state that because of the unfavorable rate of exchanges and because of our higher prices, expensive freights and slower deliveries they probably will be obliged to purchase in Germany goods which they would much prefer to purchase from us.

They tell us that the work of reconstruction in Belgium is proceeding rapidly; that their people have gone back to work in an exceedingly gratifying manner; that the present working day has been shortened to eight hours because of pressure from labor syndicates, but the unity efficiency is quite up to the pre-war standard.

ITALY

Italy's reconstruction problem is principally agricultural, due to the fact that about 90 per cent of her people are engaged in agriculture. They need agricultural machinery in considerable quantities, also machinery for ditch digging and grainage work. They also need assistance in the rebuilding of the fisheries industry.

Their need in the matter of housing their population is very great and they stress the importance of the employment of American expedients in rapid construction of workmen's houses.

They need coal, oil and a wide variety of lines, in the providing of which the United States should be able to play a most important part.

They also need extensive assistance in connection with harbor improvements.

In general, their needs for our goods are very considerable, and not the least of them is their need of money.

ENGLAND

England, as stated by their Reconstruction Supplies Committee, has no reconstruction problem which they are not fully qualified to take care of themselves.

The problem of housing British laborers was discussed considerably, but without leaving the impression that we were to have any part in its solution.

Their committee also discussed most interestingly the labor condition in England and, in a general way, those existing throughout Europe. The impression was conveyed that the labor problem in Europe, while serious, will be solved, and that the radical elements, though active at present, must in time yield to the recognized power of law and order.

Reference was made also to the general problem of financing the requirements of the

more seriously injured of the European countries, and to the exceedingly important part which the United States naturally will play in this connection.

FRANCE

The French Committee on Reconstruction Supplies submitted a particularly complete report upon their situation. It presented an interesting and surprising statement of the reconstruction work which has already taken place in France, and tended to show that unemployment is diminishing rapidly, agricultural reconstruction has progressed substantially, the people of the country are going back to work in a most gratifying manner, transportation facilities, such as railroads and canals destroyed during the war, are rapidly approaching their pre-war condition, immense new public works, transportation, drainage, harbors, etc., are being projected and, in general, the French situation as regards industry and commerce is far and away in advance of what is rather generally believed in this country to be the case.

The French committee stressed the importance of proceeding along reconstruction lines which will recognize sound economic principles. They propose to buy where the buying is best, and to sell where they can do so with greatest benefit to France.

They emphasize the importance which their deposits of iron will represent in the work of French reconstruction, and referred to the great quantities of lumber, wheat, and other materials to be found in the French colonies and which could be transported to France in French ships.

They need, as do Belgium and Italy, money, lumber, machinery, automatic car couplers and railroad signal systems and other improvements in their transportation situation, and a number of lines which, under other conditions, we might be able to provide, but which as conditions are in most cases would be difficult, and in many cases impossible, to purchase from us, principally because of exchange difficulties and the high cost of transportation.

REPORT OF COMMITTEE ON FINANCE AND CREDIT

James S. Alexander, president of the National Bank of Commerce, New York, delivered a report as chairman of the Committee on Finance and credit, which was in part as follows:

To the extent that long-term credits are required it is clear that special machinery must be set up and that while the commercial banker will have an important role to play, a large responsibility must rest with other elements in the population, notably the investment banker, the exporter, the pro-

ducer of goods for export, and most important of all, the American investor.

To meet the problems of long time commercial credits your committee believes that organizations of the type contemplated in pending legislation constitute a valuable part of the new machinery needed to meet the present emergency. We have discussed at the conference the possibilities of corporations formed under the provisions of the Edge bill, the principles of which have been endorsed by a committee of the American Bankers' Association and other influential organizations. We recommend that steps be taken to expediate the speedy passage of that legislation. We have given study also to the powers of the War Finance Corporation as a helpful agency in the present situation. We believe further careful study should be given to both these agencies with a view to bringing about not Government initiative in this work, but rather to the establishment of a co-operative relationship which will give help and encouragement to private initiative and increase the broadest confidence on the part of the public as a whole in the credit machinery to be set up.

It should be stated again that no corporation which may be set up can take the place of individual ingenuity and the wide variety of effort and skill on the part of business men and bankers, working out in detail with business men and bankers in Europe, specific transactions. Some of these may be individually small. But the success of one will lead rapidly to the development of others, until in the aggregate the business done will be large. A return of this normal intercourse, we believe, is the ultimate objective desired on both sides of the water and should be constantly kept in mind and encouraged even while we are devoting ourselves so earnestly to providing unusual and temporary measures to meet emergency needs.

When such a corporation is established and is ready to issue its debentures, it is our belief that the securities to be offered to the American public should stand on their merit as an investment. We feel that if a security is made available through the established investment selling machinery of the United States, on a business basis, that the American public will demonstrate that they have a deep interest on the grounds of friendship in the splendid peoples who bore the greatest share of the war, and with whom our soldiers fought side by side until victory was won. Nor will our people be unmindful of the fact that men, women and children in some sections of Europe will die of disease and starvation unless help is speedily forthcoming from us. And, finally, we believe the investing public realizes that the world is suffering from the contagion of social unrest and radicalism, breeding a disregard for law and order which endangers the very existence of democratic institutions. It is to our interest to aid in re-establishing law and order everywhere.

Your committee is deeply impressed with the necessity of action which will meet as quickly as possible both the desires of our foreign friends and the wishes of our own people. There is no lack of desire to help. There is no lack of vision as to the deep and far-reaching significance of the problem, not only from the point of view of America but from the point of view of the world. But your committee has found the utmost diversity of judgment and opinion among thoughtful men of wide experience in these matters as to the proper measures to be taken. And this is not unnatural. The world situation to-day presents the greatest financial problem of history. Never in peace or war has there been a situation involving on the one hand such a variety of widely divergent requirements, and on the other hand such a complication of difficulties in the way of meeting those requirements promptly and soundly.

And yet with the very difficulty of the problem there goes a challenge to the skill, the ingenuity and the public spirit of America. Business men and bankers can meet this situation if they have the active support of the nation, of labor, of the farmers, of the professional men and women, and of the press, and the sympathetic co-operation of public officials. It is a matter for study, for wise counsel, and for action which shall move forward in a sure and conclusive way because it is a right way.

A correspondent thus summarizes the results of the conference:

1. France, Italy and Belgium have indicated their need of approximately \$1,500,000,000 in materials in 1920, and detailed information has been submitted to the Ameri-

can committees for consideration as to means of financing exports.

2. A permanent organization has been effected which will perpetuate unified effort on the part of the countries forming the League of Nations in solving the economic problems of the world.

3. France has indicated a wish to obtain credits amounting to \$500,000,000 to \$700,000,000 next year to cover her import requirements. She wants these credits funded for not less than ten years, including interest payments on existing debts. In order to obtain this she is willing to pay the current rate of interest, but as her needs are comparatively well covered for the next six or seven months she intends to await a favorable moment before applying for further loans.

4. Italy has estimated a need of \$300,000,000 in credits for next year and she wants this funded until she is able to make payments out of indemnities received from Germany and Austria. She believes that within two or three years the adverse balance of trade will be corrected and that exchange will again rise to parity, at which time she can commence payment of her debts without the heavy discount of depreciated currency.

5. Belgium needs about \$100,000,000 in credits, but her delegates state that the country is resuming production so rapidly that she can begin repayment of her debts within two or three years.

6. The British delegation has submitted no data as to requirements and no information as to needs for financing, evidently preferring to await developments or to continue the flotation of loans through individual banking firms as in the case of the recent \$250,000,000 loan in New York.



BE as a cliff at whose foot the billows break, and break again; but it stands firm, and by and by the seething waters about it sink to rest.—MARCUS AURELIUS.

An Employees Pension Fund

THE Bank of Italy in San Francisco has worked out a pension scheme for its employees which will prove worthy of study by banks that are contemplating the adoption of such a plan. The rules governing the administration of the fund are as follows:

A pension fund shall be created by the Bank by appropriations out of its profits from time to time, and shall be distributed in the manner set forth in the following paragraphs. All income earned on the pension fund in excess of the annual requirements shall be added to the principal of the fund.

ADMINISTRATION

The fund shall be administered by a Board of five Trustees, to be known as the Pension Board, of which the President and First Vice-President of the Bank shall, ex-officio, be two of such members; the remaining three to be selected by the Board of Directors of the Bank to serve three years; the first members to be selected or appointed so that the term of one member shall expire each year. Vacancies on the Board shall be filled by the Board of Directors of the Bank for the unexpired term. The Pension Board shall control the investment of the fund and the payment of pensions, and shall make such rules from time to time as may be necessary, subject to the approval of the Board of Directors.

OFFICERS

The Pension Board shall elect a Chairman and a Secretary from among its members.

QUORUM

A majority of the Pension Board shall constitute a quorum for all purposes.

PENSION

The amount of pension payable annually to an employee shall be computed at two per cent of the average annual salary paid to the employee for the last three years of his service multiplied by the number of years of service; provided, however, that no pension shall exceed thirty-five fiftieths of such average salary, and shall in no event exceed Five Thousand (\$5,000) Dollars annually; provided, further, that nothing herein shall

prevent the Directors of the Bank from re-warding by an additional annual allowance any employee who has rendered specially meritorious and valuable service to the Bank.

ELIGIBILITY-PENSION AGE

Unless otherwise ordered by the Board of Directors, all employees are eligible to the benefits of the pension.

Any employee on attaining the age of sixty-five years shall retire from the service of the Bank and be entitled to a pension if he has been twenty years in the service, unless the Bank may wish him to continue in its service and he consents thereto.

Employees entitled to pension hereunder shall be entitled to such pension for life.

SERVICE

The term of service shall be reckoned from the date the employee entered the service of the Bank, and temporary leave of absence on account of illness shall not be considered as a break in the continuity of service unless such absence shall exceed six consecutive months, when the time absent in excess of six months shall be deducted in computing the length of service. Any employee leaving the service of the Bank, voluntarily or otherwise, who shall thereafter be re-employed, shall be considered as a new employee with respect to the pension system; provided, however, that employees who entered the service of the United States during the World War and who immediately upon return from such service re-entered the service of the Bank shall not be considered as new employees, and shall not have deducted from their term of service the length of time absent.

The term of service shall be reckoned from any bank which may have been or may hereafter be merged into the Bank of Italy shall be reckoned from October 17, 1904, if then in the service of such bank, or from any subsequent date of entering such service, provided the service shall have been continuous.

INSURANCE PROVISIONS

Subject to the provisions following, the widow of a deceased pensioner shall be eligible during her lifetime to receive a pension of an amount not exceeding one-half the pension which her husband would have been eligible to receive or was in receipt of, as the case may be, at the time of his death, such pension to cease in case of her marriage.

The lawful children of a deceased pensioner who survive both their parents shall, so long as they are under the age of eighteen and unmarried, be eligible to receive together a pension of an amount not exceeding one-half the pension which their father would have been eligible to receive or was in receipt of, as the case may be, at the time of his death; the amount payable to the said children to be paid in such proportions and to such persons as the Pension Board may from time to time decide, and the interest of each child in the pension to cease upon his or her attaining the age of eighteen or upon prior death or marriage.

The widow of a pensioner who shall have married him after he became a pensioner and the children of such marriage shall not be eligible to receive any pension or other payment from the fund.

The amount of the pension which the widow, or surviving lawful children under the age of eighteen, of a pensioner, shall be eligible to receive under these rules shall be computed on the following basis: If the wife be not more than ten years younger than her husband the pension may be 50 per cent of the pension which the husband or father would have been eligible to receive or was in receipt of, as the case may be, at the time of his death; if she be over ten years and not exceeding fifteen years younger, 40 per cent; if over fifteen and not exceeding twenty years younger, 30 per cent; if over twenty and not exceeding twenty-five years younger, 20 per cent; if over twenty-five and not exceeding thirty years younger, 10 per cent. The widow or children shall not be eligible to receive any pension if the wife be over thirty years younger than her husband.

In special cases the Board of Directors may, upon recommendation of the Pension Board, grant a pension to any employee or member of his family, the amount, term and conditions of payment being in the absolute discretion of the Board of Directors.

GENERAL PROVISIONS

The term employee, as used herein, includes all officers.

In the event of a pensioned employee taking other employment permission of the Pension Board must first be obtained or his pension will be forfeited.

Any employee upon the pension roll may be called upon at any time by the Executive Committee of the Board of Directors to give the Bank the benefit of his knowledge or experience.

In case of insolvency or bankruptcy, or conviction of a felony or misdemeanor, or of misconduct on the part of any pensioner the Pension Board may suspend or terminate any pension allowance.

The establishment of the pension system, granting of pensions or any action of the Board of Directors of the Bank or of the Pension Board now or hereafter shall not be held or construed as a contract or as a consideration for employment or as conferring any legal rights upon any employee or any other person, the pension system being a purely voluntary provision on the part of the Bank. The Bank through its Board of Directors, also distinctly reserves its right to alter, amend or discontinue the pension system.

Pension allowance shall be non-assignable and any transfer or pledge of same will not be recognized by the Pension Board and shall act as a forfeiture of the pension.

A Unique Filing System

MISS IRENE WILLIAMS, secretary to President Harry H. Merrick of the Great Lakes Trust Company, Chicago, has evolved and put into practical operation a unique card index system for the bank, in which all of many card index lists may be kept in a single file and by which the entire lot may be sorted into any one of a dozen classifications within a few minutes.

By the operation of the scheme, an officer of the bank may ask for the name of all of the business prospects

in Des Moines, Iowa, or all of the grocers of Des Moines, Iowa, on that list, or perhaps for a list of the grocers of Des Moines, Iowa, who are investment customers of the bank and whose names begin with "G"—and Miss Williams could fill a request even as unusual as this within ten minutes.

The chief burden of the new department is carried by a special tabulating machine card sorting machine. On the right hand half of each card is a collection of numbers. Every classification on the card is represented by a code

number and the corresponding number is punched out of the right hand half of the card. Thus, each state has a number, each town, each of ninety-nine divisions of business and professions and many other classifications are similarly numbered.

If an officer wants a list of the lawyers who are stockholders of the bank, the sorting machine is merely set to selecting only cards numbered "59" in the column designating professions, and number "3" in the circulation classification which means stockholders. The list is then poured into the mill and in a few minutes out come names of all of the lawyers who are stockholders of the Great Lakes Trust Company, and nothing

else. Every time any list is used for any purpose the card is stamped with a number designating the letter, circular or other matter sent out. Thus the system shows an exact and complete record of what has been done as to solicitation of business from any individual, group, or combination of groups of individuals.

Similar systems have been arranged for credit companies or departments, and for insurance companies or other corporations having use of masses of detailed statistical information. It is the first time the scheme has been adapted to the use of the new business department of a bank, so far as is known.

A Woman Who Made Good



MISS SARAH GEE

Fourth & First National Bank, Nashville, Tenn.

This War Worker did her work so well that her bank could not afford to replace her with a man when the war was over.

MISS SARAH GEE came to the Fourth and First National Bank of Nashville, Tenn., when the first call for volunteers took a number of the men. She started in the transit department, where her accuracy and speed and power to concentrate made her valuable. She worked here some weeks, and more men left. A clerk was needed in the discount department. She was taken. With faithful application she handled notes as efficiently as she had handled checks. Then came a day when a radical change came over the bank. The establishing of a large Government powder plant near the city brought into the bank many strangers and much money and business. It was necessary to keep the bank open Saturday evenings to accommodate the workers. Sarah Gee was so interested in learning new things that she hung around on Saturday evenings till one of the tellers took notice of her eager and inquiring face and jokingly asked "Want to learn how to be a teller?" Sarah was inside the cage without further invitation and soon learned the intricacies of the receiving teller's job. She handled money as efficiently as she

had handled checks. Every Saturday night found Sarah in the bank and on the first night that a regular teller failed to turn up she went into the cage and served. So within a month when it became necessary to fill all the receiving cages with women Sarah was chosen.

She was so happy and so interested in her work that it took the bank police and three officials to make her close up and go to luncheon when banking hours were over. She was proud of her job.

When the armistice was signed and the boys began to return there was talk that the girl tellers would lose out. Sarah began to look serious and one day she was found with tears in her eyes.

Being happy in her work she did it so pleasantly and so efficiently that she made friends of her patrons. Later when it was thought best to adopt the dual system, the girls were replaced by men of experience, since they had to pay as well as receive. All the girls were transferred to other positions with the exception of little Sarah Gee. Why didn't she go, too? Because her patrons rose up in a body and demanded that she be kept to serve them. She had made good! Now you will find her side by side with a line of tellers in the commercial department, faithful and interested in her work. Never too tired to be courteous, accommodating and bright.

The Future of Financial Advertising

TEN years ago there were few bankers or advertising experts, for that matter, who foresaw the remarkable growth and development which financial advertising was destined to experience. At the recent Advertising Convention at New Orleans, the financial advertisers were very much in evidence and their meetings were better attended than any of the other sections or departments of the Associated Clubs.

One of the most interesting papers read at this convention was that of Edward Bird Wilson, president of Edward Bird Wilson, Inc., New York. Mr. Wilson is a financial advertising expert and bankers will find his views on the future of this branch of their business both interesting and helpful.

Mr. Wilson said:

"What of the Night?" was asked of the watchman on the wall in days long past, and ever we hear the echo of that question. We advertising men are watchmen on the walls of business and we should recognize the right of business men to ask us "What of the night?"—"What of the morrow?"

We financial advertising men have a spec-

ial responsibility as lookouts on the parapets of business, because the financial institutions are the outpost bulwarks of all business and their safety, their security are essential to the safety, the security of all business.

HOW CAN WE KNOW ABOUT THE FUTURE?

What of tomorrow? How can we know anything about the future? One of the most important functions of history is to point out paths in the unknown future. History consists of what has happened and is happening; it enfolds the past and the present. One does not have to be a prophet in order to determine a wise course for the future. All one has to be is a faithful learner of past and current lessons. I say learner advisedly because many persons study without learning.

WHAT OF YESTERDAY'S FINANCIAL ADVERTISING?

To look ahead into financial advertising, then, we have only to learn what has happened and is happening in that field of history.

To answer "What of tomorrow?" we must first answer "What of yesterday?" and "What of today?"

Well, what of yesterday? Yesterday, yestermornth, yesteryear Financial Advertising was in its swaddling clothes of false conservatism, conventional menningness, fear of criticism, lack-courage of convictions.

Yesteryear Financial Advertising had not the strength to cry out in real human voice and accents the truths it wanted to utter, so bound was it by its swaddlings. It was almost as helpless as an Egyptian mummy.

Yesteryear some of the fathers, mothers (real and foster), nurses, doctors and specialists began to question whether Financial Advertising was worth trying to save, so feeble and inarticulate was it, half smothered in its bindings. But there were those who had faith in the child and declared that if some of the wrappings that encased it were removed, if it were properly nourished and nursed, it would grow into lusty, healthy, strong-lunged, strong-voiced youth and even attain to manhood's virile estate.

WHO WAS THE FATHER OF FINANCIAL ADVERTISING

I am not going to try to identify to you the parents of Financial Advertising. Probably each one of you has his own theory about the parentage of the child. Fred Ellsworth has been accused of being the father of Financial Advertising, and one friend of his who heard the rumor said: "That may account for the general homeliness of Financial Advertising." My own opinion is that Fred is only one of many foster fathers who have helped to bring up the child and that the facial resemblance which some have noticed is due to close association in childhood rather than to blood relationship. A banker in St. Louis once confessed to me in a burst of confidence that he was the father of Financial Advertising, but I am inclined to think that he was misinformed by somebody, perhaps by one of the nurses.

There is a man in Cleveland who has been mentioned in connection with the origin of Financial Advertising, but I do not believe he is old enough to claim the honor.

However that may be, it took a lot of doctoring and nursing and mothering and fathering to bring the baby through his early years and to present him to the business world of today as a full-grown, honest, hard-working, straightforward, full-voiced man of affairs and accomplishments.

FINANCIAL ADVERTISING HAS GROWN UP

That once half-smothered voice of infancy has developed to a basso profundo of widest range that can be heard when necessary around the world; that once feeble child that struggled in vain against his swaddlings has attained to full power of strength and wields at times a mighty pen and a mighty sword of truth; that once shrinking creature that cringed and blushed when anyone of financial standing looked straight at him now faces the world open-countenanced, honest and unafraid—unafraid even of his parents, doctors and nurses; unafraid even of those ungracious old-school bankers who do not like Financial Advertising and delight to recall his childhood days in order to disparage and humiliate him—"You are getting too up-

pish; I can remember when you were not even tolerated in conservative banking circles"—that sort of talk, you know. But Financial Advertising, now sure of himself, laughs at old-school scruples and replies: "That was in the dear dead days beyond recall."

Yesterday, yesteryear, Financial Advertising grew and grew by being properly fed (with fair-sized appropriations, albeit there were times of famine when he went hungry), by being taught how to give expression to his thoughts, by learning to think before trying to speak, by being doctored and nursed and fathered and mothered, and at times sternly disciplined.

GREATEST GROWTH DURING THE WAR

You will admit, I think, that Financial Advertising made his greatest growth and development after the great war began. In common with many other youngsters he suddenly leaped from boyhood to the full-fledged strength and capacity of grown manhood. Financial Advertising suddenly had to assume heavy responsibilities and he tackled them like a man. He had to help to sell billions and billions of war bonds and raise millions and millions of war contributions. Not even the keenest bond salesman with an honor record can deny that Financial Advertising was an everywhere-present, all powerful assistant salesman and solicitor; the colossal task of marketing war securities and gathering war funds could not have been accomplished but for the stupendous work done by this young giant whom some would have allowed to die in the cradle.

You cannot know the future of Financial Advertising without knowing his history. You can know the most important part of his history if you know what he did from 1914, when the great war started, until today, when we are trying to get it stopped.

FINANCIAL ADVERTISING AND OUR ALLIES

Financial Advertising's first great work was done of course in the countries of our allies, where vast sums of money were raised by his suddenly-awakened energy and ingenuity. With his buoyant, youthful wonderful enthusiasm he touched the hearts of misers and spendthrifts alike and made men and women by millions lay their offerings of loans and gifts upon the altar of humanity's freedom. He shook off for the time being every vestige of the wrappings with which some of his foster-parents and nurses had persisted in still hampering him—false conservatism, fear of criticism, lack-courage, conventional meaninglessness—and stood out strong-armed and limbed, honest-faced, square-jawed, and with a new light of a new spirit in his eyes, and he did things that for daring made financial men gasp and wonder. They wondered still more when they saw that what Financial Advertising did

accomplished what he intended to do—burned home the lessons of the cause in the hearts of men and set them aflame for liberty and justice. Billions of pounds sterling, billions of francs, billions of lire, and billions of yen were raised by Financial Advertising to wage the war against Germany's unrighteous might before the United States came into the fight.

FINANCIAL ADVERTISING AND UNCLE SAM

When Uncle Sam took a hand and Pershing's crusaders sailed to join the battle, Financial Advertising seemed to reach the maximum of power and tenacity of purpose and nothing was too difficult to attempt, nothing too difficult to accomplish.

Bankers, financiers who had pursued a laissez-faire policy became a militant, aggressive army under the strong leadership of Financial Advertising. They turned their establishments inside out to accommodate our young friend, because he was working heart and soul for Uncle Sam and the Great Cause.

It would be unkind perhaps to remind you of the many things that Financial Advertising led the financial houses into doing to further the war financing. They did things for their country that they would not have dreamed of doing for themselves. They used methods of advertising that perhaps would not be suitable for them to use in advertising any selfish private interests. The important thing is that they learned something about the wisdom and power of financial advertising that they could not have learned in a life-time of normal business.

THE FUNDAMENTAL PRINCIPLES AND MOTIVES

It might be unkind, I say, to review the great things that Financial Advertising did or caused to be done during those tremendous years 1914 to 1918, but I believe you will bear with me if I point out some fundamental principles underlying what was done and of the greatest importance in taking the measure of Financial Advertising and in determining what he will do tomorrow.

Financial Advertising's work for the great cause of human liberty was characterized by the following motives:

- First: Money for the cause.
- Second: Zeal for the cause.
- Third: Help for the cause.
- Fourth: Coöperation for the cause.
- Fifth: Love for the cause.
- Sixth: Affection for those working for the cause.
- Seventh: Brotherhood for humanity.

MONEY FOR THE CAUSE

First in order, money had to be raised in vast quantities. The making of money and the gathering of money have ever been a great motive in making men exert themselves. Never before in humanity's history had so

much money been necessary to carry on an enterprise. The effort, therefore, had to be commensurately prodigious. Financial Advertising measured his strength against the task and found he was equal to it.

ZEAL FOR THE CAUSE

Zeal that has made men walk into the dens of lions and into streams of liquid fire and into clouds of tormenting gasses actuated the financial men who worked behind the lines. Financial Advertising, inspired by their zeal, showed a courage of conviction that he had never manifested before—a burning, melting zeal that dissolved all opposition of selfishness and made men give and lend as they never did before and

HELP FOR THE CAUSE

Help for the cause came from every quarter. Little slum babies in arms of shabby mothers dropped their pennies in the Red Cross hat. Mothers who had given their own flesh and blood to the cause hastened to give their mite of copper and silver that the war might be won for lasting peace; millionaires whose hearts had been touched, put their millions into the chest; all classes came with their help to the cause. That universal help helped mightily to inspire Financial Advertising to greater and greater efforts.

COOPERATION FOR THE CAUSE

Coöperation—had anything like it ever been seen before? Men and women who had thought in class and worked in class learned to think in mass and to work in mass. Strangest sight of all, perhaps, was the bankers and other financial men working together. You know the story. I need not remind you of the magnificent coöperation of the various financial interests, local, national and international, to bring to your mental vision a picture of rival bank presidents working together like partners, of heads of rival financial syndicates pooling interests and forgetting selfish ends in the great cause. Financial Advertising, seeing this inspiring sight, spurred his Pegasus to loftier heights than he had ever dreamed.

LOVE FOR THE CAUSE

Love for the cause—the greatest of all human passions, the moving power of the universe, the driving power of mankind, filled the hearts of millions upon millions and made them give of their blood, their strength, their time and their money. Financial Advertising caught the spirit of love for the cause and his posters and newspaper advertisements and booklets were a mandate of devotion that made them reach the hearts of million who cried out: "Here I am and here are my possessions which I give for love of the cause."

AFFECTION FOR THOSE WORKING FOR THE CAUSE

Love for the cause created affection between those working for the cause and friendship like David and Jonathan's sprang up among the workers. Men learned to know one another as never before. They saw the love of humanity and country burning strong in the other fellows' breasts and were drawn to them by a common devotion. Financial Advertising's followers shared in this feeling and acquired a greater, stronger liking for one another.

BROTHERHOOD FOR HUMANITY

Brotherhood feelings for humanity at large were engendered as never before in human history. Humanity's heart beats were examined by experts and found to be about the same all over the world, with the sad exception of that part of humanity that had lost its humanity. It came home to men all over the world that all men are kin and children of the same All-Father. Financial Advertising quickly discovered that he could touch the heartstrings of all branches of the human race and get the same harmonious sounds of money, zeal, help, coöperation and love for a great cause.

I repeat that to understand the history of Financial Advertising we need understand only the past few years, because those crucial years have made a full-powered man of him, a giant in power, vision and purpose, who can never turn back. We have seen the motives working with and within Financial Advertising that have made of him the fully-developed creature of might and service he is today.

WHAT OF TODAY'S FINANCIAL ADVERTISING?

Well, what of today? You have only to look at the works of Financial Advertising today to know what he is and to realize that he is the product of his mighty war experiences.

Today Financial Advertising is using the knowledge born of the war financing and acquired in war finance advertising. Billions of after the war financing has already been accomplished with comparative ease and Financial Advertising's wisdom and might have everywhere been used to help distribute the burden to the millions of small investors.

Not as in pre-war days Financial Advertising going about in sackcloth and ashes, but in full and shining armor of light and truth he stalks the pages of magazines and newspapers and parades across the street car cards and billboards today.

Financial advertisements today are full of interest and vitality. Many of them are beautifully illustrated and compete in interest with the advertisements of enterprising manufacturers and merchants. You will agree with me, I believe, that Financial Advertising can never go back to the old innocuous days of swaddling clothes, of sack-

cloth and ashes, to the old days of unimaginative, inarticulate and unproductive utterances like those of "an infant crying in the night."

Today is a new day for Financial Advertising and tomorrow will be a better day.

WHAT OF TOMORROW'S FINANCIAL ADVERTISING?

What of tomorrow? Let us look into the immediate future by recalling the experiences and trend of the recent past.

FINANCIAL ADVERTISING MUST RAISE THE MONEY

Financial Advertising has learned how to get the money out of the millions of little channels into the fewer bigger channels for increasing production. It is but a logical step from selling Liberty Bonds and other war securities to selling municipals and industrials and railroads and utilities and savings accounts. Financial Advertising has learned how to get money for worthy enterprises and one of his greatest accomplishments in the near future, we can easily believe, will be to gather into the channels for constructive investment the millions of small bits of capital that should be used for investment, and akin to that great accomplishment will be the work of inducing millions of persons to save in order that they may have little and big bits of capital to pour into the treasury for the sake of the general prosperity.

FINANCIAL ADVERTISING MUST HAVE ZEAL FOR THE CAUSE

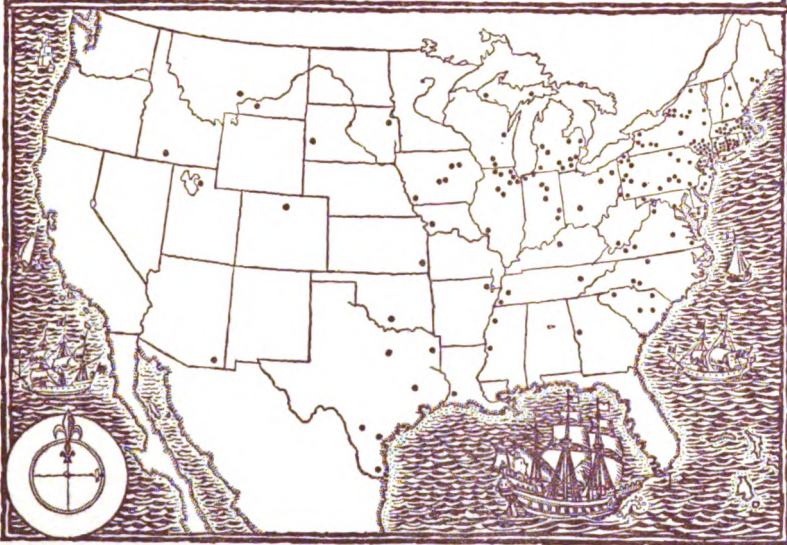
Financial Advertising found that zeal for a great cause accomplished miracles of heroism and unselfishness. A great cause is not lacking now, a cause as great as that which led millions of men and billions of money to battle. I mean the cause of World-Reconstruction in which America must have so great a part and in which financial men must be leaders and in which financial advertising men must be leaders of the leaders. Financial Advertising must be fired with the same degree and quality of zeal that made him so mighty and useful during the war. There must be no tiring, no relenting, no let up in the ardor with which we pursue the path of duty and patriotism. For the world must be revived and reconstructed, and money, *money*, *MONEY* must be gathered and conserved for that purpose. Let us tackle the job with a zeal worthy of the followers of Financial Advertising, inspired by a Great Cause.

FINANCIAL ADVERTISING MUST HAVE HELP FOR THE CAUSE

Help for the cause will not be wanting or even scarce. Financial and other business men, with a few deplorable exceptions, are keenly alive to the needs of the world and the demands of the crisis. Financial



EVERY DOT A BANK
BUILT BY
HOGGSON BROTHERS



A QUARTER OF A CENTURY of BANK BUILDING in all sections of the country has given us a wide experience and knowledge in bank planning. OUR CUSTOMERS testify to the successful results of this experience and knowledge in solving their problems. LITERATURE sent on request.

HOGGSON BROTHERS BUILDERS

ESTABLISHED 1891
INCORPORATED 1907
485 FIFTH AVENUE, NEW YORK
FIRST NATIONAL BANK BUILDING, CHICAGO

“MERIT HAS MADE THEM FAMOUS”

“YORK”

BANK
SAFE DEPOSIT

?

VAULTS

ASK 

Clearing House Association.....	New York
Federal Reserve Bank.....	New York
Chase National Bank.....	New York
Chatham & Phenix National Bank.....	New York
Corn Exchange National Bank.....	New York
Central-Union Trust Co.....	New York
Empire Safe Deposit Co. (Equitable Building).....	New York
Equitable Trust Co.....	New York
First National Bank.....	New York
Guaranty Trust Co.....	New York
Metropolitan Life Insurance Co.....	New York
International Trust Co.....	Boston
American National Bank.....	San Francisco
American Trust Company.....	St. Louis
Beneficial Savings Fund Society.....	Philadelphia
Mellon National Bank.....	Pittsburgh
Union Trust Co.....	Pittsburgh
City National Bank.....	Evansville, Ind.
Detroit Trust Co.....	Detroit
First National Bank.....	Milwaukee
Fourth National Bank.....	Atlanta, Ga.
Guardian Savings & Trust Co.....	Cleveland
Rhode Island Hospital Trust Co.....	Providence
Title Guarantee & Trust Co.....	Baltimore
Travelers Insurance Co.....	Hartford
Royal Bank of Canada.....	Canada
Sun Life Assurance Co.....	Montreal, P. Q.

“The latest development in vault design and construction is represented in ‘YORK’ giant money vaults installed in the largest banks and financial institutions being built today.”

“CONSTRUCTION MAGAZINE”—Issue of Dec., 1918.

YORK SAFE & LOCK CO., YORK, PA.

New York	Chicago	Philadelphia	Boston	Baltimore
Pittsburgh	St. Paul	San Francisco	New Haven, Conn.	

Advertising now has the support of the great leaders of the financial world and the others can be counted on to follow the leaders. Let Financial Advertising help with all his might and he will find, I firmly believe, the necessary support and help of the financial world.

FINANCIAL ADVERTISING MUST HAVE COÖPERATION FOR THE CAUSE

All signs of recent history and present happenings point to a greater degree of coöperation among financial advertising men. They are exchanging ideas and holding conferences and studying the situation together. Team-work may be assuredly looked for on a greater scale than ever. In helping the Government and the allied cause Financial Advertising's followers have learned that it pays to help one another. One of the significant facts is a tendency toward community efforts by banking institutions. There is a strong sentiment today, for instance, for a national campaign of advertising to sell the Trust Company Idea to the public at large, in order that the individual advertising of all trust companies may be more fruitful of results and that many more persons may be brought to know the great advantages of trust company administration of estates. The efforts of national and state banks to take on trusteeship powers are being welcomed by the broader-minded trust company managers as having a tendency to increase trust business all around. In candid coöperation lies a great measure of Financial Advertising's future efforts and successes.

FINANCIAL ADVERTISING MUST HAVE LOVE FOR THE CAUSE

Patriotism, which is another name for love of country and cause, must and will be a powerful motive in the future activities of Financial Advertising. We can all work successfully for a cause we love, and surely we can love the great cause of healing the wounds of humanity, of reconstructing a war-trodden world, of placing America on a sure foundation of true world leadership. Financial Advertising has a task to do in this great work, the importance of which we financial advertising men may not fully real-

ize, and I beg of you to consider most thoughtfully your relationship in this matter. Know the cause and you will love it; love it and you will work for it with all your heart and all your strength and Financial Advertising will be enabled to accomplish his great tasks of the future with great success and credit.

FINANCIAL ADVERTISING MUST HAVE AFFECTION FOR FELLOW-WORKERS IN THE CAUSE

Stronger bonds of affection among members of the same fraternity will enable Financial Advertising to do greater things. Men who fight side by side learn to like one another. Men who work side by side in the same cause learn to like one another, if they forget themselves in their devotion to the common purpose. This Financial Advertisers Association has helped, is helping and will help to bring about a better understanding among financial advertising workers, and that means a greater liking for one another, greater zeal, greater help, greater coöperation, greater love for the great cause and greater accomplishments in bringing into the Reconstruction Treasury the billions of money needed.

FINANCIAL ADVERTISING MUST HAVE THE FEELING OF BROTHERHOOD FOR HUMANITY

In conclusion let me say that I believe the Brotherhood of Humanity Idea must underlie all future business efforts that will or can have permanent success. To be eminently successful financial advertising men we have got to understand human nature and know how to appeal to the nobler side of human nature. If we know humanity really, we will have a feeling of brotherhood for it, and if we have that feeling highly developed as a foundation for our thought and writing, we will be able to talk to men and women in human-heart language that they can understand and that will move them to do the right thing in this great world crisis.

If this talk has seemed too much like a sermon and lacking in practical, concrete suggestions, please forgive me on the ground that I am a member of the Brotherhood of Financial Advertising Men—the Financial Advertisers Association.



The Laws of Modern Production

By Baron du Marais, Director Crédit Lyonnais, Paris

Shortage of production causes the sufferings of the world.

Production does not depend upon the workingman alone. A weaver in India produces barely several inches of coarse cloth as a result of an entire day's work.

Production does not depend upon the director of industry alone. Without capital he can not utilize his machines.

Production does not depend upon capital alone. Capital without the workingman and the director of industry would be sterile.

Production depends rather upon the harmonious combination of workers, technical knowledge and capital. It is the fruit of these three elements.

In order to have work well paid, its output must be large. Human effort must be directed and coordinated through the intelligence and technical knowledge of the head of the enterprise. Production must be multiplied by the use of the machine, which is the issue of capital.

Every increase in wages that does not carry with it a corresponding increase in production raises the cost of living. It is but a deceptive phantom. When everyone will be brought to a realization of this point, it will mean that the chief part of economic difficulties has been solved or at least lessened and that an important step forward has been taken towards social progress.

Aircraft Development Financially Neglected

By MOIS H. AVRAM, M.E., President Aeronautical Society of America

PRIDE and vanity are weaknesses which might well be pardoned in Americans when considering aviation in heavier than air machines as it is practised today. Whatever of progress or advancement in aircraft development other nations have achieved, while admirable, is the direct result of American genius and the man who propounded this marvelous development in its first practical phase, after scores of others through scores of years had failed, is now living and is not fifty years of age.

But America is the home of great achievements and she has mothered almost all the great commercial inventions of the earth of first importance. The steamboat, telegraph, telephone, cable, phonograph, moving pictures, the automobile and the present high development of modern railroad transportation, to say nothing of the thousands of our contributions to the use of arts and sciences which have done more to raise humanity to a higher plane of civilization and advancement in the past one hundred years than thousands of generations of world history and activity had accomplished, are all products of American creative genius. Hence, perhaps, the reason why Americans have come to look un-stirred and with equanimity upon developments of first importance in world progress—have come, in fact, to regard the most transcending achievements in the light of the commonplace. Familiarity if not breeding contempt, does at least in this case breed neglect.

The great war into which we were plunged by inscrutable fate disclosed



MOIS H. AVRAM

President Aeronautical Society of America

Lecturer on Industrial Engineering, New York University; Member of the American Society for the Advancement of Science; Member of the American Society of Mechanical Engineers; Member of the Society for the Advancement of Engineering Education; President Slocum, Avram & Slocum Laboratories, Inc.

to the world, and to ourselves, probably for the first time the full power of accomplishment of which the United States was capable, and yet, when the war ended "we had not yet begun to fight," nor yet accomplish. Any one of a dozen of the great achievements

which the United States accomplished in the last two years of the great conflict might cause the world to marvel, and even ourselves now that we get time to think of them. The rapidity with which we raised and trained an army of 5,000,000 men and put 2,000,000 on the field of battle, the speed with which our industries were marshalled and organized for the cause of war until they were supplying not only the needs of our own armies but in a large measure the needs of our Allies, the ease with which we raised twenty-two billions of dollars to finance our own war efforts and strengthen the weakened financial condition of our comrade countries, all are achievements at which to marvel.

ONE GREAT ACHIEVEMENT

But there is one outstanding achievement which has never been given the full light of publicity and of which the public as a whole is ignorant. Due largely to the fact that while the war was on secrecy was of vital importance. Since the armistice the necessity for its development is no longer urgent and as a consequence has fallen into somewhat of neglect if not of total forgetfulness, and it was not so many months ago either that it was the pivotal point of the greatest hub-bub, furore, criticism and investigation of any of our war activities. Namely, aviation.

As a matter of fact when the armistice was signed the United States was ready to launch on the western front the greatest and most effective armada of airplanes the world or warring armies had ever seen. They represented the most advanced development in aircraft construction ever achieved. They were of a type embodying all the best features of the composite efforts of England, France and Italy, plus the scientific knowledge, engineering skill and constructive excellence of American creative genius and originality. They had cost the country approximately one billion dollars, but they were the best in the world. Not satisfied with the designs

and experience of three years in intensive development and building of airplanes which our Allies had to offer our fervent and capricious minds set about developing something better. We were in the conflict to devour science as it then stood and disgorge promptly thereafter superior science. We did, but the end of the war also terminated the necessity for further effort. But what became of the net result of our attempts?

HAS DEVELOPMENT ENDED?

To this day that is a question about which no one is certain. A billion dollars has been spent, but how? That too is a question which people with retentive memories are asking. We hear rumors and baseless charges of waste and even ruthless destruction but there is no answer forthcoming, at least from the Government. To all intents and purposes the development of aviation and aircraft construction of this country seems to have ended not only with the war but for all time. On every hand, however, we are daily receiving object lessons of the forehandedness and farsightedness of European and other countries of the world who are making use of the knowledge and science gained in the development of aircraft for purposes of war to adapt them to the purposes of commerce, industry and commercial flying. Here in the United States we hear nothing but silence and a wrinkled brow of annoyance when we venture to suggest that we do likewise.

Persons thoughtful of the value of aviation and aircraft development as a contribution to the future commercial relations and intercourse of nations, and as a means of transportation within our own national boundaries are constantly recommending that something be done. As far as the Government is concerned all recommendations to this effect seem to fall upon deaf ears and encounter a lethargy of action which seems to indicate that aviation in this country has been relegated to an untimely and unwarranted demise.

Is that the fate that aviation deserves at the hands of the land of its birth, or are we mistaken as to the Government's activities in regard to the development of aircraft for commercial usage?

DEFINITE METHOD OF PROCEDURE
NECESSARY

As the president of the Aeronautical Society of America, and for a long time prior to my accession to that position, I have continually through articles in leading newspapers and periodicals of the country, and in addresses before various civic, scientific and commercial bodies, urged the necessity for outlining a definite method of procedure with regard to commercial development of aviation. I have also made suggestions which I feel sure if adopted by the Government would form the nucleus for the formation of such a program around which could be built a very definite mode of action. So far it would seem mine has been a voice howling in the wilderness.

By that I do not mean to infer that Government is entirely to blame. There seems to be a rather firmly set opinion in the public mind that the Government alone is responsible for the failure to evolve some comprehensive plan of aircraft development. Such is far from the case, as the Government limits itself to inter-state interference and regulation in all things, but when it comes to the general development of aviation in this country the individual states have much of the jurisdiction or within state control and regulation.

ONE WAY OF UTILIZING MATERIAL

There is nothing to deter the Federal Government, however, from assuming leadership and laying the foundation which will encourage the various states, counties, cities and moneyed individuals to participate and financially interest themselves in this most promising field of industry. One concrete way of utilizing the material and experience which the Government has at hand governing the scientific and mechanical

aspects of aviation would be as follows:

(1) Distribute airplanes and airplane engines, instruments, parts, etc., to selected technical schools with all technical information upon which a course of aircraft engineering could be based, either as a complete course in aircraft engineering, or as a part of the now existing courses of engineering.

In this regard, I have already proposed that a committee of members of the Aeronautical Society of America be authorized to work out a complete course in aeronautics to be offered free to technical institutions. This committee is to be instructed to operate with other scientific bodies and the aircraft section of the Navy and Army in order to gather and perfect its material.

(2) A committee should be organized by the Government to work out geographical air routes throughout the United States in a complete manner, showing the postal routes as distinguished from possible commercial routes, and where necessary a combination of both.

Under this section should be included:

- (a) City landing stations graded according to importance.
- (b) Specifications for such landing stations should be worked out in detail, including all equipment necessary.
- (c) Cost of operation of flying machines for definite purposes, viz., mail, freight (kind of freight) and passengers, and the number of machines necessary to operate in order to render such operation profitable.
- (d) The types of machines to be used for certain routes as compared to other routes. In other words, each route indicated on the proposed map will specify a certain type of machine. This is necessary in view of the fact that some routes will be over plain territory, others over water, and yet others over mountainous country.

One can readily realize that the Federal Government can prescribe everything required under heading (2) for it does not interfere with states or cities. It merely indicates that a body of specially trained men have determined as the best geographical (a) route, (b) equipment, (c) operation costs, and (d) respective types of machines best adapted for commercial development of the industry.

Can it be conceived that any state or city government, or individual enterprise will find it to their disadvantage to employ such rules or suggestions? Can it be imagined that the evolving of such plans can be considered in the light of a political move? Whether or not it is the one or the other it is readily to be seen that any steps tending to the unification and coördination of our national air resources under governmental initiative cannot but result in great national benefit.

(3) The preliminary work having been done, it would then be well for a second committee to be appointed by the Federal Government to create a body of rules for licensing aviators. These rules should then be offered to the various states as a guide in organizing their license bureaus under which aviators must qualify before being licensed to fly.

(4) It would also be a part of the Government programme to keep in commission a number of flying fields, not for training aviators, but as fields for trying out applicants for state licenses before application is made. A certificate could then be issued to a worthy flier by the Government and could be accepted by the license board, in the state in which application is made as an indication of merit; or, in the event the individual states should organize and maintain such testing fields of their own, the Government certificate could be ignored.

PERMANENT TRAINING CENTERS

Six such testing fields kept in operation by the Federal Government would

be sufficient for all purposes and could be maintained without inordinate new expenditures inasmuch as a vast amount of material and equipment for such fields is now in possession of the Government, and lying inactive. Further, the present Government flying fields could be utilized to excellent advantage. These same fields could also be utilized by the Government as permanent training centers for the military air army of the nation.

In this latter suggestion there is nothing to interfere with the state control of their own air affairs. These suggestions for Government initiative in outlining a constructive aviation programme are made merely as pointing a feasible way of overcoming many obstacles and questions which might be raised against state control by utilizing the rich aviation stores now in the hands of the Government and by virtue of whose position in this regard is better qualified to undertake the immediate work than any other source.

Another valuable feature of the Government's programme would be in making use of the facilities it has at hand for stimulating to interest and action, through widespread publicity, the various state governments, municipalities and individual initiative and enterprise who accepting their cue from Governmental precedent would at once take steps to organize and locate landing fields under the guidance of the specifications evolved by the Government. In this way much of the burden and detail of working out plans, and which for the present is deterring action, would be avoided, and practically every city of size and importance, prompted by civic pride, would at once be stirred to action.

ENLIGHTENING THE PUBLIC

It is a well proven axiom that tells us that we are inclined to shun that which we do not understand. Here again the Government could do yeoman service by enlightening the public on what other governments and people are

doing in the way of such development. If the American public actually knew what other world countries are doing in developing their air resources especially England, France and Italy, it would be aroused to such a storm of national pride and consciousness that the development of our own resources would not lag until we at least equalled their exploits, or surpassed them.

As a matter of fact the British Government has appropriated no less than \$350,000,000 dollars to be used for aeronautical experimentation and equipment alone, in addition to which substantial prizes have been offered to arouse individual enterprise and competition. Further than this, the British Ministry is preparing to turn over to individual corporations who will undertake the formation of commercial air companies, existing airdromes and equipment including flying machines, in large numbers. Government sheds and wireless stations have also been placed at the disposal of such companies that they may have the assistance and advice of trained and experienced personnel in carrying out their plans. As an indication of the importance in which the British Government holds the development of aircraft, it has been declared that aircraft manufacturers have been urged to build and design any type of machine they see fit for the reason that any ship would be more useful in hostile circumstances than no ship at all.

NO LONGER A DREAM

What a potent force it would be if our Government could say to unbelievers and skeptics that aviation has outgrown its infancy—that it was no longer the mere fancy and dream of a "Da Vinci", but a wonderful practically proven fact which has carried in the buoyant air as many as twenty-nine passengers. As a matter of fact, Alfred W. Lawson only recently flew from Syracuse to Mineola, L. I., with nine passengers in two hours and thirty-two minutes—a rate of more than 100 miles an hour. Lawson accomplished the stunt as if it were a matter

of course and with no noise or heraldry accompanying the exploit.

But how far behind the procession our seeming indifference to the fate of aviation in the United States has plunged us is indicated by the fact that commercial concerns in England are now building aeroplanes capable of carrying forty passengers. Frenchmen, too, have left France by air and reached without difficulty their destination in the Sahara. Pelou, the French aviator is preparing to fly from Paris to Melbourne, Australia, making stops at a few of the important cities along the way. All these accomplishments point definitely to the fact that commercial aviation as a means of intercourse between nations and parts of nations is approaching a condition where it can no longer be considered as a thing apart, but must henceforth be considered in the light of a necessary activity worthy of our best possible efforts if we are to keep pace with modern world advancement and development. The achievements of our own flyers have proven that beyond a doubt and we can hold to our bosoms the conciliating satisfaction that it was our own flyers who pointed the way by first spanning the Atlantic.

A CONSTRUCTIVE PROGRAMME NEEDED

All these facts considered, can it be conceived that our own Government can stop short of some definite and substantial action by failing to initiate a constructive programme for carrying on the excellent work already accomplished; or that our states and cities will fail of coöperation in the same great purpose?

And by failing such action there is one outstanding feature. Business men, and men of capital and influence cannot be expected on their own initiative to organize and finance a campaign for aircraft development for commercial flying without first receiving some definite assurance from the Government that they can expect its coöperation.

There is another angle, too, to the problem of aircraft development about which few people have thought, and

that a sad one. There is perhaps no other great gift to the world for which so many men have died that the world might benefit, than aviation. Do we not owe to them some tribute in the way of material aid for the science for which they gave their lives, that it may be adapted to the uses of mankind, or must they have died in vain? We owe them something of sacrifice in the form of which we can give, not in the memory of those who have sacrificed, but in the thoughts of what they have given us.

But to point and moral, let us go back to the story of the great inventor of the telegraph, Morse, who during the period of his greatest hopes wrote to a friend: "I find myself without sympathy or help from anyone associated with me, whose interests, one would think, would impel them to at least inquire if they could render me some assistance. For nearly two years past I have devoted all my time and scanty means, living on a mere pittance, denying myself all pleasures and even necessary food, that I might have the sum to put my telegraph into such a position before Congress as to insure success to the common enterprise."

Later on Morse's apparatus was exhibited in New York. In order to arouse public interest a charge of twenty-five cents a head was made. The public refused to patronize this exhibit in sufficient numbers and the exhibits were so shabby and the exhibitors so poverty-stricken that the sleek capitalists passed it by without investing. Some of the exhibitors slept in chairs, or on the floors of bare rooms, and the man who later gave his name and fortune to Cornell University was overjoyed at finding a quarter on the sidewalk as he was enabled to buy the first hearty breakfast he had eaten in days.

The moral is, that the telegraph came not into being through private capital until after a doubting Government had much to its surprise proven it to be all Morse claimed for it, and only after the Senate in an attempt to show Morse to be a crack-brained inventor had

authorized an appropriation of \$30,000 to build a line between Washington and Baltimore. As a matter of fact some of the Senators had requested Morse to go home and forget it. Once proven, however, capital was not long in putting this greatest link between nations that the world had ever known, on a practical commercial basis.

THE PRESENT STATUS OF AVIATION

That is exactly the status of aviation today. It needs but Government interest and initiative to actively engage capital in its commercial development. Doubtters, like the poor, are always with us. They must first be shown. A most distressing story surrounds the invention and the laying of the first Atlantic cable. But determination, and the indomitable spirit of Cyrus Field, finally won for it the recognition it deserved. And more, who can but recall the crushing distress of Alexander Graham Bell during that period when he was endeavoring to prove to unbelievers the merits of his telephone, and who insisted that it presented no business possibilities.

The same skepticism accompanied the history of the development of the typewriter, adding machine and automobiles. Was not the original automobile the laughing stock of all who saw it? And were not its inventors so sensitive to the constant ridicule they received that they secluded themselves from the gaze of everyone when conducting their tests?

It would seem that with all these graphic lessons of the past our men of affairs could no longer turn their backs upon the sensational advancements of the times, and would long since have ceased to look upon new endeavors with either awe or contempt. They must fully realize that pioneers in commercial, industrial and scientific advancement are persistent souls that no discouragement, not even death, phases. The age in which we live produces men of different heart and different vision. Our men of affairs of today are no longer reactionary, they are willing to

study the new things and more patient with the originators than were our fathers. Then why is it that aviation has come to such a difficult time in gaining the recognition it so much needs?

CAPITAL SHOULD TAKE HOLD

History need not always go on repeating itself. The facts which made the evolution of our great commercial developments so difficult need not always dog the footsteps of original conception. Surely aviation deserves a better fate than that if only for the reason that so many believers have given their lives in its cause. And this will have to continue to be the case unless capital takes hold and by supplying the sinews make possible the construction of aircraft of such mechanical perfectness that unnecessary dangers may be overcome. A practical way is to supply facilities for the training of pilots, the establishment of landing fields at strategic points throughout the country and the encouragement of private enterprise for commercial manufacture.

There is, however, one overwhelming point in our favor. We possess a good number of aircraft engineers and experts, and a goodly number of promising plants wherein airplanes may be commercially manufactured, and which are well equipped with facilities for such manufactures but have been left wavering uncertainly on the edge of abandonment by the failure of the Government to supply the necessary appropriations to keep them operating until capital can be obtained from private sources. With the exception of one or two plants which are waiting in the hope that they may be the only ones in the field and without competition in the future, the greater majority of such concerns are facing much the same situation as was faced by our early automobile manufacturing plants and railroads. They wait from day to day not knowing whether they will be forced to close down, and not knowing from whence the wherewithal will come to continue.

MUST CAPITAL WAIT FOR GOVERNMENT ACTION?

The great question is: "Must capital wait for Government action before carrying into effect a programme for definite action in financing our aircraft industry?" The Government could easily lead the way if it only would, and without inordinate expenditure. Failing Government action men of finance should take the initiative into their own hands, obtain all facts regarding the industry as it stands today, list all airplane factories, grade them and determine their ability to build airplanes, and then finance them on a plan calculated to place the industry on a paying basis, not at once, but in the very near future. It can be done.

Capital should not be influenced or deterred from action by the mere examination of a balance sheet, or failure to find immediate profits on a schedule of earnings. Personally, I would not, if I were asked, work out a statement or schedule of earnings for such an enterprise, for it should be expected that those who would invest would do so not so much for what it would bring to the individual investor, but for what would result in national prestige for the United States, not at once but in the future.

AN INTELLIGENT ANALYSIS

A study of the situation brings the conviction that if airplane factories which now exist were to be financed not only for the purpose of building machines upon orders or for sale, but to build machines for themselves as exhibits, or for weight carrying purposes and fly along certain routes, a revenue would thus be earned. With an intelligent analysis of the art a return can be had much quicker than our conservative investors imagine. There are a number of well-equipped airplane concerns in the east with worthy men at their head—men who since boyhood have slept and dreamed aircraft and who are in a large measure responsible

for the advancement of the art. What are these men to do? What else could they do so well?

Is it not up to all of us to provide some way by which these men, and the scores of others in all parts of the country, may be encouraged to go on with their important work, and relieve

them from the depression which habitually follows lack of finance and understanding? Surely there is no reason why New York City, the metropolis of America, could not of itself initiate some method whereby a civic programme for the development of aviation might be worked out.



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Banking and Commercial Law

The following decisions are selected from the most important of the current decisions, handed down by State and Federal Courts, passing upon questions of the law of banking or negotiable instruments. The word "opinion," where used, indicates that the matter following is the opinion written by the court, in whole or in part.

Usury for Bank to Hold Back Part of Loan as Deposit

Planters' National Bank of Virginia
v. Wysong & Miles Company,
Supreme Court of North
Carolina, 99 S. E.
Rep. 199.

THE plaintiff, a national bank in Virginia, loaned money to the defendant on three promissory notes, aggregating \$10,349.54 at 6 per cent. interest which is the highest rate allowed by law in the State of Virginia. The bank charged interest on the entire amount of the loan, but required the plaintiff to leave 20 per cent. of the loan on deposit in the bank. The amount withheld was not subject to the borrower's check. When the bank brought suit on the notes the court decided that the transaction was usurious. The bank was therefore permitted to recover only the principal amount of the loan and was not allowed to recover any interest whatever. Under the Federal statute, which applies to national banks, where usurious interest has been charged, the penalty is a forfeiture of the entire interest and the borrower is entitled to recover back twice the amount of interest which he has actually paid. In this case the borrower counterclaimed for twice the amount of the interest which he had paid. The court held that while he was entitled to this penalty, he could not recover it by counterclaim in this action, but would have to bring a separate action for it.

OPINION

Action by the Planters National Bank of Virginia against the Wysong & Miles Company and others, with counterclaim by defendants. Verdict and judgment for plaintiff in a certain amount, and both parties appeal. Error on plaintiff's appeal, and no error on defendant's appeal.

The action was brought by the plaintiff, a national bank, to recover of the defendants the amount of three promissory notes aggregating \$10,349.54; one dated September 10, 1917, for \$4,349.54, and due on January 15, 1918; another dated September 24, 1917, for \$1,000, due January 15, 1918, and a third, October 8, 1917, for \$5,000 due on January 15, 1918. These several notes were payable at the office of the plaintiff in the city of Richmond, state of Virginia. Plaintiff sues for the recovery of the face value thereof with interest from maturity, to wit, January 15, 1918, at the rate of 6 per cent. per annum.

WALKER, J., (after stating the facts above). There are three principal questions raised in this case: First, was there usury? Second, if so, can it be recovered by way of counterclaim? Third, is the action barred by the statute?

First. If a bank loans \$2,000, at 6 per cent. interest, with the understanding and agreement that it shall retain \$500 of the amount as a deposit of the borrower in the bank, which shall not be subject to his check or his withdrawal of it but remain on general deposit under control of the bank, it is

evident that the bank is charging and receiving $7\frac{1}{2}$ per cent. interest, or $1\frac{1}{2}$ per cent. in excess of the legal rate of interest. The transaction has not even the merit of being an ingenious device to hide or conceal the usury, for it is perfectly apparent what the legal effect is, as the borrower is paying 6 per cent. on \$2,000, when he is to receive only \$1,500. The usury is plain and palpable, and there can be no doubt of the intent, on the part of the bank, to violate the law against the payment of excessive interest, or usury. There are, generally speaking, four elements of usury: (1) a loan or forbearance of money, either express or implied; (2) upon an understanding that the principal shall be or may be returned; (3) and that for such loan or forbearance a greater profit than is authorized by law shall be paid or agreed to be paid; (4) entered into with an intention to violate the law. The fourth element may be implied if all the others are expressed upon the face of the contract; the other three must be established by a sufficiency of evidence. The transaction in question clearly embraces all of these elements. The usury is indisputable. 29 Am. & Eng. Enc. (2d Ed.) p. 509, states that—

“In the case of loans or discounts by a bank at the highest legal rate of interest, a provision that the proceeds of the loan or discount or any part thereof shall be kept as a deposit in the bank during the period or a portion of the period of the loan renders the transaction usurious, for the reason that the borrower thus pays interest on money which he does not receive or have the use of.”

It was held in *Gilder v. Hearne*, 79 Tex. 120, 14 S. W. 1031, that where the statute provides that all contracts which, either directly or indirectly, stipulate for a higher rate of interest than 12 per centum per annum, shall be void and of no effect for the whole rate of interest, a note for \$1,380, bearing interest at 12 per centum, for which only \$1,200 is received by the maker, is usurious. *Judge Denio*, in *East*

River Bank v. Hoyt, 32 N. Y., 119, 126, said that—

“The character of the transaction, and particularly the material feature, that \$500 of the money borrowed and for which interest was paid, was to be retained by the lender until the expiration of the credit, is conceded by all the evidence. It was illegal to stipulate for such an advantage. In that, the case shows a contract for usury, with scarcely an attempt at disguise.”

Chancellor Halstead said of a transaction substantially similar to this one:

“I think it is well calculated to show how very hard is the way of the transgressor; and to impress upon us the truth that if shallow devices are to be permitted to succeed in overcoming the defense of usury, great elasticity of conscience, and great injury to the cause of morals, will be the result.” *Cummins v. Wire*, 6 N. J. Eq. 73, at page 84.

He added that the plaintiff with “studied sentences” could not disguise or conceal the usury, which was so glaring, and that his replication to the charge of demanding and receiving usury amounted “to nothing and a little less,” and concludes that the case, then, as it stood when the bond and mortgage were executed, is clearly proved as set up in defense by the answer of *Magie and Sandford*. It was a loan of \$1,900, and the taking, therefore, a bond and mortgage for \$2,000, and interest thereon. This is clearly usurious.

Another case like the one at bar is *Butterworth v. Pecare*, where it was held that, in an action by the receiver of a banking incorporation against the indorser of a note, an answer alleging that the bank of which plaintiff is receiver discounted the note on which he sues, upon a corrupt agreement against the form of the statute that the defendant should receive \$300 (the amount of the note being \$500, and it being payable three months from its date), and leave the remaining \$200 in the bank until the note became due, then

to be applied towards its payment, sufficiently states the defense of usury. Where it is proved that the bank discounted the note at the full legal rate for the time it had to run, and required the indorser to give them his check for \$200, in pursuance of an agreement to that effect, on which it was discounted, and the next day charged this check against the credit given on the discount, a verdict finding usury should be sustained. Charging the check in account shows that the indorser was to have the use of only \$300, less the discount on \$500, and was to pay therefor interest on \$500. Upon such facts it would be proper to instruct the jury to find for the defendants. 8 Bosworth (N. Y.) 671. And to the same effect is *Barr v. Am., etc., Pisgah Church*, 10 Atl. (N. J. Ch.) 287. It was there held that where one, as agent of the mortgagee in the negotiation of a mortgage after the execution of the same, held it for three or four months, and delayed payment of the money due, and then, on the order of the mortgagors, advanced part of the money, and collected interest on the full amount of the mortgage, and on foreclosure proceedings it appeared that the subsequent acts of the agent were in part, if not altogether, the acts of the mortgagee, held that the mortgage was subject to the penalty of the New Jersey statute respecting usury, which provides that the true sum loaned, without interest or costs, only can be collected. It has also been held that where a person lends a sum of money, the repayment of which with interest at the rate of 6 per cent. is secured by a mortgage, and at the time of the loan and in consideration of it a portion of the money in excess of the legal rate of interest is returned to him by the borrower, the transaction is usurious. *Andrews v. Poe*, 30 Md. 486. See also *Vilas v. McBride*, 62 Hun, 324, 17 N. Y. Supp. 171.

This kind of usurious agreement has been cast in various forms, but the courts have invariably stripped it of its flimsy disguise, and decided according to its substance and its necessary

tendency and effect, when the purpose and intent of the lender are unmistakable. And this is the correct rule. *Uhlfelder v. Carter's Adm'r*, 64 Ala. 527. In *Clark v. City of Des Moines*, 19 Iowa, 199, 87 Am. Dec. 423, it was held that warrants issued by a municipal corporation in payment of a judgment at the rate of \$1 in warrants for every 75 cents due on the judgment are tainted with usury. See, also, *Webb on Usury*, § 27 et seq. But we are of the opinion that the principle of *Ehringhaus v. Ford*, 25 N. C. 522 and 529, denounces this kind of transaction as usurious. It was held that, where a bank of this state agreed to lend to an individual notes of a Virginia bank, which were at a depreciation in the market, below both specie and the notes of the bank in this state, and the borrower was to give his note at 90 days, to be discounted by the bank, and to be paid in specie or in the notes of the bank making the loan, the note given in pursuance of this agreement was void for usury, though the borrower stated at the time that he could make the Virginia notes answer his purpose in the payment of his debts to others. Usury consists in the unlawful gain, beyond the rate of 6 per cent., taken or reserved by the lender, and not in the actual or contingent loss sustained by the borrower. The proper subject of inquiry is, what is the lender to receive, and not always what the borrower is to pay, for the forbearance. In the course of the opinion it was said by Judge Gaston:

"If the agreement was that the borrowers should receive the amount lent, after deduction of the discount, in notes known to be depreciated at their nominal value, and at the expiration of the term should repay that amount in lawful money, or in a currency less depreciated than that in which it was advanced, without further explanation, an assurance to carry that agreement into execution would be usurious. It is manifest that by that assurance there is reserved to the lender, after taking out legal discount, the difference between

the actual value of what was lent and what is to be returned. This is prohibited gain."

And again:

"The proper subject of inquiry is what is the lender to receive, and not always what the borrower is to pay, for the forbearance. Where the entire gain of the lender is derived from the borrower, the profit of the former and the loss of the latter are necessarily commensurate. But it is always safer to apply, when we can, the standard given by the law, than to make use of any other, however exactly in general it may appear to correspond therewith."

While the transaction is usurious, and the plaintiff can recover only the principal of the debt (*Barnet v. Bank*, 98 U. S. 555, 25 L. Ed. 212), the defendant cannot counterclaim for twice the amount of interest actually paid, because the federal court of last resort, whose decisions upon the construction of the statute are both authoritative and conclusive upon us, has decided, in several cases, that the recovery cannot be had by way of counterclaim, but that payment of the penalty can be enforced only by a separate and independent action "in the nature of an action of debt." The principle is well stated by that court in *Barnet v. Bank*, *supra* (98 U. S. at pages 555, 558, 25 L. Ed. at pages 212, 213), as follows:

"(1) Where illegal interest has been knowingly stipulated for, but not paid, there only the sum lent without interest can be recovered. (2) Where such illegal interest has been paid, then twice the amount so paid can be recovered in a penal action of debt or suit in the nature of such action against the offending bank, brought by the persons paying the same or their legal representatives. The statutes of the states "upon the subject of usury may be laid out of view." They cannot affect the case. Where a statute creates a new right or offense, and provides a specific remedy or punishment, they alone apply. Such provisions are exclusive. *Bank v. Dearing*, 91 U. S. 29, 23 L.

Ed. 196. * * * In the third defense is set forth the like payment, * * * and there is a claim to recover double the amount paid by way of counterclaim in the pending suit on the bill. This pleading is also fatally defective for the same reason as the first one. The remedy given by the statute for the wrong is a penal suit. To that the party aggrieved or his legal representative must resort. He can have redress in no other mode or form of procedure. The statute which gives the right prescribes the redress, and both provisions are alike obligatory upon the parties. While the plaintiff in such cases, upon making out the facts, has a clear right to recover, the defendant has a right to insist that the prosecution shall be by a suit brought specially and exclusively for that purpose, where the sole issue is the guilt or innocence of the accused, without the presence of any extraneous facts which might confuse the case and mislead the jury to the prejudice of either party."

In *Schuyler Natl. Bank v. Gadsden*, 191 U. S. 451, 24 Sup. Ct. 129, 4 L. Ed. 258, the court, through Justice White, said:

"The question of decision is: Did the Supreme Court of Nebraska rightly decide that the controversy concerning usurious interest paid was to be governed by the statutes of Nebraska on that subject, and not by the laws of the United States on the same subject, as expressed in section 5198 of the Revised Statutes (U. S. Comp. Stat. 1901, p. 3493)? We say this is the sole question, because it is undoubted that if the rights of the parties are to be determined by the laws of the United States, the ruling below was wrong. This results from the prior adjudications of this court holding that, where usurious interest has been paid to a national bank, the remedy afforded by section 5198 of the Revised Statutes (U. S. Comp. Stat. 1901, p. 3493) is exclusive, and is confined to an independent action to recover such usurious payments. *Haseltine v. Central Nat.*

Bank, 183 U. S. 132, 46 L. Ed. 118, 22 Sup. Ct. 50, and cases cited."

The court then held that the Nebraska court should have laid out of view the state law, and determined the rights of the parties according to the law of the United States, which is that the penalty cannot be recovered by counterclaim, but only by a separate and distinct action. The cases in the highest federal court have been perfectly uniform to this effect, and we cannot disregard them; but it is our duty to follow the decisions of that court, though we may radically disagree with the reasoning. These are the cases: *Barnet v. Bank*, 98 U. S. 555, 25 L. Ed. 212; *Bank v. Dearing*, 91 U. S. 29, 23 L. Ed. 196; *Driesbach v. Bank*, 104 U. S. 52, 26 L. Ed. 658; *Stephens v. Bank*, 111 U. S. 197, 4 Sup. Ct. 336, 28 L. Ed. 399; *Bank v. Morgan*, 132 U. S. 141, 10 Sup. Ct. 37, 33 L. Ed. 282; *Haseltine v. Bank* 183 U. S. 132, 22 Sup. Ct. 50, 46 L. Ed. 118; *Bank v. Gadsden*, 191 U. S. 451, 24 Sup. Ct. 129, 48 L. Ed. 258; and perhaps others. Those above cited are sufficient to show that the rule of construction in respect to this matter has been well established so that we cannot depart from it, it being the law and as much so as if the very words, "by a separate and an original action," had been inserted in the statute. We must adopt that construction by following the highest judicial court, as said by us at the last term, through Justice Hoke, in *Belch v. Railroad Co.*, 176 N. C. 22, 96 S. E. 640, where it was held that our rule cannot prevail, where there is, according to the construction of the highest federal court, provision to the contrary in the federal statute, citing *United States v. Boomer*, 183 Fed. 726, 106 C. C. A. 164. This construction of the federal statute (U. S. Rev. Statutes, § 5198 [U. S. Comp. St. § 9759]), as to usury, has been so firmly settled that state courts, which had held otherwise, reversed their decisions when *Bank v. Dearing*, supra, and *Bank v. Barnet*, supra, were decided, and attention is called to that fact by

the United States Supreme Court in one of its decisions. Notable instances of such reversals are *Haseltine v. Bank*, 155 Mo. 66, 56 S. W. 895, affirmed in 183 U. S. 132, 22 Sup. Ct. 50, 46 L. Ed. 118; *Bank v. Dushane*, 96 Pa. 340; *Bank of Lewis*, 81 N. Y. 15; *Caponigri v. Altieri*, 165 N. Y. 255, 59 N. E. 87; *Huggins v. Bank*, 6 Tex. Civ. App. 33, 24 S. W. 926. This court, in *Oldham v. Bank*, 85 N. C. 241, holds that we are to be governed by the ruling of the federal court of last resort; Justice Ruffin saying:

"The result of the decisions, both of this and the Supreme Court of the United States, is that no state law upon the subject of usury can be made to apply to national banks, and that the only law which touches them in this respect is the provisions of the statute under which they are organized. The construction given to those provisions, too, by that court must be respected and accepted by every other tribunal, seeing that it is the court of last resort whose jurisdiction extends to the subject. And it is well, perhaps, however some of its determinations may differ from preconceived opinions, that we have a court whose judgments in such matters can have universal prevalence."

He then refers to *Barnet v. Bank*, 98 U. S. 555, 25 L. Ed. 212, as deciding that usurious interest paid to a national bank cannot be pleaded by way of set-off or payment on the principal of the debt, the sole and exclusive remedy being by a separate, and simple, action of debt unmixed with any other matter, and follows that decision. He further says:

"Influenced by this decision [*Barnet v. Bank*, supra], as we feel ourselves to be, the Supreme Court of Pennsylvania, in * * * *Bank v. Dushane*, 96 Pa. St. 340 [recently decided], made a similar ruling by which it overruled many of its previous adjudications. As we read the decision, it goes to the full length of saying that in an action brought by a national bank the plea of usurious interest paid, whatever be its form, can avail nothing, and that

no action for a like cause, of whatever nature, lies against such an institution save the one given in terms by the statute."

The Court of Appeals of New York held, in respect to this question and the federal statutes of 1882 (Act July 12, 1882, c. 290, 22 Stat. 162) that, in an action brought to recover the amount of a promissory note discounted by a national bank, it cannot be set up by way of counterclaim or set-off that the bank, in discounting a series of notes, the proceeds of which were used to pay other notes, knowingly took a greater rate of interest than that allowed by law. The remedy in such case is a separate action of debt to recover back twice the amount paid. The rule laid down in this case upon a former argument (*Nat. Bank of A. v. Lewis*, 75 N. Y. 516, 81 Am. Rep. 484), was modified, as above, in conformity with the decision in *Barnet v. Nat. Bank*, 98 U. S. 555, 25 L. Ed. 212, which the court held to be controlling.

The other exceptions are untenable or without merit. It would seem that they now become irrelevant, as we will direct judgment to be entered for the plaintiff according to the finding upon the fourth issue, and the prayer of his complaint; that is, for the principal of the debt without interest, except as specified in that issue. But we discover no error in the other rulings to which exceptions were taken. A decision of the question raised by the plea of the limitation contained in the federal statute becomes, of course, unnecessary.

It all results in this: That the counterclaim must be dismissed, and that the judgment be modified so as to strike therefrom all recovery upon the same, and that judgment be entered for the plaintiff upon the fourth issue and the answer thereto, without deduction therefrom, or diminution thereof, by reason of any penalty for unlawful interest paid, the amount to be inserted in the judgment being \$10,449.54, with interest from January 15, 1918. This gives the defendant the benefit of the

forfeiture of interest, but not of the penalty, under the federal statute.



Denial of Application for Bank Charter

State ex rel. Dodd v. Hill, Banking Commissioner, Supreme Court of Appeals of West Virginia, 100 S. E. Rep. 286.

The laws of West Virginia provide that "no charter shall be issued to any bank to do business in this state until the application therefor has been approved in writing by the commissioner of banking." Under this provision it is held that the matter of approving applications rests in the discretion of the banking commissioner and that, where he refuses to approve, his decision will not be overruled by the courts unless it clearly appears that he has wilfully and arbitrarily disregarded his duty.

OPINION

Mandamus by the State, on the relation of C. I. Dodd and others, against J. S. Hill, Banking Commissioner, etc. Writ denied.

LYNCH, J. Guided by his own construction of section 78, c. 54, Code (sec. 3031), as amended by chapter 21, Acts 1913, prescribing his authority as commissioner of banking, J. S. Hill declined to issue a certificate of approval of the application of C. I. Dodd and others for authority to establish a state bank at Elk View, in Elk district, Kanawha county, to be called and known as Elk View Banking Company. To compel the issuance of such certificate, petitioners applied to this court for and obtained an alternative writ requiring him either to comply with the writ forthwith or appear and show cause for not doing so. To the petition respondent appeared and demurred, moved to quash the writ, and filed his

return, to which petitioners demurred.

Speaking as of the date at which the amendment of 1918 became effective, the Legislature declared that "hereafter no charter shall be issued to any bank to do business in this state until the application therefor has been approved in writing by the commissioner of banking." It is by virtue of this power that respondent seeks to justify his action in withholding the certificate without which no new state banking institution lawfully may open its doors for the transaction of business in this state.

As to the power of the Legislature to enact a provision of this character there is no question raised, but the existence of the power is conceded, and nothing need be said upon that subject except to remark that while judicial decisions are not entirely in accord, the greater number uphold such or similar enactments as within the scope of the regulatory authority of Congress and of the Legislatures of the several states.

Respondent's return, petitioners say, is not sufficient to justify the withholding of the commissioner's approval of their preliminary application for the privilege of engaging in the banking business, and that upon such application the only duty he then was required to perform was to determine the formal sufficiency of the papers presented for examination and approval. The language of the statute does not so limit or circumscribe the powers it purports to confer upon the office thus created. Besides, there was no need to regrant such a right to test the legal sufficiency of such preliminary documents, as that right then belonged and still belongs to the office of the secretary of state, and it is there that such a test is made.

Respondent in the return defends his action in part by showing like action by former occupants of the office in similar circumstances, and a virtual ratification or indorsement of the construction given by him and them of the provisions of section 78 in this: That the Legislature of 1919, presum-

ably knowing and consenting to such construction, amended and re-enacted the section in other particulars, but left intact the provision so construed.

But, granting the scope of the power to be as broad as the respondent says it is, petitioners claim that his action, nevertheless, was wholly unjustifiable and arbitrary, and that none of the reasons relied on to justify the rejection of their application were sufficient for that purpose. Before condemning as arbitrary and unreasonable the action of an officer charged with the performance of an important public duty, a court should carefully scrutinize the grounds assigned for so doing. Looking to these we find the only charge to be that the banking commissioner acted adversely upon the application on the day it was presented to him for approval. Promptness in the discharge of a public duty ordinarily is worthy of commendation rather than adverse criticism of the officer. It does not necessarily signify failure to give thoughtful consideration to the matters involved before determining what action a proper discharge of his duty required him to take. Besides, according to his return, he "seriously considered all questions connected with the location of said bank and reached the conclusion that from a banking standpoint a bank was not needed at such place, and would not be able to be of any value to the stockholders, or any real value to the people of that community; that respondent was of opinion that the territory in a commercial sense tributary to said Elk View would be very small and was not sufficient to properly support a bank and enable that bank to pay the heavy expenses connected with the operation thereof and make any returns to the stockholders, and respondent's experience has been that unless a bank can make sufficient money for such purposes it is of no value to the public, and in many instances has been really a menace to the interests of the community.

"Respondent further says that in view of late events in one section of West Virginia it can be better appreci-

ated that there is a grave responsibility resting upon respondent in connection with his duties under the law, and that respondent is advised under the law that one of the methods given to him for the protection of the public is to carefully scrutinize every application for a charter for a new bank, and to take into consideration everything connected therewith in each individual case, and that this especially includes the location of the bank, the territory contributory thereto, its possibilities and probabilities from a banking standpoint, and that in this case he has given much attention to all these and other questions connected therewith, and in the exercise of his best judgment as a sworn officer of the state of West Virginia he has arrived at the conclusion that this application should not be approved."

If, as we believe and hold, the matters stated are fairly considered within the scope of the authority conferred by the Legislature, and the officer upon whom such authority devolved duly considered them, as he solemnly swears he did before deciding to withhold approval, the writ ought not to issue; for while this court may by mandamus compel action in good faith by an officer clothed with discretionary power, we will not award the writ for such purpose unless it appears that he has clearly and wilfully disregarded his duty, or that his action was flagrantly wrong working unjust results, or that his decision was due to caprice, passion, partiality or corruption. *Dillon v. Barc & Carter*, 60 W. Va. 483, 56 S. E. 390.

Two recent decisions, one by the Supreme Court of Illinois, in *People ex rel. Schweder v. Brady*, 268 Ill. 192, 108 N. E. 1009, the other by the Supreme Court of New York, Appellate Division, in *In re Lunghino & Sons*, 176 App. Div. 285, 163 N. Y. Supp. 9, construing provisions regulating banking institutions and conferring authority on specified public officers similar to that dealt with here, support the principle stated in *Dillon v. Barc*, supra. Speaking of the provision of the New York Banking Law (Consol.

Laws, c. 2) which "makes the approval of the superintendent a condition precedent to the doing of any act," the court held that it lay within his sound discretion to grant or refuse his approval, and, though a later section conferred upon the court the right to review the action of such official, the exercise of that right was held to be restricted to instances where he acted arbitrarily and without good cause, or where there had been an abuse of discretion, and that "acts properly within such discretion are not subject to judicial review at the instance of some one claiming that a different decision should have been made."

Likewise, *First Nat. Bank of Capitol Hill v. Murray*, 212 Fed. 140, 128 C. C. A. 652, held not reviewable acts of the Comptroller of the Currency done within the scope of the powers conferred on him by the National Banking Act (Act June 20, 1874, c. 343, 18 Stat. 123) as to control and visitation.

Some of the matters alleged by respondent for his refusal to approve the initial steps taken for the establishment of the proposed bank may not, as petitioners say, be sufficient. But when the return is considered in its entirety in the light of the objects of the state banking act taken as a whole, and in view of the authorities, it presents facts, circumstances and conditions such as we think do not warrant us in awarding the peremptory writ. Apparently the chief purpose of the Legislature in enacting the state banking law was to regulate the banking business and render it more efficient and more safe for those who intrust money to them. These considerations and numerous others of similar and like character have co-operated to induce such legislation by many if not all of the states, following congressional action as the safest and best criterion. Depositors have suffered severe losses by the failure of banks, due sometimes only to the lack of business enterprise in the community to create a demand for capital, but generally because of the dishonesty or incapacity of bank

officers or agents, and when insolvency occurs, as it often does from one or both causes, it is usually the depositor least capable of sustaining the loss who suffers most seriously.

What motive prompted the creation of the office and the enactment of the provision granting such authority if the Legislature did not intend the public to derive some substantial benefit and protection from the power granted? Certainly there was no public demand

for protection against injury from informality in the application for the privilege of engaging in the business. No serious results have flowed from that source. It was to reduce the probability of mishaps and losses of the nature mentioned above that the banking commissioner was intrusted with such power, and to achieve that end a certain discretion must be allowed him in the exercise of his duties.

Writ denied.

Labor and Production

By NOBLE FOSTER HOGGSON

THE chief reason Bolshevism has failed and will continue to fail to make any headway in this country is that the American workingman, in spite of the high cost of living and other troubles, real or imagined, is the most prosperous laborer in the world. In fact, he is the representative of the most prosperous class in this country if his prosperity be estimated on a scientific basis of comparative values rather than money values, for he has made greater strides toward equalizing income and outgo than any other person in the social scale, and he alone has been able to demand and get an increase in income as soon as living costs have risen. Business men who would postpone the resumption of industrial activities at full pressure while waiting for the wage level and other cost levels to fall, hoping by such action to force a decline in the cost of labor, are unknowingly attempting to blast holes in the dykes that are protecting our nation from all the horrors of blood-soaked Russia.

The newspapers have told us of the concerted efforts that have been made for a year or more to introduce Bol-

shevist doctrines and Bolshevik methods of misgovernment in this country; but the same men who were terrified six months ago by the outlook for the immediate future are agreed today that the radical doctrines of Russian extremists cannot be transplanted successfully to American soil. To some persons who know the workingmen of this country only through the utterances of a few of their more radical spokesmen, it has come as a surprise to learn that the failure of the Bolsheviks to gain a foothold here has been due largely to the American workingman himself, who heard the Bolsheviks' arguments only to laugh them aside.

The average laborer in this country, even the unskilled laborer, is not an ignorant person. He knows that he is prosperous, and that he will continue to be prosperous if he continues to watch out for his own welfare as assiduously as he has done in the past and does not become too unreasonable in his demands; he knows that as soon as the cost of living advances his wages will advance, and that, whatever the conditions of life may be for others, he will always be able to earn a living

wage. Knowing that his trades unions and his special representatives in Congress and elsewhere are capable of looking out for his welfare in the future as in the past, the American workingman is well satisfied to rely upon the machinery he has at hand without experimenting with the strange contrivances of a disturbed Europe.

Leaders of industry who are disturbed by the high labor cost of their products and who are hoping to see the cost of labor decline in the near future are due to be disappointed, for the relative cost of labor will remain the same a year from today and the likelihood is that the actual cost will be higher rather than lower. Those industrial leaders who, in addition to hoping for such a decline in the wage scale, are intentionally or unintentionally helping to bring it about by deferring necessary business activities such as building operations are, as a matter of fact, unwittingly helping, instead of checking, a tendency which would give the Bolshevik the opportunity he seeks in America—they are threatening the sources of that prosperity which is today making the American workingman one of the strongest bulwarks against the Bolshevik and are undermining the workingman's confidence in the good sense and far-sightedness of his employer.

The danger that such a situation as this may be created is not, however, an imminent danger, because the industrial leaders who take this short-sighted view are growing fewer every day. The number of contracts for new construction operations that have been let in the past few months and are due to be let in the next few weeks show that many business men are awake to the need of going full speed ahead instead of waiting for cost declines that will not come. The slower investors will be forced to trail behind their more progressive leaders and in the end will pay as high, or perhaps higher, for their postponed work,

in addition to losing time and profit that a little foresight would have saved them.

A lesson learned from the war itself points the way out of the maze of uncertainty and unrest which has followed the sudden transition from war to peace. The employer, the merchant, the industrial producer, all are confident of the future, yet few dare start ahead with firm tread. The reason for the uncertainty is lack of confidence. The broad confidence which every man had in his neighbor while the war was on dwindled to a pin-point when the war emergency disappeared.

Yet here lies the opportunity for making the industrial life of the nation a better and more stable element in its welfare. If each class that is engaged in the task of restoring the country's prosperity would help revive the spirit of trust, confidence and cooperation manifested during the war, believing that their better natures should stand revealed in peace times as well as during the stress of war, a happy start would be gained toward the reconstruction of America into a better, happier, more prosperous place in which to live. The trend toward such a movement for the substitution of cooperation for competition has already shown itself, and it promises to bring business and industrial relations to a higher level than has ever been reached before.

Without close cooperation the war would never have been won, and without continued cooperation along both ideal and practical planes it will never be possible for this country to meet successfully the vital issues created by the complex reconstruction problems of the day and the sudden change from abnormal war conditions to subnormal peace conditions. But no amount of cooperation will be of much avail if it consists merely of a passive laying aside of jealousies and antagonisms. The immediate, urgent need is for production—active production on a scale such as America has never seen.



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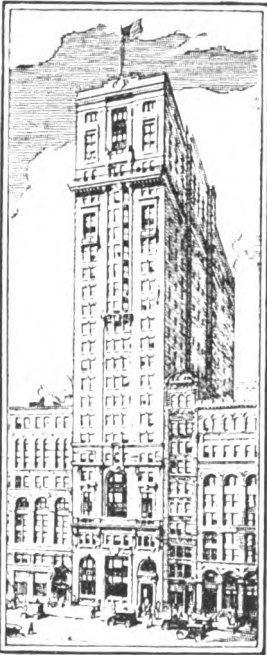
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Economic Conditions in France

THE FRENCH MERCANTILE MARINE

A BILL has been introduced by Mr. Klotz, the French Minister of Finance and Mr. Claveille, the French Minister of Public Works, asking for one billion 950 millions of francs for the reconstruction and augmentation of the French mercantile marine. The growing need of France's foreign trade and the necessity of repairing the losses suffered during the war are the chief reasons advanced in behalf of such a measure. Moreover, France is determined to take a more active part in world's shipping demands than has been possible hitherto. To accomplish such a purpose a material encouragement on the part of the state is imperative, although the private companies have already augmented their tonnage and have received financial assistance from the French public.

In his special report to the Chamber of Deputies Mr. Claveille calls attention to the fact that the French mercantile marine was before the war inferior to the commercial needs of the country. This situation has been aggravated by the submarine war. The total of France's mercantile marine before the war amounted to only 2,440,000 tons. The losses sustained by it during the war amounted to 900,000 tons. The programme which must be carried out for the rehabilitation of France's mercantile marine should consist, according to Mr. Claveille, of the following points. In the first place regular service must be reestablished between France and Corsica, Algeria, Tunis, Morocco, Occidental Africa, and all other colonies. The French mercantile marine should be augmented so that it should be large enough to carry all French merchandise destined for export as well as the goods imported from foreign countries. To meet this demand

it will be necessary to build a mercantile fleet of at least five million tons.

FRANCE'S TRADE WITH ITALY

French export trade with Italy has considerably diminished in proportion to that of the last two years. The merchandise exported during the first six months of 1917 amounted to 568,780,000 francs, and during the same period of 1918 it amounted to 389,483,000 francs. On the other hand, the exports to Italy during the first six months of the current year amounted to only 154,132,000 francs. The diminution includes especially pit-coal (13 millions in 1919 instead of 112 millions in 1918), silk, cotton, and manufactured goods.

The total of importations from Italy amounts to 323,202,000 francs for the first six months of 1919 against 389,271,000 francs for the same period in 1918. Among the imported goods are: manufactured cotton articles, sulphur, hemp, wines, fruit, silk, etc.

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

The operations of change at guaranteed terms, which represent one of the most important forms of financial help given to the French State by the Comptoir National d'Escompte in order to facilitate payments abroad, have reached on December 31, 1918 the amount of 103,756,763 francs; which represents an augmentation of 49,961,783 francs over the amount of the preceding year. This difference was caused by the participation of the bank in the Spanish credit of 455 million pesetas.

Furthermore, the Comptoir National d'Escompte has taken a large share in the operations of the French Treasury, by renewing Bonds and Obligations of the National Defense, by rebuying foreign securities and by contributing to the Loan of Liberation. The total of financial operations effected by the in-

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stitution on behalf of the French State amount for the year 1919 to 5 billions 750 million francs.

Besides the help given to the French Treasury, the Comptoir National d'Es-compte has participated in placing the Moroccan Loan of 5 per cent, guaranteed by the French Government, as well as in the obligations of the Company of the North Railway. Its participation in other private enterprises covers all branches of commerce and industry. In short, the Comptoir National d'Es-compte has contributed to the promotion of national wealth and production at a time when such help was mostly needed by the country.

THE BONDS OF NATIONAL DEFENSE

The introduction of Bonds of National Defense met with success throughout the country during the war. The following figures show their increasing popularity. The net product of the bonds amounted in 1915 to 7,746 millions of francs, 9,284 millions in 1916, 11,518 millions in 1917, and 15,856 millions in 1918. The product of Bonds in 1919 will, according to an official estimation, amount to about 24 billions of francs. The success of the Bonds of National Defense is chiefly due to the absolute guarantee it carries, its facility as an elastic means of financial business, and its interest bearing feature.



Economic Conditions in Italy

THE TAX ON CAPITAL

A TAX on capital is proposed by Signor Schanzer, the Italian Minister of Finance, the tax to take the

form of a "forced loan" bearing interest at a small rate, not more than two per cent. The repayment of the amount loaned by the state will be effected grad-

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ually and during a long period. The new "tax" will, however, not apply to small fortunes under 50 thousand lire. The amount claimed by the state will be progressive in proportion to the amount of the capital. The foreign capital invested in Italy will be exempted from such a measure. It is expected that the state will receive about twenty billion lire by carrying out the proposed tax on capital. It is further believed that such a measure will not affect the financial operations of the country, but will merely contribute to the amelioration of Italy's financial position abroad.

A special commission has been appointed to study the means by which the "forced loan" will be effected. There are three categories into which all fortunes fall according to the judgment of the commission. The first comprises fortunes from 50,000 to 100,000 lire; which will contribute one per cent of the capital; the second comprises the fortunes from 100,000 to half a million lire and will yield two per cent of the

amount; the third category includes all fortunes above half a million lire and will loan to the state three per cent of their amount. A further category may be invented with a higher rate of contribution for very large fortunes. The duration of the "loan" will be from thirty to fifty years.

ITALY'S COMMERCIAL RELATIONS WITH RUMANIA

Italy has inaugurated a new policy lately to develop commercial relations with Rumania. The president of the Rumanian Chamber of Commerce of Bucharest, together with several prominent Italian business men, has taken the initiative in promoting trade between the two countries. Rumania's need of manufactured goods and Italy's demand for cereals and petroleum form a solid basis upon which such a trade may be developed in a spirit of mutual interest. It is urged that Italy should hasten to take the place of the German and Austrian industries, which be-

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fore the war held sway in Rumania. For the realization of this purpose it is necessary that Italy send commercial agents and consuls to Rumania to study the special demands of the Rumanian market. The Rumanian Government has already sent several consuls and commercial attaches to Italy in order to facilitate the trade relations between the two Latin countries.

ITALY AND BELGIUM

The following points are extracted from an article in the "Revue Financiere et Economique d'Italie," signed by Mr. Gaston Pomba, Secretary of the "Revue Belge." There was a tendency in Italy before the war to believe that Belgium had a market exclusively controlled by German industry. However justified might have been this opinion before the war, it is no longer tenable. To-day Belgium has recovered her complete economic independence and is looking for coöperation with the allied and Latin countries. Belgium needs

Italian machinery in order to restart her industries crippled by the German invasion. Her industrial plants are beginning to work, but there is still much to be done before they will be able to accomplish their pre-war output. The chief obstacle to this development is the lack of machinery. Italy is in a position to help Belgium in this respect much easier than any other European country on account of her developed industries during the war.

THE MERCANTILE MARINE

On 31 December 1918 Italy's mercantile marine consisted of 408 boats, of which 364 were national and 44 sequestered, amounting to 631,822 tons. Since that date the merchant fleet of Italy has been augmented by the acquisition of several boats bought in England. The total of these acquisitions approximates 600,000 tons, which brings the total of Italy's mercantile marine up to 1,231,822 tons.

The Yokohama Specie Bank, Ltd.

[Yokohama Shokin Ginko]

HEAD OFFICE, YOKOHAMA, JAPAN

(\$0.50=1 Yen)

Capital Subscribed .
Capital paid up . . .
Reserve Fund



.. Yen 100,000,000
.. Yen 61,000,000
.. Yen 28,000,000

DIRECTORS

NAKAJI KAJIWARA, President
NAGATANE SOMA
MASNOSKE ODAGIRI
BARON KOYATA IWASAKI
REITARO ICHINOMIYA
KENJI KODAMA

SHIMAKICHI SUZUKI, Vice-President
KIMPEI TAKEUCHI
KAISAKU MORIMURA
MORINOSUKE MITSUI
IWAO MATSUKATA
KONOJO TATSUMI

YUKI YAMAKAWA

Branches and Agencies

Tokyo	Sydney	Peking	Kobe	Calcutta	Tientsin	Manila
Osaka	Hongkong	Pai en	Nagasaki	Singapore	Newchwang	Rangoon
London	Hankow	Fengtien	Lyons	Shanghai	Harbin	Soerabaya
Bombay	Chi-Nan	Changehun	Honolulu	Tsi gtau	Shimonoseki	Buenos Aires
Vladivostok		Kaiyuen		Batavia		Rio de Janeiro

Agencies in United States

New York San Francisco Los Angeles Seattle

The Bank buys and receives for collection Bills of Exchange, Issues Drafts and Telegraphic Transfers and Letters of Credit on its various branches and elsewhere, and transacts a general Banking Business

NEW YORK OFFICE - - - 120 BROADWAY
R. ICHINOMIYA, Agent

Economic Conditions in Spain

CREDITO DE LA UNION MINERA

FUNDAMENTAL measures have been taken by the assembly of the stockholders of the Crédito de la Union Minera. First of all the capital of the institution has been augmented from 20 to 50 millions of pesetas with a fifty per cent. premium, the bank realizing thereby a benefit of 15 million pesetas. The council of administration is allowed to issue 10 million pesetas (nominal) with the said premium of fifty per cent., by offering the new shares on the basis of one for two old ones. The bank purposes to extend its financial operations abroad and to promote the commercial and industrial development of the country.

NEW BRANCHES OF SPANISH BANKS

The Banco Hispano Americano has opened a new branch at Pampeluna in order to meet the demand of its in-

creased activities. For the same purpose the Banco de Albacete has inaugurated new branches at Ciudad Real, Alicante, and Murcie. The development of the Banco de Albacete has been especially important during the last few years. It already has a capital of 5 millions of pesetas and a reserve fund of 2,700,000 pesetas.

NEW BANK AT BARCELONA

The Banco Urquijo Catalan has been founded at Barcelona with a capital of 25 millions of pesetas. The new bank is designed to protect and promote the development of foreign trade as regards the province of Catalonia, by facilitating the import of raw materials and the export of manufactured products. It will equally support the production by allowing credit on merchandise and by opening branches abroad. It is thereby believed that the new financial establishment will prove an important factor in

National Bank of Commerce in New York

PRESIDENT

JAMES S. ALEXANDER

VICE-PRESIDENTS

J. HOWARD ARDREY
 JOSEPH A. BRODERICK
 GUY EMERSON
 HERBERT P. HOWELL
 LOUIS A. KEIDEL
 D. H. G. PENNY
 JOHN E. ROVENSKY
 FARIS R. RUSSELL
 STEVENSON E. WARD
 ROGER H. WILLIAMS

CASHIER

RICHARD W. SAUNDERS



ASSISTANT CASHIERS

H. P. BARRAND
 L. P. CHRINTENSEN
 E. C. GERSTEN
 GASTON L. GHEGAN
 E. F. HIGGINS
 W. F. HOFMAYER
 JOHN J. KEENAN
 EDWARD W. McDONALD
 A. F. MAXWELL
 FRANZ MEYER
 DON L. MOORE
 A. J. OXENHAM
 R. H. PASSMORE
 EDWARD H. RAWLS
 EVERETT E. HISLEY
 H. W. SCHRADER
 E. A. SCHROEDER
 H. C. STEVENS

CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$50,000,000

the constant growth of Spain's foreign trade, which during the war has attained a greater development than at any other period in the history of the country.

The president of the bank is the Marquis de Urquijo. The direction of the establishment is under Mr. Juan Carrera and that of the council of administration under Mr. Felix Escalas.

COMMERCIAL RELATIONS WITH FRANCE

A French commercial office has been founded in Madrid for the purpose of adjusting the commercial relations be-

tween France and Spain. It will be remembered that these relations have been developed during the war, when Spain furnished France raw materials, food-stuffs and manufactured goods. The loan accorded to France by a consortium of Spanish banks has equally contributed to increase the trade balance between the two countries. The commercial office is under the supervision of the French Minister of Commerce and Foreign Affairs, and is run exactly like those established recently in Zurich and London.



The Financial Situation in Chili

BY MARCOS G. HUIDOBRO, CONSUL OF CHILE IN NEW ORLEANS

ACCORDING to the latest report of the Minister of Finance of Chile the financial situation of the country can be condensed as follows:

Revenue for 1918.....	\$82,640,000.00
Expenses	71,320,000.00
Superavit	\$11,320,000.00

in American currency converted at \$0.365 for "peso" gold and \$0.20 for "peso" paper.

NATIONAL PROPERTIES

During 1918, 263 properties were appraised and added to the general assets of the Government, valuation of which was 12,500,000 paper "pesos" or approximately \$4,562,500.00 American money. The total number of properties, registered at the close of 1918 as belonging to the Government was 9,542 valued at \$340,000,000 (pesos) or approximately \$125,000,000 American money, excluding colonization and

nitrate lands, railways, telegraph lines, etc. The Government owns about 15,000 miles of railways valued at \$95,000,000 American money.

FOREIGN DEBT

On December 31, 1918, the foreign debt of Chile amounted to approximately \$147,000,000 (American) or to be more exact to £30,266,540.00 as follows:

Issued	Int.	Sinking fund	Original amount	Balance Dec., 1918
1885.....	4 1/2 %	1/2 %	£808,900	£425,800
1886.....	4 1/2	1/2	6,010,000	3,528,600
1887.....	4 1/2	1/2	1,160,200	680,900
1889.....	4 1/2	1/2	1,546,400	1,102,000
1892.....	5	1/2	1,800,000	1,285,600
1892.....	6	1	149,000	61,740
1893.....	4 1/2	1/2	630,000	434,500
1895.....	4 1/2	1/2	2,000,000	1,489,800
1895.....	4 1/2	1/2	265,000	198,560
1896.....	5	1/2	4,000,000	3,136,600
1896.....	5 1/2	2	200,000	12,800
1905.....	5	1	1,350,000	1,143,200
1906.....	4 1/2	2	3,700,000	2,325,060
1909.....	6	1/2	3,000,000	2,816,400
1909.....	5	1	2,600,000	2,318,560
1910.....	4 1/2	1 1/2	275,000	250,880
1911.....	5	1	4,905,000	4,474,780
1911.....	5	1	5,000,000	4,600,760
			£39,399,500	£30,266,540

Interest and sinking fund has always been paid in due time even under most stressing conditions.

INTERNAL DEBT

There are two internal debts: gold and paper. The gold debt consists of the balance of an issue of 1904 for the construction of the Arica Railway, amounting to \$5,268,000 Chilean gold (approximately \$1,928,000 American money) as of December 31, 1918.

The paper debt amounts to \$65,770,454, equivalent to about \$13,000,000 American money. During the year there was paid off about \$7,000,000 paper. The internal debt, therefore, is in all about \$15,000,000 American money.

Considering the pound sterling at \$4.20 the total debt of Chile, at present, internal and external, amounts to about \$140,000,000 American money or about \$85 per head of population on our 4,000,000 inhabitants.

PAPER MONEY

We have, in Chile, two classes of notes; one issued by the Government as



Direct Connections

with a very large number of banks in the South enable us to collect Cash Items and Bill of Lading Drafts quickly and economically.

Our Foreign Department

is closely affiliated with American and Native Banks in Cuba, Porto Rico, Mexico, South and Central America, and offers unequalled service for handling collections on those countries.

Hibernia
Bank & Trust Co.
New Orleans

a direct liability of the State, and another issued by the Conversion office to banks and merchants against deposits, dollar for dollar, of their value in gold.

On December 31, 1918, the outstanding amount was:

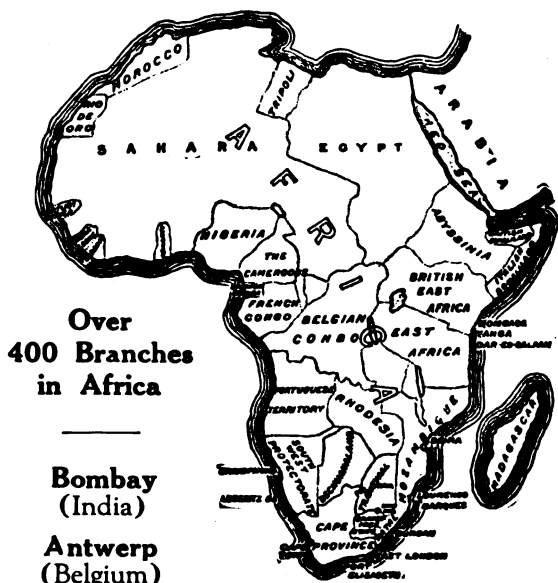
Government issues	\$150,853,119.50
Conversion office	70,588,353.00
Total	\$221,441,372.50

The Government carries in the conversion fund, against the balance of \$150,853,119, deposits of \$111,272,238.29 in gold pesos considered at the rate of 18 pence per peso in the following institutions:

London—Bank of England	\$47,054,130.84
Berlin—Disconto Gesellschaft	61,963.35
New York—National City Bank	10,330.38
Chile—Gold bars in Treasury	64,000,000.00
In transit	145,813.72

As the exchange rate in Chile is at present around 10 pence per peso those

Meeting the Needs of South Africa



WITH enormous natural resources South Africa presents one of the most promising fields for development. Her needs represent practically the entire range of necessities and luxuries from mining, mill and agricultural machinery and building materials, to automobiles, motorcycles and musical instruments. Our 400 branches are at the disposal of American business men.

Trade and credit information on request

National Bank of South Africa, Ltd.

New York Office, 10 Wall Street

R. E. Saunders, Agent

Head Office

Pretoria, Transvaal
E. C. Reynolds, General Manager

London Offices

Circus Place, London Wall, E. C.
18 St. Swithins Lane, E. C. 4
25 Cockspur St., S. W.

Total Resources over \$287,000,000

Foreign Exchange Department

Letters of Credit Negotiated

Arrangements can be made for the importation of merchandise through the use of dollar acceptances

Capital \$3,000,000

Surplus \$1,000,000

OFFICES

Market and Fulton
81-83 Fulton St.
New York

Eighth Street
Broadway & 8th St.
New York

Sherman
Fifth Ave. & 32nd St.
New York

Aetna

92 West Broadway
New York

Long Island City
Bridge Plaza
Long Island City

Flatbush

839 Flatbush Ave.
Brooklyn

New Utrecht

New Utrecht Ave. & 54th St.
Brooklyn

Brooklyn

350 Fulton St.
Brooklyn

Irving Trust Company

Frederic G. Lee, President

Woolworth Building, New York

\$111,272,000 "pesos of 18 pence" are equivalent to approximately \$200,800,000 "pesos of 10 pence," meaning that the issue is entirely covered.

The issue of the Conversion office is fully covered by deposit in London of £2,365,250; in New York, \$3,620,475.50 (American money), and \$8,222,935.50 in Chile in gold coin or bars.

Our paper money is in fact covered dollar for dollar, in gold.

BUDGET FOR 1920

The budget for 1920 amounts to \$166,000,000 paper and \$84,700,000 in gold, or in all \$64,155,000 American currency. These figures include in gold pesos:

Nitrate export duty	\$77,750,000
Consular fees	3,000,000
Others	3,950,000

and paper pesos:

Import duties	\$66,300,000
Stamp duties	17,000,000
Posts and telegraphs	7,800,000

Wines and liquors	6,500,000
Tobacco	16,000,000
All others	52,538,000

Expenses, including service of the foreign debt and all other amount to \$61,455,000, leaving an apparent superavit of about \$3,800,000 American money.

FOREIGN TRADE

During 1918, ten months of which were wartimes, the foreign trade of Chile amounted to \$1,285,699,482 Chilean gold pesos or approximately \$451,000,000 American money. Of these \$436,074,065 were imports and \$799,625,417.00 were exports, leaving a balance in favor of \$363,551,352.00 Chilean gold or approximately \$100,000,000 American money. In the imports are included \$40,000,000 Chilean gold pesos in gold bars, so that in fact the trade balance was actually about \$115,000,000 American money in favor of Chile.

Of the exports it is worth while mentioning the following:



A NEW BRANCH IN SPAIN

AFFILIATED BANKS

COLOMBIA

Banco Mercantil
Americano de Colombia
Bogota, Barranquilla,
Cartagena, Medellin, Mani-
zales, Girardot, Cali, Honda,
Armenia, Bucaramanga

PERU

Banco Mercantil
Americano del Peru
Lima, Arequipa, Chiclayo,
Callao, Trujillo

VENEZUELA

Banco Mercantil
Americano de Caracas
Caracas, La Guayra

BRAZIL

American Mercantile
Bank of Brazil
Para, Pernambuco,

NICARAGUA

National Bank of
Nicaragua
Managua, Bluefields, Leon,
Granada

CUBA

Banco Mercantil
Americano de Cuba
Havana

HONDURAS

Banco Atlantida
La Ceiba, Tegucigalpa,
San Pedro Sula, Puerto
Cortez

This Bank announces the es-
tablishment of a branch in
Madrid, Spain, Gran Via 14.

The services of our Barcelona and
Madrid offices are placed at your
disposal for the financing of business
transactions with Spain. We are
prepared to make collections and to
establish commercial credits in any
part of Spain at moderate rates.

MERCANTILE BANK OF THE AMERICAS

An American Bank for Foreign Trade

44 PINE STREET NEW YORK

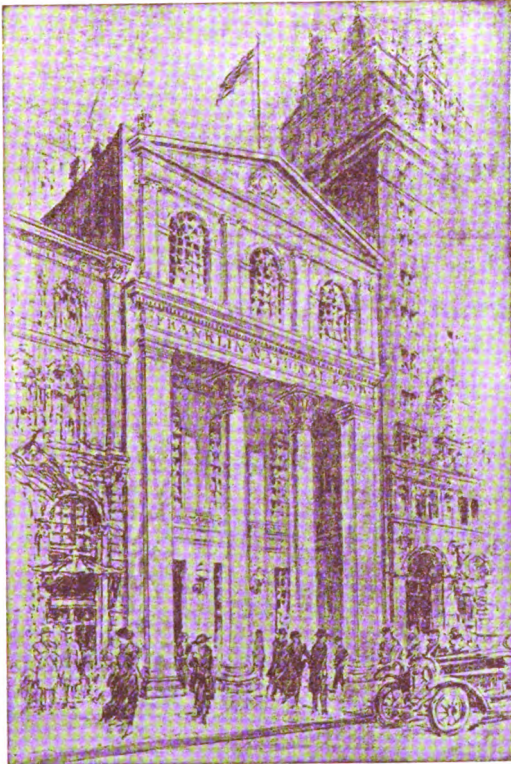
NEW ORLEANS OFFICE
732 Gravier Street

MADRID OFFICE
Gran Via 14

PARIS OFFICE
11 bis Boulevard
Haussmann

BARCELONA OFFICE
Rambla de los
Estudios-Canuda 2

Capital \$5,000,000
Surplus and Undivided Profits 2,276,506



Chestnut Street west of Broad

ORGANIZED in 1900,
The Franklin National
Bank of Philadelphia has
capital of one million dollars,
surplus and profits of four
and three-quarter million
dollars, and total resources
of over seventy million dol-
lars,—a record of growth,
substantial and unequalled.

30 Years in Export Banking

*23 Branches in South America
8 Offices in Spain, France and England
Direct Connections with India*

INTIMATE KNOWLEDGE of the needs and habits of the people, acquired by years of experience and actual residence in the countries themselves, is essential when transacting business abroad.

*Many of our Foreign
Branches have been
established 30 years*

Our facilities are at your disposal through your own bank if desired.



ANGLO-SOUTH AMERICAN BANK, LIMITED

New York Agency, 49 Broadway

Head Office
London

F. C. Harding, Agent
W. M. Dawkin, Sub-Agent

Capital and Reserve
Over \$32,000,000

Direct Banking Service to the Orient

THE FACILITIES of the Park-Union Foreign Banking Corporation have been organized particularly to meet the needs of American manufacturers and merchants, importers and exporters for a completely efficient and direct banking service to the Orient.

Our branches at Yokohama and Shanghai are strategically located to act for you in all matters affecting your Far Eastern trade. Branches in the United States at Seattle and San Francisco. Our officers will be glad to consult with you.

OFFICERS

Charles A. Holder
President

T. Fred Aspden
Vice-President

E. B. MacKenzie
Secretary & Treasurer

PARK-UNION FOREIGN BANKING CORPORATION

56 Wall Street, New York

Paid Up Capital and Surplus, \$2,250,000

(Chilean Gold Pesos)

Nitrates	\$533,000,000
Minerals	109,000,000
Wool	32,000,000
Cereals	18,000,000
Flour	14,000,000
Canned goods	8,000,000

The nitrate industry, one of the main sources of wealth for the Government and the people, has continued to develop. During 1918 there were exported 3,242,000 tons valued at over 500 million pesos (gold), or \$182,500,000 American money. Export tax amounted

to about \$22,000,000 American dollars. Since 1882 exports have grown from 531,000 tons to 3,242,000.

BANKING

Banking in Chile has been successful during 1918 as never before. At the end of the year the Chilean banks and foreign banks operating in Chile had deposits amounting to

Paper pesos	669,000,000
Gold pesos	237,000,000

or in all \$232,500,000 American money.



Semi-Annual Report of the Bank of Chosen

THE report for the half-year ended June 30, 1919, of the Bank of Chosen comments upon the general economic situation in Chosen which is reported as unusually encouraging. Many new industrial companies have been organized and old ones have been

extended. Also, various public works such as railways, harbor and buildings in general have been in progress. The production of rice showed such an encouraging increase that the possibility of Chosen's becoming an important supply of foodstuff to Japan is much

Developing Commerce With the British Colonies

The African British Crown Provinces are potentially the richest colonial possessions of Great Britain. Large exporters of natural products, they import manufactured articles in practically every known character of goods. Imports into Nigeria alone during the past year in nine important articles of commerce totalled more than \$15,000,000, divided as follows:

Cotton Goods	\$7,500,000
Coopers Stores	1,750,000
Tobacco	1,530,000
Salt	1,500,000
Flour	500,000
Sacks and Bags.....	1,000,000
Kerosene Oil	350,000
Bread and Biscuits.....	160,000
Iron and Steel.....	1,250,000

Exports in four leading commodities were divided as follows:

Palm Oils	\$5,000,000
Palm Kernels	5,000,000
Tin Ore	4,000,000
Hides and Skins.....	3,500,000

American merchants and manufacturers will find in British West and North Africa rich markets capable of wonderful development. To all desiring to enter them the bank of British West Africa extends its fullest facilities for co-operation and service in developing trade with that territory.

BRANCHES:

Egypt	Sierra Leone	Togoland
Morocco	Liberia	Nigeria
Canary Islands	French Ivory Coast	Fernando Po
Gambia	Gold Coast and Ashanti	

Our New York Agents will be glad to provide information on trade to these colonies

Bank of British West Africa

Limited

New York Office—100 Beaver Street.

Head Office, London

R. R. Appleby, N. Y. Agent

Subscribed Capital \$10,000,000

Paid Up \$4,000,000

Surplus and Undivided Profits \$2,000,000



Effective Cooperation

The strong position of the National Shawmut Bank in resources, and its extensive foreign and domestic connections, assure complete and effective cooperation with correspondent banks.

We handle promptly and at lowest rates, all collection items or other business for merchants and manufacturers as well as for banks.

THE NATIONAL SHAWMUT BANK OF BOSTON

Resources over \$225,000,000

talked of. To accomplish this, irrigation systems will be necessary.

Among the industries of Chosen, those reported making the most conspicuous progress were sericulture and silk-reeling. It is predicted that sericulture will become the principal industry of Chosen. Silk-reeling has also made tremendous strides. Cotton growing is also showing important gains and is consistently encouraged by the authorities.

CONDITION OF THE BANK

The condition of the bank is summarized in the report as follows:

Without entering into details of accounts, for which shareholders are referred to the statement annexed to this report, we are highly gratified to be able to report that the business of the Bank has on the whole made a most satisfactory development, and in this it has quite kept pace with the financial progress in general mentioned above. With regard to branch offices, the temporary office at Spascoe, Maritime Province, Siberia, was closed in May last, its *raison d'être* having been lost on account of the

removal of the troops from that town. On the other hand, a new branch was established in Shimonoseki, Japan, and preparations are being made to open an agency in New York. We have stationed a number of officials in this great metropolis for some years past to transact part of our business but the expansion of our business beyond the Pacific has induced us to take this important step. The progress of business in many of the branch offices has been such that in some of them the existing buildings are quite inadequate to cope with the growing requirements. Some of these are being rebuilt, and some extended. Those in the course of construction are Tokyo, Dalren, Kaiyuan, Changchun and Szupingchieh; those for which plans are being made for new buildings are Taiku, and Kunsan, and those for which sites have been purchased are Shimonoseki and Harbin.

The economic and financial situation in Chosen and Manchuria as outlined above has been carefully weighed in our conduct of business, and, while acting with great caution as required by the situation, our best efforts have been put forth to secure every possible development for the two countries in trade and industry, which is undoubtedly one of the greatest reasons for our being in them. Signs already point out that, now that the War is over, the economic activity of all nations in the Far East is assuming

a magnitude never known before. It is in the highest degree necessary, therefore, that we should now provide ourselves with ample means to meet the situation, increase our reserve funds, and strengthen our foundation. It is a further pleasure to us to be able to report that our net profits for the half-year amounted to Yen 1,988,000, showing an increase of Yen 327,000 over those for the preceding half-year.

Lastly, we may add that the Bank will finish in November next the full ten years since its establishment, during which it is a great satisfaction to note that the Bank has made very good progress. Doubtless we are much indebted for this success to the development of the public at large, and to proper government guidance, as well as to the generous aid of our banking friends at home and abroad and also that of our customers. We should, however, bear in mind that we owe it, in no small degree, to the praiseworthy services our staff have rendered us in a self-sacrificing spirit. On this occasion we feel bound to express to them our sincere thanks in which we hope you will join. Needless to say that for the future development of the Bank we have to depend upon the ability and diligence of our staff. We are therefore giving our best attention to the task of strengthening them with new men of ability and to giving them fit train-

ing. We must also endeavour to afford them adequate means and thereby enable them to keep in wholesome condition both in body and spirit so that they may work up to the best standard of efficiency. In this way the Bank will, we trust, prosper long if our members do their best in performing their duties in perfect unity and coöperation.

DISTRIBUTION OF PROFITS

The profits of the Bank, after deducting expenses, providing for interest on deposits, rebate on bills, and for all bad and doubtful debts, amounted to Yen 1,988,525.85, to which has to be added the balance from the previous half-year, Yen 361,033.03, making a total of Yen 2,349,558.88, which it is proposed to appropriate as follows:

Dividend at 6 per cent. per annum on old shares.....	Yen 600,000.00
Dividend at 6 per cent. per annum on new shares.....	196,027.39
Additional dividend at 3 per cent. per annum on old shares.....	300,000.00
Additional dividend at 3 per cent. per annum on new shares.....	98,013.69
Reserve fund to provide for losses	650,000.00
Reserve fund to equalize dividend	52,000.00
Bonus and allowances.....	25,000.00
Payment to Government.....	56,309.24
Balance carried forward to next half-year	412,208.56
	Yen 2,349,558.88

BANK OF CHOSEN BALANCE SHEET, JUNE 30, 1919

Liabilities	Yen
Capital subscribed	40,000,000.00
Reserve fund	4,218,000.00
Bank-notes issued	102,797,339.30
Specie reserve	Yen 34,504,471.00
Security reserve	68,292,868.30
Currency bills issued	1,282,589.10
Government accounts	1,200,000.00
Deposits	185,635,387.18
Bills payable	2,023,914.98
Loans	6,500,000.00
Call money	33,300,000.00
Acceptances on accounts of customers	29,669,314.22
Due to other banks	17,597,725.31
Outstanding branch accounts	6,048,550.42
Dividend unpaid	50,515 0/2
Balance from last half-year	361,033.03
Net profit for the half-year	1,988,525.85
	Yen 432,667,894.45
Assets	Yen
Capital unpaid	10,001,425.00
Cash on hand	49,232,156.28
Money at call and short notice	5,530,000.00
Bullion	3,921,636.77
Foreign money	64,293.10
Bills receivable	18,166,774.33
Bills discounted	165,922,941.65
Loans and advances	114,478,381.25
Advances to Government	Yen 5,500,060 00
Other advances	70,203,831.07
Current accounts	38,774,550.18
Bonds and debentures	14,537,441.16
Due from other banks	16,762,916.59
Liabilities of customers for acceptances per contra	29,669,314.22
Bank premises, furniture, etc.	4,380,614.10
	Yen 432,667,894.45

Most Efficient Service

We are enabled through our thoroughly organized and equipped departments, and our close affiliations with prominent banking institutions throughout the world, to offer to merchants, manufacturers and bankers the most efficient service in all lines of banking, foreign and domestic.

THE FIRST NATIONAL BANK of Boston

Deposits \$179,000,000
Resources over 260,000,000

Branch at Buenos Aires, Argentina

“Trading With Australia”

THE above is the title of a pamphlet recently issued by the Guaranty Trust Company, New York, in which the trade possibilities with Australia are discussed.

Speaking of Australia's resources, it is stated:

The greatest producer of wool in the world, and ranking high among the nations exporting wheat, Australia is also a metallurgist's paradise, containing rich workings of iron, zinc, gold, copper, tin, silver, molybdenite, tungsten ores, platinum and radio-active uranium ores, as well as deposits of diamonds, sapphires, emeralds, opals, turquoise, tourmaline, and rubies.

Australia's resources are such that she could easily support a population of 50,000,000. The Eastern states, New South Wales, Victoria and Queensland, have comparatively little arid interior. All the states are undoubtedly capable of great development. In Queensland, which runs into the tropical and subtropical zones, practically anything can be grown—dairy products and grain abound in the South, and a few hundred miles north pineapples, bananas, and sugar cane grow in abundance. South of

Victoria the small island of Tasmania has a climate probably unequalled anywhere in the world, with fine resources of minerals and grain.

The fact that the seasons in Australia are the reverse of those in the United States is pointed to as an advantage to the American exporter.

Owing to the custom of Australian merchants of placing their orders about nine months before the goods are required, orders in sufficient volume would enable American manufacturers to run continuously in the domestic “off season.” Australian orders could be filled during the dull season which occurs in the United States between the regular seasonal shipments for domestic trade.

The matter of credits is an important one.

“One of the great drawbacks to trade relations between the two countries is the question of credits,” writes American Trade Commissioner Ferrin from Melbourne. “American manufacturers would hardly consider appointing an Australian representative and allowing him to take orders on open account, with thirty to sixty days' sight draft after arrival of the goods. The American salesman would find considerable

difficulty in ascertaining the financial standing of local merchants, and, on the other hand, Australian merchants accustomed to the liberal terms granted by English and German houses, would not be inclined to make purchases and pay cash when the goods were shipped. Some Australian bankers realize the situation and are willing to make arrangements with New York banks to pay American manufacturers for their goods upon receipt of the invoices and shipping documents, when properly authorized by the Australian merchants, who will pay the interest, exchange and collection fees upon terms prearranged with the bankers. This gives the American merchant the cash payment which he desires, guarantees the Australian that the goods have actually been shipped, and in addition local banks provide the credits necessary for the Australians to do business."

Australian merchants feel that while it is advisable for representatives of American firms to make trips to the Australian market, in order to establish connections, local agents can conduct the business more satisfactorily, as they know the financial standing of the prospective purchasers more intimately, and also the best time to make shipments and the grade of goods required.



HARVEY D. GIBSON
President Liberty National Bank, New York

Visiting Scandinavian Countries

HARVEY D. GIBSON, president of the Liberty National Bank and Geo. F. Murnane, vice-president of that institution, sailed for Norway recently to make a trip through Norway,



GEORGE F. MURNANE
Vice-President Liberty National Bank, New York

Sweden and Denmark as well as other European countries.

This is in line with the aggressive policy which the Liberty National Bank has adopted toward financing of Scandinavian-American trade; and in which the recent consolidation with the Scandinavian Trust Company was an important step. Certain other members of the Liberty staff are accompanying Mr. Gibson and Mr. Murnane and a study of foreign conditions with particular reference to the Scandinavian countries will be made.



Bank of Spain's Earnings Large

ACCORDING to a report submitted to the Department of Commerce by Trade Commissioner Arthur N. Young, the Bank of Spain (Banco de Espana) stands at the center of Spanish

A Canadian Information Service

Canadian-American trade annually amounts to over a billion dollars: close upon one billion of American money is today invested in Canada, a considerable part of it in Canadian securities.

With Statistical Departments in New York and Toronto and over 380 branches located in all parts of the Dominion of Canada, the Union Bank of Canada is in a position to furnish American bankers with up-to-date information in regard to Canadian conditions and corporations. All requests for information in regard to Canada will be cheerfully and carefully handled.

Union Bank of Canada

Head Office
Winnipeg, Can.

New York Agency, 49 Wall St.
W. J. Dawson, F. L. Appleby, W. M. Forrest,
Agents

Capital & Surplus
\$9,786,522

finance. Like the Bank of England, although privately owned, it is in a true sense the central and national bank. It alone has the privilege of note issue, and its notes are the only paper currency circulating in Spain. It holds and controls the reserves of gold and silver upon which Spain's monetary system is based. It is at the same time fiscal agent for the Government, the banker's bank, and the largest bank for the public.

The Bank of Spain is preponderant in financial power in Spain. At the end of 1918 it held a cash reserve of 2,870,000,000 pesetas (\$554,000,000), of which 2,228,000,000 pesetas (\$430,000,000), were gold and 642,000,000 pesetas (\$124,000,000) silver. During the first nine months of 1919 the bank added about 200,000,000 pesetas (\$38,600,000) of gold to these reserves, principally because of the raising of the American embargo on gold exports. Since July, 1914, the bank has increased its holdings of gold by over 800 per cent. The bank's reserve is nearly ten times the amount of cash in

the vaults of the other banks of the country. Its capital and surplus, 210,000,000 pesetas (\$41,000,000), were close to one-third of the total capital invested in banking in Spain, excluding that of the private bankers. At the close of 1918 its deposits, 1,159,000,000 pesetas (\$223,000,000), were nearly equal to a third of the total deposits of all the banks of the country.

Since the outbreak of the war the amount of gold in the vaults of the Bank of Spain has increased by 315 per cent., a larger percentage of increase than is shown by the national bank of any other country except the Netherlands. This great influx of gold has changed fundamentally the character of the guaranty back of the note issue of the Bank of Spain. From 1900 to 1914 the proportion of gold and silver reserves held against notes varied from 50 to 75 per cent. somewhat more than half of which consisted of silver. But on June 28, 1919, the reserves amounted to 83 per cent., nearly four-fifths of which was gold. On that date the bank

The Union Bank of Manchester, Limited

Head Office
17 York St., Manchester, Eng.

Liverpool Office
45 Castle St., Liverpool, Eng.

and branches covering the whole of the district tributary to these two cities, and also WEST YORKSHIRE; including LEEDS, SHEFFIELD, BRADFORD, SALFORD, BIRKENHEAD, OLDHAM, BOLTON, BURY, ROCHDALE, STOCKPORT, HALIFAX (ENG.), HUDDERSFIELD, etc., etc.

Nominal Capital	(35=£) \$12,500,000
Paid-up Capital	3,750,000
Reserve Capital	3,750,000
Subscribed Capital	7,500,000
Reserves	2,825,000
Surplus over Liabilities	10,325,000

Bankers in the United States and Canada are invited to make use of the Bank's services for all kinds of banking business in the district where the Bank operates, and in Great Britain generally. Collections promptly dealt with, and proceeds remitted by draft or cable transfer on New York, or as desired. Favorable terms.

North American Mails are usually delivered in Manchester and Liverpool earlier than in London.

held, in round figures, a cash reserve of 2,928,000,000 pesetas (\$565,000,000), of which 2,266,000,000 pesetas (\$438,000,000), were gold and 657,000,000 pesetas (\$127,000,000) silver.

The earnings of the bank have been large, varying since 1875 from 16 to 25 per cent annually. The profits distributed annually to the shareholders during the last ten years were as follows: From 1910 to 1912, inclusive, 19 per cent; from 1913 to 1917, inclusive, 20 per cent; in 1918, 21 per cent plus a dividend in bonds equivalent to about 20 per cent, and in the first half of 1919, 12 per cent.

The profit and loss account in the report for the year 1917 contained an item, "profit from the acquisition of gold, 29,976,806.50 pesetas," and this account showed a surplus carried over into 1918 of 88,000,000 pesetas. During the year 1918 the bank distributed this amount through the issue to shareholders of 80,000,000 pesetas in 4 per cent

bonds (mentioned above), the bank not being allowed to add to its capital stock. These profits were gained by acquiring gold at less than par. At one time the dollar was only received by the bank at a rate of 4.85 pesetas, a discount of about 6 per cent as compared with the par of 5.18 pesetas. The bank was able to do this because it had practically a buying monopoly of gold in Spain. There was no other market for those importing it, except a minor market among jewelers, dentists, etc., since the mint was not in operation.



America-Japan-China Trust Co., Ltd.

THIS institution, which was recently organized, is a pioneer in the trust company field in Japan. The or-

London and River Plate Bank, Limited.

HEAD OFFICE: 7 PRINCES STREET, E. C. 2, LONDON.

Agency: MANCHESTER, 86 Cross Street

Paris Branch: 16 Rue Halevy.

Lisbon Branch: 32 Rua Aurea

Antwerp Branch: 22 Place de Meir

	(\$5=£1.)
CAPITAL (Authorized) - - - - -	\$20,000,000
SUBSCRIBED CAPITAL - - - - -	15,000,000
PAID-UP CAPITAL - - - - -	9,000,000
RESERVE FUND - - - - -	10,500,000

DIRECTORS.

E. ROSS DUFFIELD, Esq.
RICHARD FOSTER, Esq.
FOLLETT HOLT, Esq., M. Inst. C.E.
KENNETH MATHIESON, Esq.

J. W. BEAUMONT PEASE, Esq.
HERMAN B. SIM, Esq.
Sir RICHARD V. VANSAR-SMITH, Bart.
ROBERT A. THURBURN, Esq.

BANKERS; BANK OF ENGLAND;

LLOYDS BANK, LTD.: LONDON COUNTY WESTMINSTER AND PARISH BANK, LTD.

BRANCHES IN SOUTH AMERICA:

BRAZIL:—Para, Pernambuco, Rio de Janeiro, Santos, Sao Paulo, Bahia, Curitiba, Porto Alegre, Victoria, also an agency at Manaus. **URUGUAY:**—Montevideo, Montevideo Sub-Agency, Paysandu and Salto.

ARGENTINA:—Buenos Aires, Rosario de Santa Fe, Mendoza, Bahia Blanca, Concordia, Tucuman, Cordoba, Parana. Also in Buenos Aires:—Barracas al Norte, Once, Boca, Calle Santa Fe 2122 and Calle B. de Irigoyen 1138. **CHILE:**—Valparaiso, Santiago.

Correspondents in all other places of importance in these South American Countries.

Documentary Bills Bought, Advanced Upon or Received for Collection.

Drafts and Cable Transfers Sold on all Branches and Agencies.

Commercial and Travelers Letters of Credit Issued.

New York Agency, 51 Wall Street, WM. R. ROBBINS, AGENT.

ganization and functions of the company are modeled along American lines.

According to the articles of association the company has for its object the following functions:

1. Investment of funds in foreign lands, the introduction of foreign capital, and the raising, broking and utilizing of funds for various enterprises.
2. Subscription to, and underwriting, broking and transaction of bonds, shares, debentures and commercial bills.
3. Administration and disposal of estates of various descriptions, management for others of financial affairs of legal and individual persons, and doing all other trust business.
4. Adjustment and relief of affairs relating to legal and individual persons, alteration in the organization of companies, and examination of and supervision over accounts.
5. Execution of contracts or agreements, and guaranteeing of credits.
6. Investigation, designing, broking, assisting and underwriting of various enterprises.
7. Doing of necessary business in connection with the foregoing objects.

Trade Field in the Balkans

DISCUSSING this topic the *Foreign Trade Report of the Port of Boston*, issued by the foreign department of the National Shawmut Bank, says that while statesmen in America and in Europe discuss the probable boundaries of the Balkan States, the bankers and merchants of the world are studying ways and means for improving the financial situation and opening up trade in those countries. Although uncertainty may exist with regard to the final adjustment of territorial demands of this or that nation, there is no uncertainty as their importance as factors in the future trade of the world.

In so far as American merchants are concerned, the new Jugo-Slav State, together with Roumania, Greece and Bulgaria, represents a large market for manufactured goods ranging from shoes and clothing to locomotives and other railroad equipment. In addition, this field is rich in natural resources which



The National Bank of the REPUBLIC OF CHICAGO

OFFERS exceptional service in exceptional times,
and invites the accounts of responsible people
requiring Chicago facilities.

Capital

and

Surplus

\$3,000,000

OFFICERS

John A. Lynch - - - President	Wm. B. Iavinia - - - Asst. Cashier
Wm. T. Fenton, 1st Vice-Pres. & Mgr.	Thomas D. Allin - - - Asst. Cashier
Robt. M. McKinney - 2nd Vice-Pres.	Louis J. Meahl - - - Asst. Cashier
Watkin W. Kneath, - 3rd Vice-Pres.	Wm. C. Freeman - - - Asst. Cashier
Oscar H. Swan - - - Cashier	Chas. S. Macferran - - Asst. Cashier
Walter L. Johnson - - - Asst. Cashier	

offer opportunities for American enterprise and the investment of American capital. Until territorial and other claims of the various States have been adjusted by the Peace Commissioners, an accurate estimate of the market represented by this or that section is impossible. A general outline of the trade possibilities represented by the entire region is nevertheless suggestive of opportunity for the expansion of our foreign markets. A large amount of information is given supporting the commercial importance of that quarter of the world.



Havre Branch for Guaranty Trust Company

THE Guaranty Trust Company of New York opened a branch at Havre, France, October 1. It was stated by the company that its very large busi-

ness in the financing of cotton shipments from this country to France had made the opening of a branch at Havre, in addition to the company's office in Paris, necessary. The office is located at 122 Boulevard Strasbourg, near the Bourse.

The official staff at the Havre Office will be as follows: Manager, Lucien Combe, formerly assistant manager of the Comptoir d'Escompte in New Orleans and for more than eight years manager of the same institution in Bombay; Assistant Manager, J. B. Avegno, formerly treasurer, Paris Office, Guaranty Trust Company of New York; secretary, Achille Leroux, formerly sub-manager of the Caisse de Liquidation du Havre; assistant secretary, Gustave Gibert, formerly an assistant in New Orleans to Albert Breton, vice-president of the Guaranty Trust Company, and for the past three years at the Paris Office of the Company.

The Bank of the Philippine Islands

(ESTABLISHED 1851)

MANILA, P. I.

BRANCHES: ILOILO AND ZAMBOANGA

ELISEO SENDRES, President

RAFAEL MORENO, Secretary

D. GARCIA, Cashier

O. M. SHUMAN, Chief Foreign Dept.



Authorized Capital	(pesos) 10,000,000.00
Capital fully paid-up	6,704,600.00
Reserve Funds	3,577,300.00

(\$0.50 = 1 peso)

Transacts general banking business. Buys and sells exchange on all the principal cities of the world.

AGENTS

London: Nat'l Bank of Scotland, Ltd.
 Spain: Banco Hispano Americano
 Hongkong: Netherlands India-Com'l Bank
 San Francisco: Wells Fargo Nevada Nat'l Bank
 New York: National City Bank, The Guaranty Trust Company and The Equitable Trust Co.

Paris: Comptoir Nat'l d'Escompte
 Australia: Bank of New South Wales
 Shanghai: Bank of Canton, Ltd.
 Chicago: Continental & Commercial Nat'l Bank
 Japan: Yokohama Specie Bank, Ltd., Bank of Taiwan, Ltd., and Sumitomo Bank, Ltd.

Skandinaviska Kreditaktiebolaget

THE statement of condition of this bank dated August 31, 1919, reveals the following figures:

ASSETS	
Cash	Kr. 17,048,915.98
Loans on securities	292,354,274.90
Bills discounted	272,630,123.18
Securities	33,161,439.31
Current accounts	293,060,994.22
Due from other banks	141,539,605.96
Sundry accounts	66,332,385.22
Bank premises	9,630,531.25
	Kr. 1,124,749,270.02
LIABILITIES	
Paid-up capital, Kr. 73,840,000	
Reserve fund 81,660,000	Kr. 155,500,000.00
Deposits	430,287,881.84
Current accounts	263,085,444.21
Due to other banks	177,768,978.84
Sundry accounts	83,409,662.30
Bills in circulation	14,697,302.83
	Kr. 1,124,749,270.02

ASSETS	
Cash in Hand and at bankers	\$814,135.19
Loans receivable	1,840,481.04
Bills receivable	696,230.76
Exchange transactions outstanding	156,562.42
Agencies	1,257,714.10
Payments in advance including rent and telegraph deposits	12,803.70
Furniture and fittings	13,959.11
Organization expenses	7,003.74
Acceptances on a/c. of customers as per contra	71,878.49
Total	\$4,870,768.55

LIABILITIES	
Capital 20,000 shares of \$100 each fully paid	\$2,000,000.00
Deposits	2,217,693.57
Sundry creditors	37,670.94
Agencies	360,409.48
Liabilities on a/c. of customers as per contra	71,878.49
Profit & loss a/c.	183,116.07
Total	\$4,870,768.55

The Bank of East Asia

THIS bank in its balance sheet for June 30, 1919, shows total assets of \$4,870,768.55 and deposits of \$2,217,693.57. The complete report reads:

The profit and loss account for the half year ending June 30, 1919, shows total profits from interest, exchange, etc. as \$215,297.81 of which \$32,181.74 was applied to salaries, rent, taxes, etc., and \$183,116.07 was carried forward.

THE LOGICAL BANK
TO HANDLE CUBAN BUSINESS

Banco Internacional
de Cuba

82 Branches located at all leading points as well
as an intimate knowledge of Cuban Com-
merce requirements and customs

Inquiries invited

FOREIGN DEPARTMENT

HEAD OFFICE . . HAVANA, CUBA

National Bank of Greece

DEVELOPMENT OF THE BANK SINCE 1900

(Drachmas taken at 25 per £)

Year ending December 31	Deposits	Notes in circulation	Cash and at other Banks abroad	Government Secur- ities, Bills Disc. and Loans	Stock Exch. Quotation for 1 share Nat. Bk. of Greece (nominal value £40.-)	Dividend
1900	3,484,300	5,510,167	780,449	10,857,907	160.	15½%
1910	7,543,484	5,319,879	2,974,955	12,923,817	159.	20%
1912	9,378,910	5,054,889	4,869,964	12,809,462	171.	20%
1914	12,859,667	8,493,681	8,137,414	17,702,826	188.	21½%
1918	35,392,132	50,312,994	68,876,892	24,154,790	306.	30%
1919*	38,900,000	53,347,268	73,199,976	24,931,833	319.	32%*

* Half-year ending June 30

** 16% for the first half-year.

THE authorized and fully paid up capital of the Bank amounts to £800,000. The balance of the reserve account on December 31, 1900, was £540,000; on December 31, 1918, it amounted to £1,384,000; and on June 30, 1919, to £1,420,000. The net profits, after deducting current expenses, interest paid, depreciation, taxes (including for

1918 excess profits tax at 50 per cent) and state participation in the profits, showed a steady increase; December 31, 1900, £183,002; December 31, 1910, £171,960; December 31, 1918, £304,450; first half-year, 1919, £178,814. It should be noted that the participation of the state in the profits of the Bank for the year 1918, and the amount of

BANKAKTIEBOLAGET SÖDRA SVERIGE

Head Office: HELSINGBORG, Sweden

Branches STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS and in 62 other
Places in Sweden

Capital Paid Up Kr. 30,000,000
Surplus About Kr. 17,200,000
Resources About Kr. 373,000,000

(\$0.26 = 1 Kr.)

The organisation and excellent relations of this Bank secure to its clients the most efficient handling of their business on moderate terms

Inquiries and applications for terms are cordially invited and will find prompt attention

Principal New York Correspondents { The Mechanics & Metals National Bank
The National City Bank of New York

taxes paid to the Treasury during that year, aggregated the sum of £896,961. Securities deposited for safe custody with the Bank were valued as follows: December 31, 1900, £4,700,499; December 31, 1910, £6,297,680; December 31, 1918, £15,569,653.



The Sumitomo Bank, Ltd.

NET profits for the half-year ending June 30, 1919, for this bank, the head office of which is in Osaka, Japan, were Yen 2,185,648.40. Yen 800,000 were applied to reserve fund, Yen 975,000 to dividends, Yen 900,000 to reserve for doubtful debts, Yen 150,000 to pension reserve and Yen 55,000 to bonus. Yen 737,038.55 were carried forward to the next half-year. The complete balance sheet follows:

ASSETS

Loans, bills discounted and exchange purchased	Y273,100,614.74
Customers' liability on foreign credits, acceptances and guarantees	32,309,178.84
Account with the Postal Transfer Savings Office ..	932,231.31
Government bonds	36,305,786.08
Foreign treasury bills	10,843,313.25
Municipal and other securities	6,271,883.30
Due from other banks	2,480,273.28
Due from foreign banks	1,223,801.82
Bank premises and furniture	3,808,917.06
Real estate	18,579.93
Foreign currencies	1,775.27
Capital unpaid	3,750,000.00
Money at call and at short notice	9,883,931.85
Cash in hand	26,607,296.71
Total	Y407,537,583.44

LIABILITIES

Deposit	Y306,519,664.84
Exchange sold	4,836,627.49
Bills payable	1,677,359.44
Margin of exchange unsettled	2,362,905.32
Foreign credits, acceptances and guarantees	32,309,178.84
Due to other banks	7,232,195.46
Due to foreign banks	2,121,555.25
Call money	900,000.00
Foreign bills rediscounted ..	7,092,986.08
Rebate on bills not yet due .	1,363,637.06
Interest accrued on deposits	3,000,271.61
Subscribed capital	30,000,000.00
Reserve fund	4,500,000.00
Reserve for doubtful debts .	600,000.00
Pension reserve	150,000.00
Dividends unpaid	4,163.50
Balance brought forward from last half-year	681,390.15
Net profit for the half-year	2,185,648.40
Total	Y407,537,583.44

The American correspondent of this bank is the National City Bank of New York.



The Dai-Ichi Ginko, Ltd.

THE forty-sixth semi-annual report of the directors for the half-year ending June 30, 1919, was submitted to and passed by the general meeting of the shareholders on July 26, 1919. The head office of this bank is in Tokyo.

Gross profits for the half-year were Yen 12,695,146.99, from which were deducted the general expenses of the bank of Yen 9,687,891.65, making net profits of Yen 3,057,755.34. The balance of profit brought forward was Yen 1,104,347.86, making a total of Yen 4,162,-

102.70. This amount was disposed of as follows:

To bonus for directors, auditors and chief officers	Y 152,880.00
To officers' pension fund	61,150.00
To be added to reserve fund (thus raising that account to Y 16,200,000.00)	1,600,000.00
To dividends at the rate of 12 per cent. per annum on 239,000 old shares at Y 3.00 per share and 215,000 new shares at Y 2.40 per share	1,233,000.00
Leaving a balance to be carried forward to next account	1,115,072.70
	<u>Y 4,162,102.70</u>

The balance sheet for the close of business June 30, 1919, reads as follows:

ASSETS.		Yen.
Unpaid capital		2,150,000.00
Cash in hand and with the Bank of Japan	38,739,450.57	
Money at call and at short notice with other banks	1,850,000.00	40,589,450.57
Investments		59,405,253.96
Bills discounted	115,621,842.49	
Loans and advances	207,311,485.30	322,933,327.79
Due from correspondents		5,371,060.26
Liabilities of customers for acceptances as per contra		2,695,708.31
Bank premises and furniture		3,210,571.20
		<u>Y 436,355,372.09</u>
LIABILITIES		Yen
Capital		22,700,000.00
Reserve fund		14,600,000.00
Redemption fund for the bank notes		4,334,000.00
Current accounts	154,311,754.75	
Deposit receipts	191,643,746.31	
Other deposits	12,547,076.96	358,502,578.02
Due to correspondents		6,975,967.09
Acceptances on behalf of customers		2,695,708.31
Rebate on bills not due and accrued interest payable		5,408,245.45
Other liabilities		16,976,770.52
Balance brought forward	1,104,347.36	
Net profit for the half-year	3,057,755.34	4,162,102.70
		<u>Y 436,355,372.09</u>

The American correspondents of this bank are the National City Bank of New York, the National Bank of Commerce in New York and the Yokohama Specie Bank, Ltd.



Conditions in Italy

GAETANO BIASUTTI, vice-president of the Italian Discount and Trust Company, who returned to the United States recently after spending nearly four months in Italy, offered some interesting observations as a result

of his first-hand study of conditions in the Kingdom. Mr. Biasutti, who was formerly manager of the Florence Branch of Banca Italiana di Sconto di Roma, has spent the better part of his life in international banking in Italy, France and England, and knows the conditions in Italy through years of familiarity with its domestic and international affairs. He was a member of the Italian Delegation to the International Trade Conference, held at Atlantic City last month.

Mr. Biasutti said that it must be admitted that, just at this time, the general economic and industrial situation in Italy is serious. The country is in dire need of credit; the coal shortage is acute; tonnage facilities are lacking; industrial progress is being retarded, owing to the coal shortage; and the requirements for certain basic raw materials are not being met, because of credit limitations and the adverse rate of exchange. But despite those obstacles, the situation is not as black as the first glance would indicate. Serious as it is, he is firmly convinced that Italy's predicament is only temporary, and will, with assistance, right itself in due course.

The other side of the picture looks better. A close study of conditions throughout the Kingdom brings to the surface these outstanding fundamental factors contributive to the recovery of Italy.

1. The country has available a tremendous volume of man-power—labor that is good, and honest, and low-priced—a commodity which is truly essential to the growth of any country.

2. The sanity and patriotism of the population as a whole is proving itself right along, and under the most difficult circumstances. No country in Europe is undergoing more trying times than is Italy, but with characteristic fortitude and clear-sightedness, the Italian race is bearing up and will emerge victorious.

3. The country's agricultural and industrial potentialities, and the broad preparations which are being made for the expansion of each, are bound to play

THE MERCANTILE BANK OF INDIA (LIMITED)

Head Office: 15 GRACECHURCH STREET, LONDON, E. C. 3.

Capital Authorized and Subscribed . . . \$7,500,000 (£1,500,000)
 Capital Paid-up . . . 3,750,000 (£ 750,000)
 Reserve Fund and Undivided Profits . . . 3,928,970 (£ 785,794)

BANKERS: Bank of England; London Joint City and Midland Bank (Limited)
Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan and Mauritius

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates noted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances.

NEW YORK AGENCY—Bank of Montreal

an important part in the successful reconstruction of Italy.

4. The richness of the neighboring Balkan States will form a splendid outlet for Italian foreign traders. Plans are now being laid for the intensive cultivation of this Balkan market.



Yamaguchi Bank, Ltd.

THE history of the Yamaguchi Bank, Ltd., of Osaka, Japan, may be traced back to the Genji era (1864) when the Yamaguchi family first entered into financial business, privileged as one of the main money exchangers or Ryegaeya in the City of Osaka.

In accordance with the National Bank Act promulgated in 1871, the firm was transformed into a bank under the name of One Hundred Forty-Eighth National Bank. In 1898, its charter as a national bank having expired, the business was again transferred into a private bank under the sole proprietorship of Kichirobei Yamaguchi, from which time it developed rapidly due to its able management and its solid foundation.

In order to meet the demands of the present day's great expansion in Japan's trade and commerce and as a preparation for further post-bellum development, the bank has been reorganized into a limited corporation with a capital of Yen 20,000,000, of which one half is paid up.

Its total assets are Yen 188,372,402.-60 and its deposits total Yen 158,224,-

952.27. Kichirobei Yamaguchi is president of the institution.



Japan's Merchant Marine

JAPAN has made remarkable strides of late as to the development of her merchant marine. To handle the increase of her overseas trade the Nippon Empire has added over three hundred ships to her mercantile fleet during the past year. Japan has now eight hundred and sixty five ships of over 500 tons each and three hundred and twelve of these ships with a gross tonnage of 484,704 were added during the past year as the following table will show:

	No.	Gross Tonnage	D. W. Tonnage
Present	865	1,800,240	2,674,646
Last year	553	1,315,536	1,899,784
Increase	312	484,704	774,862

There are now eighteen Japanese ship companies operating which have a gross tonnage of 20,000 or more.



Present Japanese Trade Tendencies

JAPAN'S trade continues to grow, the figures for the first half of 1919 showing a normal increase in the total result. On the other hand, this increase has resulted from the expansion of imports, these being in ex-

cess of the exports throughout the period. This unfavorable balance of trade, however, began to decline in April, while the exports have been on the increase since June.

Summarized for the period January-June, 1919, it is found that the foreign commerce of Japan presents the following situation in yen:

	1919	1918	
Exports	826,057,000	896,055,000	— 69,998,000
Imports	1,049,332,000	839,418,000	+ 209,915,000
Total=	1,875,390,000	1,735,474,000	139,917,000
Balance	223,276,000	56,637,000	.....

The decrease in exports is to be found mainly in foodstuffs, raw materials, and partly-manufactured goods. Japanese manufacturing shows a gain in exports.



New Bank at Belgrade

THE statement is published by the Guaranty Trust Company of New York that it is reported that the Jugoslav Bank in coöperation with certain English institutions, is to establish a bank at Belgrade with a capital of 50,000,000 dinars. The value of the dinar is nominally equal to that of the franc.



The Royal Bank of Canada

THIS bank has announced the opening of a branch in Rio de Janeiro, Brazil. A general banking business will be conducted, with special attention to collections. The management will be in the hands of G. V. Long, formerly manager of the San José, Costa Rica, branch.

In addition to its 540 branches located in every important city and town in Canada and Newfoundland, the Royal Bank has sixty-seven branches in the West Indies, Central and South America. Arrangements to open branches at Sao Paulo and Santos, Brazil, Buenos Aires, Argentine, and Montevideo, Uruguay, are nearing completion.

C. C. Pineo, who was formerly man-

ager of the branch in Havana, and who for the past four years occupied an important banking position in Brazil, has been appointed supervisor of branches in Brazil, Argentine and Uruguay, with headquarters at 68 William Street, New York. Mr. Pineo is at present in Rio de Janeiro, and will remain in South America for some months, but any inquiries regarding South American business addressed to the Agent, the Royal Bank of Canada, 68 William Street, New York, will receive prompt attention.



Office of the Societe Generale de Belgique Moved to Brussels

THE office of the Societe Generale de Belgique, which was recently located at 4 Bishopsgate, London, has been transferred to Brussels.



Foreign Credit Corporation

THE Foreign Credit Corporation, recently inaugurated by the Guaranty Trust Company of New York, the Chase National Bank, New York, and a group of other banking interests throughout the country, has opened for business.

The Corporation, which has a fully paid in capital and surplus of \$6,000,000, is organized primarily for the purpose of carrying on an acceptance business similar to that done by a class of British institutions known as "Acceptance Houses." The Corporation will accept the drafts of both foreign and domestic clients for the financing of import and export transactions.

E. V. R. Thayer is chairman of the board of directors of the new company and the other officers are: Grayson M.-P. Murphy, vice-president of the Guaranty Trust Company of New York, president; G. M. Dahl, vice-president of the Chase National Bank, vice-president; D. Raymond Noyes, formerl;

with Brown Brothers & Co., vice-president and manager; and Romaine A. Philpot for many years with Lazard Freres, secretary and treasurer.



International Banking Notes

The first American bank to be established in the Province of Shantung is the branch of the International Banking Corporation at Tsingtao, announcement of the opening of which was made last month. With the opening of the Tsingtao branch the International Banking Corporation now has a total of 29 branches, eight of which are in China and 18 in the Far East.

Backed by the Chinese Government, says a dispatch to the New York *Sun* from Vancouver, a bank capitalized at \$10,000,000 being established in New York, will establish branches in Vancouver, Seattle, Washington, San Francisco and Montreal, according to announcement made by Hsu Un Yuen, Privy Councillor of the Chinese Cabinet. He was formerly president of the Bank of China and is returning to Peking with American bankers who hope to arrange a credit system between China and America. The New York bank will be known as the American Industrial Bank of China.

According to a recent cable dispatch to the Journal of Commerce Barclays Bank has formed a working alliance with the Union Bank of Manchester by an exchange of shares. The separate entity of the Union Bank is safeguarded.

According to a press despatch from Madrid Major James S. Case, of the American International Corporation, has completed the organization of the Hispano-American International Corporation. The new organization, as a subsidiary of the American corporation, will undertake financial development work in Spain.

The Executive Committee of the Guaranty Trust Company, has appointed Irving J. Greene, assistant secretary of the Company at its Brussels office. Mr. Greene, who is twenty-six years old, entered the service of the company March 22, 1916. He was sent to the Paris Office in September, 1916, and in August of this year he was transferred to the Brussels Office.

The Asia Banking Corporation has opened a branch at Canton. The Far Eastern branches of this institution now include Shanghai, Hankow, Peking, Tientsin, Hongkong, Canton and Manila. Branches are to be opened in the near future at Changsha, Harbin and Vladivostok.

The executive committee of the board of directors of the Guaranty Trust Company of New York has appointed L. Michoud to be assistant manager and B. A. Baker to be treasurer of the Paris office of the company. Mr. Michoud is a well-known French banker, having been for twelve years sub-manager of the Banque Privee, Paris. Mr. Baker, after a service of six years with the London County Bank at their main office, spent six years at the Paris office of the same bank as sub-manager in charge of foreign exchange.



Book Reviews

RESULTS OF MUNICIPAL ELECTRIC LIGHTING IN MASSACHUSETTS. By Edmond E. Lincoln. Houghton Mifflin Co., Boston.

In this study thirty-nine municipal electric lighting plants under commission regulation are compared with a corresponding number of the most nearly comparable private plants.

The result is a profoundly illuminating book on the whole subject of public ownership, a book that deals not in theory but in fact and that has particular value today.



THE WORLD FLAT-GLOBE AND INTERNATIONAL GEOGRAPHICAL HISTORY OF THE WORLD. Edited by Joseph Edmund Woodman and Rear-Admiral Robert E. Peary and Associates. New York: World Flat-Globe Corporation.

Foreign departments of banks will find this work a valuable addition to their equipment.

It consists of two parts, one a volume presenting in interesting fashion a description of the earth's surface in its economic and physical aspects, together with a scientific popular explanation of its phenomena and an analytic account of its political divisions, and the other a flat-globe, or chart projected on a flat surface, circular in form, showing approximately in their proper proportion and relation, on one side the political and natural divisions of the Eastern Hemisphere and on the other those of the Western. This flat-globe, the novel feature of the publication, follows the provisions of the Peace Treaty, and is an up-to-date, accurate, and convenient substitute for the more familiar round globe, than which it is also much cheaper.

On the flat-globe are clearly indi-

cated the political boundaries of states, their physical configuration, and the elevation of the land above sea level; the highways of the sea, the distance in miles between ports and the direction of ocean currents; the limits of ordinary navigation toward the poles, the limits of the heavy ice drift, and the coral reefs and islands. On the margin are indicated the zones of the planetary winds. By a series of twenty-four clock faces, running along the equator, the variations of time for every fifteen degrees of longitude are shown.



PUTNAM'S INVESTMENT HANDBOOK. A Stimulus and a Guide to Financial Independence. By Albert W. Atwood. G. P. Putnam's Sons, New York.

Any book which has for its object the cultivation of thrift and economy should be doubly welcome at this time when there is a crying need for saving rather than spending as the only sure method of combatting rising costs.

"Of great importance," says the author, "is the fact that the ownership in a good bond or stock gives one a feeling of personal interest, of partnership, in the country. House owners have long been considered better citizens as a class than renters. They have more interest in the community. Every earner in this country ought to own something tangible. If he has a substantial stake in the country he will not be a ready convert to Bolshevism, the disease which destroys the poor man's living along with the rich man's property."

This book shows the average man of modest means how to invest wisely and how to avoid the tragic mistakes that have brought financial ruin to so many homes.

Bank Advertising Exchange

Those listed herewith are willing to exchange booklets, folders and other advertising matter issued by them. Subscribers can get on this list free of charge

Watch for New Names and Other Changes

A

Adams, F. R., Will County National Bank, Joliet, Ill.
American National Bank, Pendleton, Oregon.
American Savings Bank, Springfield, Mo.
Ansley, D., Central Trust Co., San Antonio, Tex.

B

Bader, A. F., assistant cashier, Old State National Bank, Evansville, Ind.
Baker, I. W., Mgr., Advertising Dept., Guardian Savgs. and Tr. Co., Cleveland, Ohio.
Balley, C. W., cashier, First National Bank of Clarksville, Clarksville, Tenn.
Banco Mercantil Americano Del Peru, Lima, Peru, S. A.
Bankers Magazine, The, New York.
Bauder, Ray E., manager new business department, National City Bank, Chicago, Ill.
Baughert, E. M., president, The Home Building Association Co., Newark, Ohio.
Bennett, H. D., assistant cashier, Capital National Bank, Lansing, Mich.
Bernheim, E., Ph. D., Foreign Dept., The National Shawmut Bank of Boston, Mass.
Billings, K., asst. advertising mgr., Scandinavian American Bank, Tacoma, Wash.
Blize, L. A., president Citizens Bank and Trust Co., Tampa, Fla.
Branham, D. R., director publicity, Hellman Commercial Trust and Savings Bank, Los Angeles, Cal.
Brooks, T. J., vice-president, The Guaranty Trust and Savings Bank, Jacksonville, Fla.
Brown, G. W. C., assistant secretary, Tidewater Bank & Trust Co., Norfolk, Va.
Brown, R. A., assistant cashier, Citizens National Bank, Raleigh, N. C.
Bunch, F. B., cashier, Merchants and Farmers Bank, Stateville, N. C.
Burton, E. C., vice-president, Penn National Bank, Chester, Pa.
Buzbee, Minnie A., manager Advertising Department, American Bank of Commerce & Trust Co., Little Rock, Ark.

C

Conhalm, Herbert J., publicity manager, Fort Dearborn National Bank, Chicago, Ill.
Cotton, Bell Savings & Trust Co., Pine Bluff, Ark.
Cox, Rav, cashier, American Savings Bank, Springfield, Mo.
Crowson, M. Clarence, cashier, Home Banking Co., High Point, N. C.
Culbreth, Eugene E., Commercial National Bank, Raleigh, N. C.

D

Davis, Clark B., asst. secy., Franklin Tr. Co., 166 Montague St., Brooklyn, N. Y.
Dayton, T. S., publicity manager, Guaranty Trust Co., New York City.
Delly, H. E., Tradesmen's National Bank, Philadelphia, Pa.
Dysart, W. R., assistant cashier, First National Bank, Ripon, Wis.

E

Eberanacher, J. C., assistant cashier, First National Bank, Shelbyville, Ill.

Ekirch, A. A., secretary, North Side Savings Bank, New York City.
Ellsworth, F. W., vice-president, Hibernia Bank & Trust Co., New Orleans, La.

F

Finch, E. W., assistant cashier, Birmingham Trust and Savings Co., Birmingham, Ala.
Fisher, C. J. (Miss), Hoggson Bros., 485 Fifth Avenue, N. Y. C.

G

Gehrken, George A., manager, New Business Dept., Seaboard National Bank, New York.
Germs, Eleanor, manager publicity department, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
Grimm, H. B., director, Dept. of New Business, St. Joseph Valley Bank, Elkhart, Ind.
Groves, J. W., advertising manager, Minnesota Loan and Trust Co., Minneapolis, Minn.

H

Hall, J. Comly, Farmers and Mechanics Trust Co., West Chester, Pa.
Hamsher, C. F., president First National Bank, Los Gatos, Cal.
Haskell, E. G., Barnett National Bank, Jacksonville, Fla.
Hatton, E. A., cashier, First National Bank, Del Rio, Tex.
Hillyer, E. L., secretary, Union Trust Co. of D. C., Washington, D. C.
Hodgins, J. H., Statistical Dept., Union Bk. of Canada, Toronto, Canada.
Hoffman, A. C., manager, department of publicity, Security Trust & Savings Bank, Los Angeles, Cal.
Hokanson, N. M., advertising manager, State Bank of Chicago, Chicago, Ill.
Holdam, J. V., advertising manager, Chattanooga Savings Bank, Chattanooga, Tenn.
Holderness, M. E., vice-president and adv. mgr., First National Bank in St. Louis, Mo.
Hudson, Paul L., assistant cashier, First National Bank, Corona, Cal.
Hunter, Harold G., Sec'y and Treas., Kansas City Terminal Trust Co., Kansas City, Mo.
Hutchins, E. M., Seaboard National Bank, New York.

I

Imhoff, Charles H., vice-president, Union National Bank, Newark, N. J.

J

Jarvis, Charles D., publicity manager, Savings Bank of Utica, Utica, N. Y.
Jessup, Theodore, assistant cashier, Woodlawn Trust and Savings Bank, Chicago, Ill.
Johnson, E. W., Warren National Bank, Warren, Pa.

Jones, Marshall H., asst. cashier First and Citizens National Bank, Elizabeth City, N. C.

K

Kahn, A. T., vice-president, Commercial National Bank, Shreveport, La.
Keller, C. B. Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
Keeton, Monroe, manager Savings Department, Merchants & Farmers Bank, Meridian, Miss.
Kittredge, E. H., publicity manager, Old Colony Trust Co., Boston, Mass.

Kommers, W. J., vice-president, Union Trust Co., Spokane, Wash.

L

Lanier, B. W., asst. treas., United States Tr. Co., Jacksonville, Fla.
Lannig, Edgar R., advertising manager, Hibernia Bank and Trust Company, New Orleans, La.
Logan, John, cashier, Columbus State Bank, Columbus, Mont.
Lovett, W. R., Atlantic National Bank of Jacksonville, Jacksonville, Fla.
Lyons, Chas. S., Puget Sound Bank and Trust Co., Tacoma, Wash.

M

McCorkle, Josephine C., publicity manager, The City National Bank, Evansville, Ind.
McDowell, J. H., American Trust and Banking Co., Chattanooga, Tenn.
Mann, Ralph H., treasurer, Park Trust Co., Worcester, Mass.
Marvel, Charles S., cashier, The First-Second Savings and Trust Co., Akron, Ohio.
Matthews, Dave S., advertising manager, Farmers and Merchants Bank, Stockton, Cal.
Matthews, H. B., advertising manager, S. W. Strauss & Co., 150 Broadway, New York City.
Mead, Harold O., asst. cashier, The Bkg. Corporation of Montana, Helena, Mont.
Merrill, Frank, advertising manager, Northwestern National Bank, Minneapolis, Minn.
Meyer, A. J., publicity department, Union Trust Co., Rochester, N. Y.
Mills, W. C., New Business Department, Metropolitan Trust Co., 60 Wall Street, New York.
Moniteur des Interets Materiels, 27 Pl. de Louvain, Brussels, Belgium.
Murali, Henry de, secretary, Swiss Banking Association, Zurich, Switzerland.

N

Nye, Frank T., cashier, First National Bank, Northboro, Iowa.

O

Overton, J. A., cashier, National Bank of Smithtown Branch, Smithtown Branch, N. Y.

P

Pierce, Matthew G., publicity manager, Harris Trust and Savings Bank, Chicago, Ill.
Poole, John, president, Federal National Bank, Washington, D. C.
Potts, W. W., secretary and treasurer, The Federal Title and Trust Co., Beaver Falls, Pa.
Powell, V. M., cashier, Home Savings Bank, Brooklyn, N. Y.
Pratt, Thomas B., Henry L. Doherty & Co., 60 Wall Street, New York City.

R

Raven, F. J., American Oriental Banking Corporation, Shanghai, China.
Reid, Carol S., publicity manager, People's Bank, Ltd., Hilo, T. H.
Rittenhouse, C. M., Farmers Loan and Trust Co., New York.
Rouff, Melvin, assistant cashier, Houston National Exchange Bank, Houston, Tex.
Ruiz, William J., cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

S

Sacramento Bank, Sacramento, Cal.
Schlenker, Almot, cashier, First National Bank, Ehrenham, Tex.
Sciater, A. G., Union Bank of Canada, 49 Wall St., New York.
Scott, Walker, vice-president, Virginia Trust Co., Richmond, Va.
Shepherd, George W., c/o International Trust Co., Boston, Mass.

Shoven, A. M., cashier, Kankakee County Trust and Savings Bank, Kankakee, Ill.
Smith, A. C., vice-president, City National Bank, Clinton, Iowa.
Smith, Allen T., manager Special Service Department, Industrial Savings Bank, Flint, Mich.
Staker, F. M., manager, safe deposit dept., Commerce Trust Co., Kansas City, Mo.
Stein, Rudolph, assistant cashier, John Nemeth State Bank, New York City.
Stewart, F. E., 1505 Jefferson St., Toledo, Ohio.
Stoner, T. H., cashier, The Peoples National Bank, Waynesboro, Pa.
Stover, J. C., secretary-treasurer Indiana Savings and Loan Association, South Bend, Ind.
Sutton, Frederick T., publicity mgr., Mercantile Bank of the Americas, New York.

T

Taylor, C. E., Jr., president, Wilmington Savings and Trust Co., Wilmington, N. C.
Tidewater Bank and Trust Company, Norfolk, Va.

V

Van Blarcom, Wessels, assistant cashier, Second National Bank, Paterson, N. J.
Van Name, Miss M. L., 515 Stephen Girard Building, Philadelphia, Pa.

W

Wadden, John W., president, Sioux Falls National Bank, Sioux Falls, S. D.
Wadden, Thomas A., vice-president, Lake County Bank, Madison, S. D.
Wilkes, W. H., assistant to the president, National Bank of Commerce, St. Louis, Mo.
Williams, F. H., treasurer, Albany City Savings Institution, Albany, N. Y.
Williams, J. E., assistant cashier, Third National Bank, Scranton, Pa.
Winship, Addison L., vice-president and manager, New Business Department, National Shawmut Bank, Boston, Mass.

Z

Zimmerman, Frank A., treasurer, Chambersburg Trust Co., Chambersburg, Pa.
Zimmerman, Paul E., cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

NEW NAMES

Delson, Louis E., publicity manager, Central Trust Co. of Illinois, Chicago, Ill.
Gehle, Frederick W., manager advertising department, Mechanics & Metals National Bank, New York.
Gehle, William A., Liberty National Bank, New York.
Higley, J. N., advertising department, First National Bank, Youngstown, Ohio.
Garner, Percy, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.
Pollock, Willis, manager commercial service department, First Wisconsin National Bank, Milwaukee, Wis.
Wells, Geo. T., assistant cashier, Denver National Bank, Denver, Colo.
Williams, Jno. L., vice-president, Farmers & Merchants Bank, Greenville, S. C.
Withers, C. K., trust officer and publicity manager, Mechanics National Bank, Trenton, N. J.

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Banking and Financial Industry

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



THE LIBERTY NATIONAL BANK *of* NEW YORK

CAPITAL - - - - \$5,000,000.00
SURPLUS - - - - 5,000,000.00
UNDIVIDED PROFITS 2,080,000.00

OFFICERS

HARVEY D. GIBSON	President
DANIEL G. REID	Vice President
ALEXANDER V. OSTROM	Vice President
CHARLES W. RIECKS	Vice President
ERNEST STAUFFEN, Jr.	Vice President
JOSEPH A. BOWER	Vice President
BENJAMIN E. SMYTHE	Vice President
JAMES G. BLAINE, Jr.	Vice President
JOSEPH S. MAXWELL	Vice President
GEORGE MURNANE	Vice President
SIDNEY W. NOYES	Vice President
MAURICE F. BAYARD	Vice President
FREDERICK W. WALZ	Cashier
FREDERICK P. McGLYNN	Assistant Cashier
THEODORE C. HOVEY	Assistant Cashier
LOUIS W. KNOWLES	Assistant Cashier
RAYMOND G. FORBES	Assistant Cashier
DANFORTH CARDOZO	Assistant Cashier
C. CARLTON KELLEY	Assistant Cashier
EDWARD J. WHALEN	Assistant Cashier

Are You Going to Build a New Home For Your Bank?

Depositors prefer to do business with a Bank having a modern up-to-date distinctive building, first class equipment throughout and absolute security in its vault work. Convincing evidence that we furnish complete service in all these departments is shown by the fact that we have been selected by the following banks and very many others:

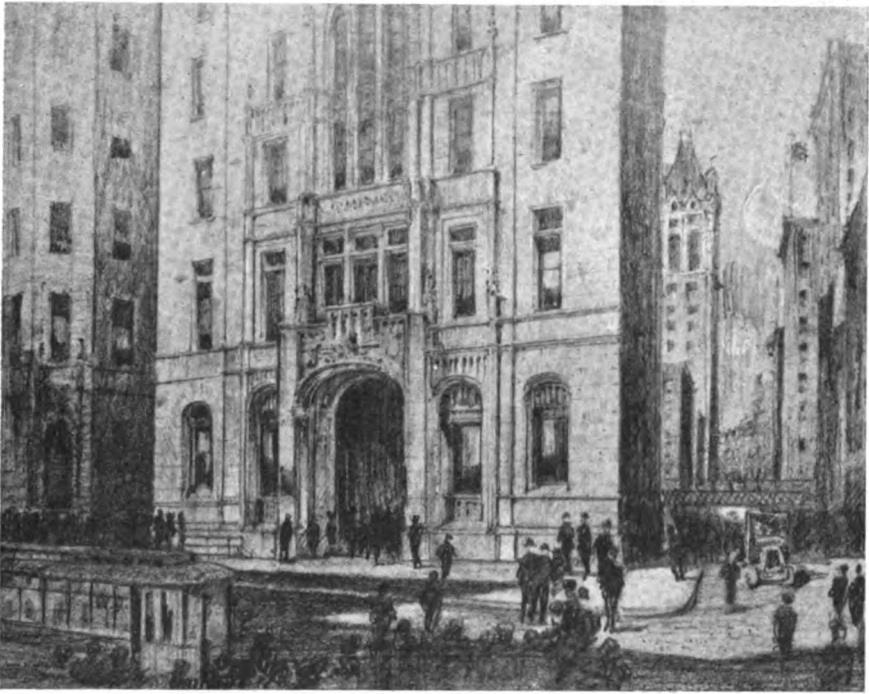
Seaboard National Bank, New York
National Bank of Commerce, New York
Asia Banking Corporation, New York
Mercantile Trust Company, New York
American Exchange National Bank, Dallas, Texas
Charlotte National Bank, Charlotte, N. C.
First National Bank, Jersey City, N. J.
Greenwich Trust Company, Greenwich, Conn.
Colonial Trust Company, Greenwich, Conn.
Colonial Trust Company, Titusville, Pa.
First National Bank, Richmond, Va.
Lynchburg National Bank, Lynchburg, Va.
Hibernia Bank & Trust Company, New Orleans, La.

We shall be pleased to make suggestions regarding the most efficient and economical methods of meeting your requirements without obligation on your part.

Alfred C. Bossom

Bank Architect and Equipment Engineer

366 Fifth Avenue, New York



Facade and Main Entrance to Mercantile Trust Company at 115 Broadway, New York

The Mercantile Trust Company

OWING to the large growth in its volume of business, the Mercantile Trust Company of New York has found it necessary to greatly enlarge its banking quarters at 115 Broadway.

Not three years ago the company moved into quarters on the north side of the building, and very shortly it was evident that its equipment was totally inadequate. Since then it has more than doubled its space, taking over the entire ground floor of this large building in addition to placing a number of its departments upon the lower floor.

The building itself is arranged with a public corridor and a battery of elevators in the center so that a rather unusual problem was introduced, as the bank had to be divided. Formerly there were separate entrances from Broad-

way, but it appeared desirable to eliminate these and make the main entrance to the bank from the public corridor of the office building. This has been worked out successfully from the bank's point of view by installing its Trust Department in the newly acquired space on the south side of the corridor, and retaining its main banking room in the original quarters which have been considerably enlarged.

Effort has been made to make the officers' quarters readily accessible to the bank's customers, and the public generally.

The vaults are arranged in the basement and are of the heaviest construction and modern in every detail.

The general treatment of the rooms is in dull yellow, with a dull gold enrichment on the ceilings, a light cloud



J. C. TRAPHAGEN
TREASURER



CHARLES D. MAKEPEACE
VICE-PRESIDENT



PETER S. DURYEE
VICE-PRESIDENT



JOHN A. BURNS
TRUST OFFICER



CHELLIS A. AUSTIN
PRESIDENT



CORNELIUS J. MURRAY
ASSISTANT TREASURER



JAMES M. WADE
ASSISTANT TREASURER



F. ROGERS PARKIN
ASSISTANT SECRETARY



JOHN J. TEAL
ASSISTANT SECRETARY



H. D. CAMPBELL
VICE-PRESIDENT AND SECRETARY



HENRY R. JOHNSTON
ASSISTANT TO THE PRESIDENT



Senior Officers' Quarters

marble and bronze treatment on the north side and mahogany and bronze on the south side.

With the additions and modifications that recently have been completed, the bank now has facilities for handling the very marked increase in its business, and has provided for considerable expansion for the future. The remodeling work was handled by Alfred C. Bossom, architect, of New York City.

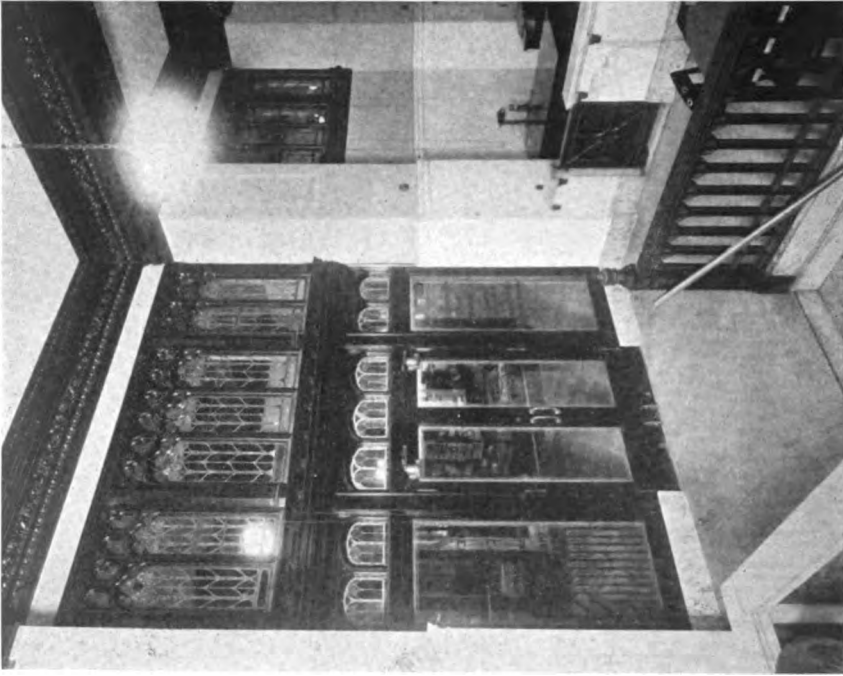
THE COMPANY'S OFFICERS.

The bank is exceptionally well officered by men who combine practical experience with progressive ability.

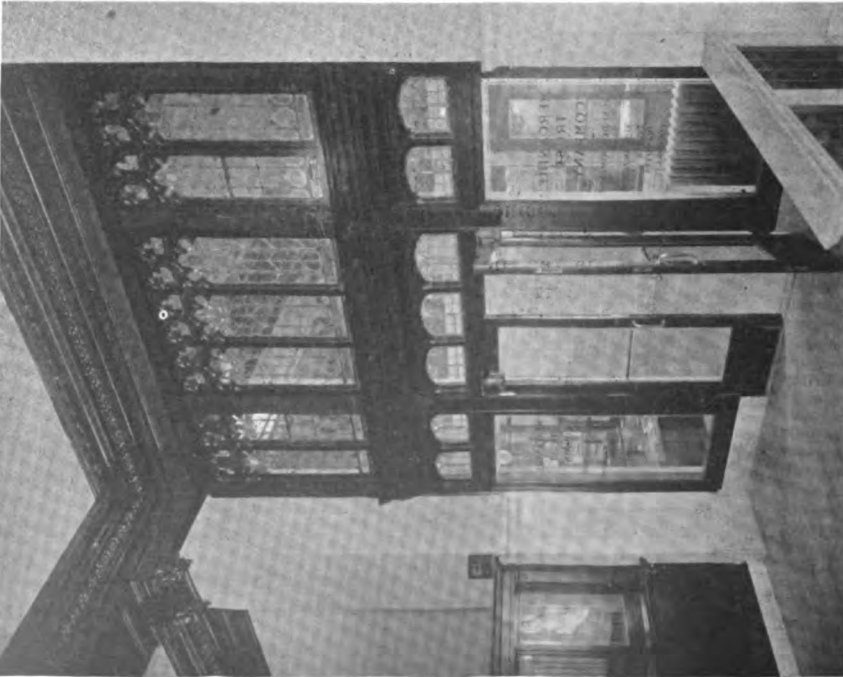
The president is Chellis A. Austin. Mr. Austin was born at West Berkshire, Vt., in 1876, and at an early age moved to Canton, St. Lawrence County, N. Y., where he was educated in public schools and at St. Lawrence University, finishing his college course at Columbia University in the class of 1898. After leaving college he entered a brokerage

office as messenger. In 1899 he began service with the Erie Railroad as clerk in the president's office. In order to obtain a practical education in the operation of railroads, he gave up a clerical position in the general offices, and became night yard clerk in the Erie yard at Hornell, N. Y. He was promoted to the position of night yardmaster, and from that worked gradually up to be trainmaster of the Jersey City Terminal Division of the Lehigh Valley Railroad. In the fall of 1911 Mr. Austin gave up railroading and entered the Columbia Trust Company of New York as a solicitor of new business. He was successively promoted to credit man, assistant treasurer, assistant secretary, and was elected vice-president in December, 1916. He left the Columbia Trust Company to become president of the Mercantile Trust Company, having won his promotion at the age of forty to the chief executive position in this important institution.

Charles D. Makepeace, vice-presi-



Entrance to Main Banking Room and Safe Deposit Vaults



Entrance to Trust Department

dent, was born in Barnstable, Cape Cod, Mass., in 1875. He was educated at Worcester Academy, Mass., and graduated from Williams College in 1900. After graduation he spent several years in New York banks and trust companies, notably with the Garfield National Bank, and the Manhattan Trust Company. He is interested actively in large agricultural developments in Southern New Jersey. He also organized, and was president of, the First National Bank, Mays Landing, N. J., resigning to become vice-president of the Mercantile Trust Company.

H. D. Campbell, vice-president, was formerly a prominent figure in banking circles in Seattle, Wash. He was born in Danville, Ill., in 1879 and moved to Minneapolis at an early age. He is a graduate of the academic and law departments of the University of Minnesota. After leaving the University, he practiced law in Minneapolis, moving to Seattle in 1906 to become assistant manager of the Independent Telephone Co. Mr. Campbell was made secretary of the Washington Mutual Savings Bank in 1912 and a vice-president in 1914. He came to New York in September, 1917, to take the position of secretary and treasurer of the Mercantile Trust Co. In 1918 he was made vice-president of that Company. He was Chairman of the 1918 Red Cross roll call committee for New York City.

Peter S. Duryee, vice-president, was born December 2, 1874, at Englewood, N. J., and was educated in the private and public schools of Englewood. In 1890 he started business with B. H. Howell Son & Co., sugar importers and refiners, and was later associated as salesman with H. W. Banks & Co., in the coffee business. In 1898, he started business for himself, forming the firm of Duryee & Barwise, jobbers in tea and coffee. This firm was subsequently incorporated, and Mr. Duryee was president until his resignation on May 1, 1917. He then became associated as assistant to Mr. Seward Prosser, chairman of the

first Red Cross \$100,000,000 drive, and continued with the Red Cross until September 1, 1917, at which time he became associated with the Mercantile Trust Company as assistant to the president. He became vice-president January 1, 1919.

J. C. Traphagen, treasurer of the company, was until recently secretary of the Scandinavian Trust Company, which has now consolidated with the Liberty National Bank. Previous to that he was assistant secretary of the Franklin Trust Company of New York, having supervision of the purchases and sales of the company's securities, and assisted in its re-organization work. His bond experience dates back to an early engagement with the bond house of George C. White & Co. In 1910 Mr. Traphagen was made manager of the Standard Statistics Bureau, elected a director in 1914 and one year later was chosen its vice-president.

John A. Burns, trust officer, was born at Cold Spring, N. Y., August 16, 1889. He graduated from the Haldane High School, Cold Spring, N. Y., June, 1906, from the New York Chapter A. I. B. in 1918. From January, 1907, to May, 1917, he was connected with the Knickerbocker Trust Company and its successor, the Columbia Trust Company, starting as runner and subsequently engaging in all branches of trust business. He first became connected with the Mercantile Trust Company in May, 1917, as assistant secretary and in December, 1918, he was appointed trust officer.

Cornelius J. Murray, assistant treasurer, gained his first banking experience, after preparatory school, with the First National Bank of Sioux City, Ia. He came to New York in August, 1915, in the employ of the Mechanics & Metals National Bank and left this institution in October, 1916, to go with the New York Produce Exchange Bank. In May, 1917, he severed his connection with the latter institution to become assistant treasurer of the Mercantile Trust Company.

James M. Wade, assistant treasurer,



Trust Department

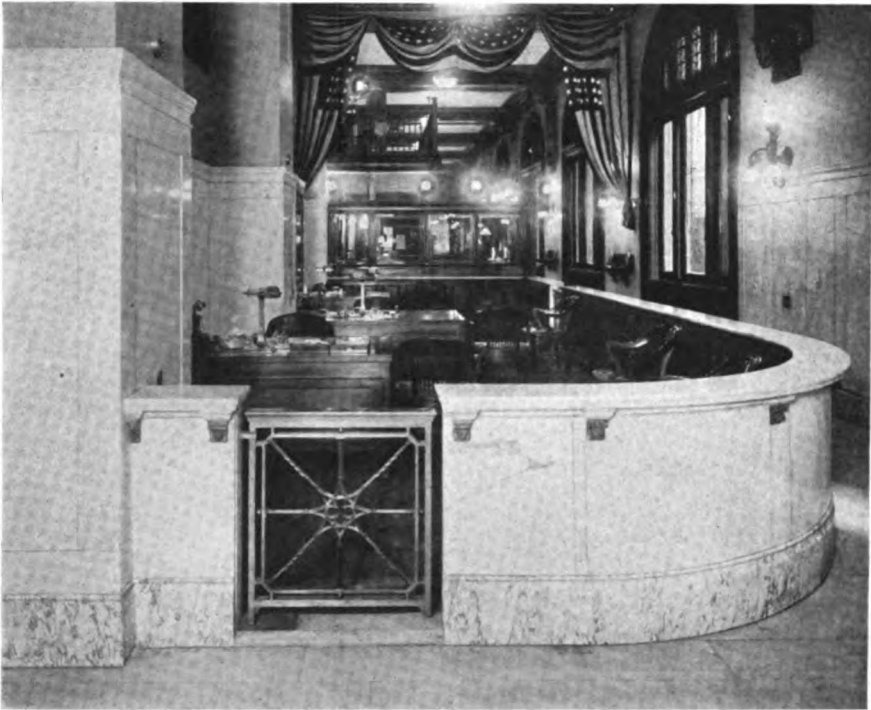
was born November 18, 1887, at Union, N. J. He was graduated from the Union Township High School in 1904, at which time he took a position with the Union Exchange Bank as messenger. In 1905 he left this institution to go to the Coal and Iron National Bank, being assistant paying teller when he left on November 15, 1912, to take a teller's position with the Elizabeth Trust Company, Elizabeth, N. J., where he stayed until May 1, 1917. Then he came to the Mercantile Trust Company as paying teller. He was made assistant treasurer in August, 1918.

F. Rogers Parkin, assistant secretary, was born August 25, 1898, at Flushing, New York. He was educated in various schools and at Princeton University until June, 1914. He served the Irving Savings Institution, New York, from July, 1914, to December, 1914, and also the Trust Department of the Union Trust Company from

December, 1914, to May, 1917. On May 1, 1917, he entered the Mercantile Trust Company as trust clerk. He was appointed assistant secretary, January 1, 1919.

John J. Teal, assistant secretary, entered the Mercantile Trust Company July 9, 1918, taking charge of credit work. Before that he had worked in various executive positions with the Erie and Lehigh Valley railroads. He was assistant to the vice-president, in charge of traffic with the latter at the time of leaving its service for that of the Mercantile Trust Company.

H. R. Johnston, assistant to the president, became connected with the company on January 1st, of this year, after his discharge from the Naval Aviation service. Mr. Johnston graduated from Williams College in 1909 and prior to the outbreak of the War had practiced law for six years, being a member of



Junior Officers' Quarters and Partial View of Public Space in Main Banking Room

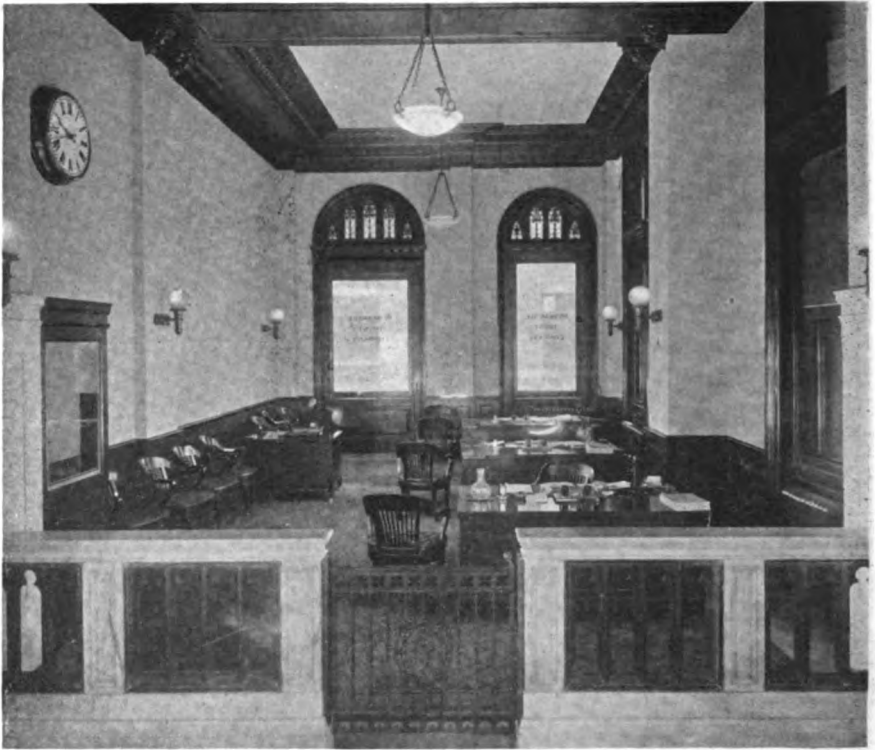
the firm of Greene & Hurd, New York City.

THE DIRECTORS

The directorate of this company is exceptionally strong and represents some of the strongest business and financial interests in the United States, as will be seen from the list of directors given herewith, with their affiliations:

Chellis A. Austin, president of the company; Elliott Averett, vice-president United Cigar Stores Company; Earl D. Babst, president American Sugar Refining Company; Edward J. Barber, president Barber Steamship Lines, Inc.; Henry S. Bowers, Goldman, Sachs & Co., bankers; Harry Bronner, president Missouri Pacific R. R. Co.; Frank N. B. Close, vice-president Bankers Trust Company; J. S. Coffin, chairman Franklin Ry. Supply Co.; Delos W. Cooke, associate director the Cunard Steamship Co., Ltd.; C. G. DuBois, president Western Elec-

tric Company; Frederick F. Fitzpatrick, president Railway Steel Spring Company; William Giblin, president Mercantile Safe Deposit Company; Harvey D. Gibson, president Liberty National Bank; Thomas Hildt, vice-president Bankers Trust Company; Alfred R. Horr, financial vice-president Equitable Life Assurance Society; Herbert P. Howell, vice-president National Bank of Commerce; N. D. Jay, Morgan, Harjes & Co., Paris; Elgood C. Lufkin, president Texas Company; John McHugh, vice-president Mechanics & Metals National Bank; Theodore F. Merseles, vice-president and general manager National Cloak & Suit Company; Albert G. Milbank, Masten & Nichols, lawyers; Samuel H. Miller, vice-president Chase National Bank; Sherburne Prescott, treasurer Consolidated Textile Corporation; John J. Rasch, vice-president E. I. Du Pont de Ne-



Officers' Quarters in Trust Department

mours & Co.; Jackson E. Reynolds, vice-president First National Bank; Charles S. Sargent, Jr., Kidder, Peabody & Co., bankers; Eugene V. R. Thayer, presi-

dent Chase National Bank; Edward R. Tinker, vice-president Chase National Bank; F. T. Walker, agent Royal Bank of Canada.



Banking and Financial Notes

SPECIAL

**The BANKERS
MAGAZINE**

SECTION



UNION COMMERCE *National Bank* OF CLEVELAND

Capital, Surplus and Undivided
Profits \$7,500,000.00

THE relationship between correspondent banks is satisfactory only when mutually pleasant and profitable. Both are entitled to service, to such service as is possible only when based upon personal relationship and personal attention to individual requirements.

The Union Commerce National Bank specializes in service of this satisfying kind.

OFFICERS

WARREN S. HAYDEN	Chairman	HARRY E. HILLS	Ast. Cashier
GEORGE A. COULTON	President	CARL R. LEE	Ast. Cashier
GEORGE S. RUSSELL	Vice Pres.	FRANK A. WHITE	Ast. Cashier
WILLIAM E. WARD	Vice Pres.	FRED W. COOK	Ast. Cashier
CHARLES L. BRADLEY	Vice Pres.	GEORGE Q. HALL	Ast. Cashier
ELMER E. CRESWELL	Vice Pres.	EZRA W. BOURNE	Ast. Cashier
WALTER C. SAUNDERS	Cashier	JAMES DUNN, Jr.	Mgr. Income Tax Dept.

UNDER JOINT OWNERSHIP WITH
THE CITIZENS SAVINGS AND TRUST CO.
COMBINED RESOURCES OVER \$145,000,000.00



THE Warren Institution for Savings, Boston, a bank interior with an atmosphere in keeping with this dignified Boston institution and its surroundings,—Park Street Church on one side, historic Boston Common in front, and the Bulfinch State House nearby. An individual banking room in a distinctive building—the work of

Thomas M. James, Architect

3 Park St., Boston, Mass.

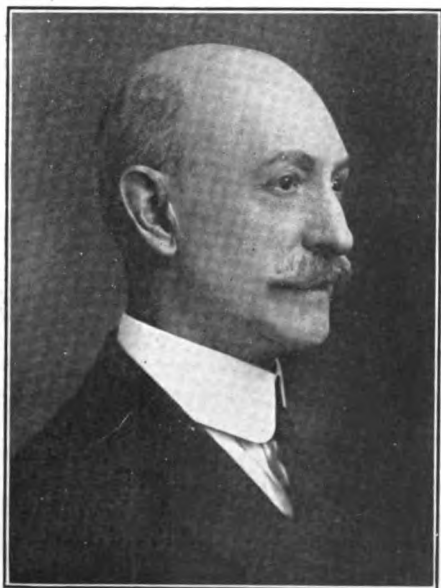
Banking and Financial Notes

CHEMICAL NATIONAL BANK

The statement of the condition of the Chemical National Bank, New York, at the close of business, Sept. 12, 1919, shows total assets of \$130,892,625.57 and total deposits of \$86,678,520.55, divided as follows: Individuals, firms and corporations, \$58,484,475.32; banks, bankers and trust companies, \$19,346,310.68; U. S. Government Deposits, \$2,165,810.96; time deposits, \$6,681,923.59.

CELEBRATES FIFTIETH ANNIVERSARY

Francis Halpin, vice-president of the Chemical National Bank of New York,



FRANCIS HALPIN

Vice-President Chemical National Bank, New York
Mr. Halpin recently celebrated the fiftieth anniversary of his entrance into the service of the bank

celebrated the fiftieth anniversary of his entrance into the service of the bank last month.

On October 20, 1869, when Mr. Hal-

pin entered the bank as a runner, he had the district north of Chambers Street and from the East to the North Rivers. At that time there was only one cross line of street cars in the city, running from Houston Street ferry on the East to 34th Street ferry on the West side. As there was no business above Forty-second Street, that thoroughfare was as far north as his duties ever took him, and for this he received a salary of \$250 a year.

There were no subways, no elevated, and but few horsedrawn surface cars in those days; no telephones, no typewriters and no adding machines. The Chemical National at that time had deposits of approximately \$5,000,000 with a capital of \$300,000, and surplus and



The Branch
Our first President

Merchants National Bank

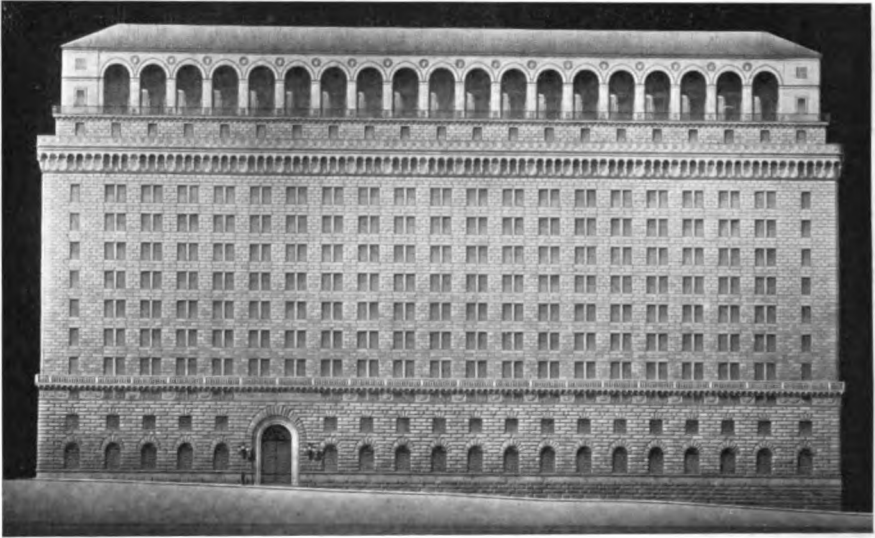
RICHMOND, VA.

Capital \$400,000
Surplus and Profits over 1,700,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"



Proposed building for the New York Federal Reserve Bank as it will look from the Liberty Street side. The building will not be erected immediately, but plans are being prepared now in order to provide for the future growth of this bank's operations.

profits of \$2,500,000. It had two officers and 20 clerks and occupied the entire space which is now only the Broadway entrance corridor to the present bank quarters.

Mr. Halpin advanced through various positions in the institution, becoming discount clerk, then in 1892 assistant cashier, cashier in 1898 and vice-president in 1917.

During this period of half a century the Chemical National has rendered such service to the public as to earn the right to use the slogan "we solicit business on our record," for the record of the bank is such that it can be pointed to with pride and satisfaction. It now requires 12 officers and 250 clerks to handle the business, with the most modern machinery used by banks, and on September 12 last the official statement showed a capital of \$3,000,000, of which \$2,700,000 was earned, in addition to an earned surplus and profit account of \$10,059,056. The total resources were \$130,892,625.

OPINIONS ON THE PLUMB PLAN

The Liberty National Bank of New York in a recent bulletin has made a

very careful compilation of public opinion on the Plumb Plan as reflected in press comments throughout the country. Newspaper comment in all sections of the country is quoted, giving a very clear summary of what the country as a whole thinks of the plan.

ANTI-STOCK SWINDLING LEAGUE

According to the *New York Times*, the Board of Governors of the New York Stock Exchange has put the stamp of its approval upon the campaign being waged by the Business Men's Anti-Stock Swindling League, of which Myron T. Herrick is chairman, against the sharpers, cheats, and "common" men who urge owners of Liberty Bonds and War Savings Stamps and certificates to exchange them for worthless stocks and bonds.

The governors of the Exchange, in adopting a resolution endorsing the work of the League, urged members to cooperate with the organization in an effort to check the activities of unscrupulous vendors of worthless paper who are defrauding Liberty bondholders of millions of dollars.

The Business Men's Anti-Stock Swindling League was formed follow-

*We are seeking
new business on our record*

Original Capital, 1844	\$	300,000
Increase of Capital from		
Earnings	-	2,700,000
Present Surplus and Profits		10,000,000
Dividends paid 1844-1919		25,500,000

**The
Chemical National Bank
of New York**

(Established 1824)

ing a meeting in the local Chamber of Commerce, at which it was decided that responsible interests throughout the country should be united against the stock swindler, exposing his methods and marking him through a campaign of publicity and education so that he would be easily recognizable and treated as a public enemy. The League prepared a statement outlining its plans, which was sent to all business associations, chambers of commerce, and other civic and economic bodies. It read, in part:

"It is believed that the intelligence of American business men can be relied upon to supply the first requisite of united support of the movement when the effect of the unchecked defrauding of their customers is put plainly before them. Accumulated savings build up the nation's capital, which employs labor and pays wages. Wages in turn provide the purchasing power upon which business thrives. Thus, the operation of the swindler in draining the

people's savings undermines the foundation upon which prosperity rests and upon which the success of all business large and small alike, depends.

"In addition and of equal seriousness to business is the depressing effect of the discouragement and loss of confidence in our institutions and the reaction against our Government felt by the millions of innocent victims who were taught to practice patriotic self-denial so that they might lend to the Government, and then abandoned to the wiles of swindlers."

Among those who compose the league's executive committee are: William G. McAdoo, W. Fellowes Morgan, president of the Merchants' Association; Francis H. Sisson, vice-president of the Guaranty Trust Company; W. G. Lee, president of the Brotherhood of Railway Trainmen; A. M. Chambers, Second Federal Reserve Bank; William Green, vice-president of the American Federation of Labor; Jason Westerfield

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$950,000

OFFICERS

JULIAN D. FAIRCHILD, President
JULIAN P. FAIRCHILD, Vice-President
WILLIAM J. WASON, JR., Vice-President
THOMAS BLAKE, Secretary

HOWARD D. JOOST, Assistant Secretary
J. NORMAN CARPENTER, Trust Officer
GEORGE V. BROWER, Counsel

ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS.

of the New York Stock Exchange, J. E. Kavanagh, vice-president of the Metropolitan Life Insurance Company, and W. C. D'Arcy.

CHASE NATIONAL HAS FIDUCIARY PRIVILEGE

The Chase National Bank of New York has been granted fiduciary powers under the amendment to the Federal Reserve Act, and has organized a trust department for the administration of the needs of its clients.

NEW DIRECTOR FOR MERCANTILE BANK

At a meeting of the board of directors of the Mercantile Bank of the Americas of New York, held on December 4, George Willets Davison, president and chairman of the board of trustees of the Central Union Trust Company, was elected a Director. Mr. Davison takes the place on the board of the Mercantile Bank of the Americas left vacant by the recent death of James N. Wallace.

NEW HEAD FOR CENTRAL UNION TRUST COMPANY

George Willets Davison, vice-president of the Central Union Trust Company, has been elected to succeed the late James N. Wallace, as president of that institution. Mr. Davison came to the Central Trust Company in 1912, being offered a vice presidency by Mr. Wallace, following his work in connection with the reorganization of the Third Avenue Railway, and for the last

five years prior to Mr. Wallace's death had come to be known as the latter's right hand man.

Mr. Davison was born in Rockville Center, N. Y., in 1872, graduating from



GEORGE W. DAVISON

Recently elected President Central Union Trust Company, New York

Wesleyan University twenty years later. In 1894 he received the degree of LL.B. from New York University, and in 1912 the degree of LL.D. was conferred upon him by Dickinson University.

Where Service Counts—

Seaboard service is backed by thirty-seven years of experience in handling accounts of banks and bankers, corporations, firms and individuals throughout the United States.

It is the kind of service that gives personal, individual attention to every account—large or small—and will satisfy every particular requirement and financial need that your business may demand.

We offer you this distinctly personalized financial service and the complete facilities of our well equipped departments, with the assurance that any business entrusted to our care, will be handled with accuracy, promptness and unfailing courtesy at all times.

The Seaboard National Bank of the City of New York

Resources more than	\$80,000,000
Deposits	71,000,000

From 1894 to 1912 he practised law, becoming Assistant District Attorney of Queens County in 1897 and subsequently District Attorney. He first attracted the attention of the financial community when he assisted the late F. W. Whitridge as counsel in the resuscitation of the property of the Third Avenue Railway, serving at the request of Mr. Wallace. Shortly after his appointment as vice president of the trust company, he was left in complete charge, while Mr. Wallace took a three months' vacation in Europe. He played an active part in the Liberty Loan campaigns, in 1917, for a time serving as Acting Deputy Governor of the Federal Reserve Bank in charge of the organization of the redeposit of Government funds.

In addition to being a trustee of the Central Union Trust Company, Mr. Davison is a director in the American Eagle Fire Insurance Company, Brooklyn Rapid Transit and subsidiaries. People's Trust Company, Platt Iron

Works, Third Avenue Railway Company, Wabash and Sloss-Sheffield. He is also a trustee of Wesleyan University.

A. C. BOSSOM IN NEW QUARTERS

Alfred C. Bossom, the bank architect and engineer, has removed his offices from 366 Fifth Avenue to 680 Fifth Avenue, where he has taken the entire top story of that handsome structure, recently built by John D. Rockefeller, Jr., and has arranged it to accommodate a most complete architectural and engineering organization.

Among some of the bank building operations that Mr. Bossom is working on at this time are the new homes for the Seaboard National Bank, New York; First National Bank, Jersey City, N. J.; National Bank of Commerce, New York; Columbia Trust Company, New York; Virginia Trust Company, Richmond, Virginia; First National Bank, Richmond, Virginia, and the Colonial Trust Company, Farrell, Pa.

Mr. Bossom has issued a cordial in-

**THE
CHATHAM
AND
PHENIX
NATIONAL
BANK
OF THE
CITY OF NEW YORK**



100 YEARS OF COMMERCIAL BANKING

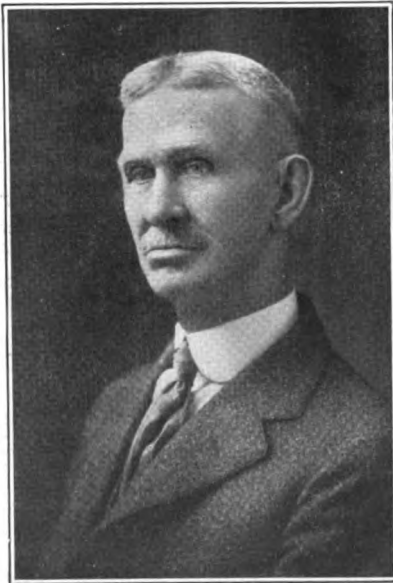
LOUIS G. KAUFMAN , President	RICHARD H. HIGGINS , Vice-President
GEORGE M. HARD , Chairman	BERT L. HASKINS , Vice-Pres. and Cashier
FRANK J. HEANEY , Vice-President	C. STANLEY MITCHELL , Vice-President
WILLIAM H. STRAWN , Vice-President	ROLFE E. BOLLING , Vice-President
NORBORNE P. GATLING , Vice-President	GEORGE R. BAKER , Vice-President
H. A. CLINKUNBROOMER , Vice-President	WALLACE T. PERKI , Vice-President
MAX MARKELL , Vice-President	HENRY L. CADMUS , Asst. Cashier
WILLIAM MILNE , Vice-President	HENRY C. HOOLEY , Asst. Cashier
JOHN B. FORSYTH , Vice-President	JOSEPH BROWN , Asst. Cashier
WALTER B. BOICE , Asst. Cashier	HARVEY H. ROBERTSON , Asst. Cashier
VINTON M. NORRIS , Asst. Cashier	

**ACCOUNTS INVITED
RESOURCES 160 MILLION DOLLARS**

invitation to his bank clients to make use of his office while in New York.

FORMER KANSAS TREASURER ATLANTIC NATIONAL REPRESENTATIVE

Frank E. Grimes of Topeka, former treasurer of the state of Kansas, has



FRANK E. GRIMES

Recently appointed Kansas City representative, Atlantic National Bank, New York

been appointed, effective December 1, as representative for the Atlantic National Bank of New York in the state of Kansas and surrounding territory. Mr. Grimes needs no introduction to the bankers of that section. His long residence in the state, as well as his activity in a public way, has given him the intimate knowledge of business conditions so necessary to a representative of this kind.

It has long been the policy of the Atlantic National Bank to give close personal attention to its correspondents, and the appointment of Mr. Grimes is with the view to further improving the bank's service.

TO HEAD DIRECTORATE FRENCH AMERICAN BANKING CORPORATION

James S. Alexander, president of the National Bank of Commerce in New York, has been elected chairman of the board of directors of the French American Banking Corporation.

NATIONAL BANK OF COMMERCE EMPLOYEES FORM AMERICAN LEGION POST

Employees of the National Bank of Commerce in New York who were in war service have perfected the organization of a Post of the American Le-

IN NEW YORK

We are still New York correspondents for nine out of town banks who opened accounts with us in the following years:

1829	1836	1851
1829	1839	1863
1831	1849	1865

We offer this time tested service to you.

ATLANTIC
National Bank
 Broadway-Opposite City Hall



Phineas C. Lounsbury,
Chairman
 Herman D. Kountze,
President
 Edward K. Cherrill,
Vice-President
 Gilbert H. Johnson,
Vice-President
 Kimball C. Atwood,
Vice-President
 Charles F. Junod,
Vice-President
 Frank E. Andruss,
Cashier
 John P. Laird,
Asst. Cashier
 John H. Brennen,
Asst. Cashier
 John H. Trowbridge,
Asst. Cashier

gion, the charter for which has been approved. The preliminary meeting, held in the Commerce Club's rooms at the bank, was presided over by E. H. Lee.

James S. Alexander, president of the National Bank of Commerce, spoke of the possibilities of such an organization when devoted solely to fostering and perpetuating the spirit of devotion, patriotism and self-sacrifice which war service called into life. He said it was always advisable to make sure of the real ends and possibilities of such associations. He expressed appreciation of the service which the bank's employees rendered in responding to the nation's call, and pride in their accomplishment, and in conclusion he said he was sure that all were equipped to live better and fuller lives because of such service.

More than two hundred employees of the National Bank of Commerce were in war service, five making the supreme sacrifice. There are now in the bank's employ one hundred and twenty men

and women eligible to membership in the American Legion.

INDUSTRIAL BANK OF NEW YORK

According to the *New York Times*, the new bank to be known as the Industrial Bank of New York, has had its capital stock, which has been fixed at \$1,000,000, four times over-subscribed. This new institution, which will start business with a capital of \$1,000,000 and a paid-up surplus of \$500,000, will probably open its doors soon, in its temporary quarters at the corner of Fourth Avenue and Twenty-fourth Street. Its board of directors includes several vice-presidents of big Wall Street banks and trust companies and other representatives of important interests.

U. S. MORTGAGE AND TRUST COMPANY

The United States Mortgage and Trust Company has been appointed transfer agent for the first preferred, second preferred and common stock of

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	-	\$10,000,000
Surplus and Profits	-	20,479,000
Deposits (Sept. 12, 1919)	-	405,569,000

A. BARTON HEPBURN, Chairman of the Advisory Board
 ALBERT H. WIGGIN, Chairman of the Board of Directors

EUGENE V. R. THAYER, President	CHARLES D. SMITH, Asst. Cashier
SAMUEL H. MILLER, Vice-President	WILLIAM F. HOLLY, Asst. Cashier
EDWARD R. TINKER, Vice-President	GEORGE H. SAYLOR, Asst. Cashier
CARL J. SCHMIDLAPP, Vice-President	M. HADDEN HOWELL, Asst. Cashier
GERHARD M. DAHL, Vice-President	S. FREDERICK TELLEEN, Asst. Cashier
REEVE SCHLEY, Vice-President	ROBERT I. BARR, Asst. Cashier
ALFRED C. ANDREWS, Cashier	SEWALL S. SHAW, Asst. Cashier
CHARLES C. SLADE, Asst. Cashier	LEON H. JOHNSTON, Asst. Cashier
EDWIN A. LEE, Asst. Cashier	OTIS EVERETT, Asst. Cashier
WILLIAM E. PURDY, Asst. Cashier	GEORGE E. SCHOEPPS, Asst. Cashier

DIRECTORS

H. W. CANNON	J. N. HILL	E. R. TINKER	E. V. R. THAYER
A. B. HEPBURN	D. C. JACKLING	H. B. ENDICOTT	C. J. SCHMIDLAPP
A. H. WIGGIN	F. A. SAYLES	E. T. NICHOLS	G. M. DAHL
J. J. MITCHELL	C. M. SCHWAB	N. CARLTON	A. FLETCHER
G. E. TRIPP	S. H. MILLER	F. H. ECKER	

WE RECEIVE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT

A. G. Spalding & Bros. This company has also been appointed depository for the capital stock of the American Exchange National Bank in connection with the organization of the American Securities Corporation.

Frank J. Parsons, vice-president of the U. S. Mortgage and Trust Company is making a trip through the West visiting the company's mortgage representatives.

NEW SECRETARY FOR MERCANTILE BANK OF THE AMERICAS

At a meeting of the board of directors of the Mercantile Bank of the Americas held October 22, William Todd was appointed assistant secretary.

BANK ADDS FIVE DIRECTORS

The board of directors of the Liberty National Bank of New York has been increased by the election of five former directors of the Scandinavian Trust

Company, which recently was absorbed by the Liberty National. The new directors are Alexander V. Ostrom, former president of the Scandinavian Trust Company and now a vice-president of the Liberty National; Frederick W. Hvoslef of Bennett, Hvoslef & Co.; C. M. McNeill, president of the Utah Copper Co.; Jeremiah Milbank, Alexander R. Nicol and E. A. Cappel-Smith.

The Norwegian Advisory Board, which formerly acted for the Scandinavian Trust Company, will act in similar capacity for the Liberty National Bank. The board consists of Christian Bonge of Bergen, S. E. Dahl and G. K. Hegge of Christiania, K. Jebesen of Bergen, Viktor Plahte of Christiania, and C. Thaulow of Trondhjem.

U. S. MORTGAGE POST ELECT OFFICERS

At a meeting of the United States Mortgage Post of the American Legion the following officers were elected: President, John C. Foley; vice-presi-

COMPLETE FACILITIES *and* PERSONAL SERVICE

THE Northern Trust Company-Bank has this to offer in representing the interests of out-of-town banks and business men generally:

The services of a complete banking institution, embracing departments of Banking, Bonds, Trusts and Savings.

This bank preserves a real personal interest in the financial affairs of its customers, thereby rendering a more helpful service.

THE NORTHERN TRUST CO.-BANK

N. W. CORNER LA SALLE & MONROE STS.

Capital and Surplus \$5,000,000

dents, B. F. Yates, John S. Mayer, Robert H. Moulder, Jr.; treasurer, W. J. Wittman; secretary, G. B. Coit; member executive committee, J. W. Nurge.

NEW GUARANTY APPOINTMENTS

The following appointments were made at a recent meeting of the Executive Committee of the Board of Directors of the Guaranty Trust Company of New York: Harold D. Bentley, investment trust officer; Rowland B. F. Randolph, Sigmund Metz, and Alden S. Blodget, assistant managers, London Office; Edward Graham Humphreys, assistant secretary, London Office; Edward de Lima, assistant manager, Paris Office; Duncan R. Paton, agent; Reginald Fleming, sub-agent; and Frank E. Bower, assistant sub-agent, Liverpool Office.

Joseph R. Slipper was appointed an assistant treasurer, and Harry V. Babcock was appointed an assistant secre-

tary of the Guaranty Trust Company at a meeting of the Executive Committee of the Board of Directors held October 2.

Mr. Slipper was born in Brooklyn on April 25, 1877, and was educated in the public schools there. He entered the employ of the Guaranty Trust Company, then known as the New York Guaranty and Indemnity Company, in 1898 as a messenger. He became a bookkeeper, then receiving teller, and then paying teller, in which appointment he served for many years. In February, 1918, he became an assistant to the officers in the banking department.

Mr. Babcock was born in New York City on November 1, 1874. After three years at the College of the City of New York he went to Princeton University, where he was graduated in 1897. He began work immediately with the Fifth Avenue Bank and continued there until May, 1900, when he came to the Guaranty. He has served in the bookkeep-



AUGUS ROBERTSON

Westchester Trust Company, Yonkers, N. Y.

This young banker was decorated by the Prince of Wales, during his recent visit to the United States. He has also received the D. S. C. from the U. S. Government and a citation from General Pershing.

ing, auditing, securities, and bond departments. In March, 1918, he became managing clerk of the bond department. Mr. Babcock was president of the Guaranty Club during 1917-18, and has taken an active part in this organization since it was first established.

Holt F. Callaway was recently appointed an assistant credit manager. Mr. Callaway was born January 14, 1890, at Macon, Georgia, and was educated in the public schools there and at Mercer University. He engaged in the insurance business and was special agent for the New Hampshire Fire Insurance Company at the time war with Germany was declared. During the war he served on the U. S. S. "Manchuria." He came to the Guaranty Trust Company in January, 1919, and was assigned to the credit department.

Later he was detailed to special work in the foreign department for Vice-President Parker. Mr. Callaway will have charge of the Foreign Division of the credit department under the general supervision of F. N. Finger, credit manager.

**NEW OFFICER FOR MERCANTILE BANK
OF THE AMERICAS**

Herman Olavarria, who was formerly vice-president of the Banco Nacional de Cuba, Havana, has recently been appointed assistant manager of the Mercantile Bank of the Americas.

**\$5,000,000 INCREASE IN SURPLUS FOR
NATIONAL BANK OF COMMERCE**

The board of directors of the National Bank of Commerce in New York have voted to transfer \$5,000,000 from undivided profits to surplus, increasing the surplus account from \$20,000,000 to \$25,000,000, a figure equalling the \$25,000,000 capital of the institution.

This is the third increase of similar amount in the bank's surplus since January 1, 1918. The bank now has capital and surplus of \$50,000,000 and undivided profits of more than \$8,000,000.

When James S. Alexander became president of the National Bank of Commerce in New York in 1911, the surplus account stood at \$10,000,000. On January 2, 1918, the surplus was increased fifty per cent., to \$15,000,000. A year later, on January 2, 1919, the increase to \$20,000,000 was voted. The present increase to \$25,000,000, coming within less than a year afterward, is in line with the steady progress of the bank under Mr. Alexander's direction. The latest statement of condition made by the bank, that at the Comptroller's Call for September 12, 1919, shows total resources of over \$554,900,000. At the time of his becoming president the total resources were about \$207,000,000.

NEW YORK BANKER BACK FROM ITALY

Gaetano Biasutti, vice-president of the Italian Discount and Trust Com-

pany, of New York, has returned after a three and one-half months' trip to Italy. While abroad Mr. Biasutti was appointed a member of the Italian delegation to the International Trade Conference.

AMERICAN TRUST COMPANY OPENS NEW BRANCH OFFICES

The Superintendent of Banks for the State of New York has authorized the American Trust Company of New York to open two new branch offices, located in the Borough of Queens; one at Long Island City, and the other at Jamaica. The offices are those formerly occupied by the Queens County Trust Company.

The American Trust Company has taken over the banking and trust business of the Queens County Trust Company, including its deposits, amounting to more than \$3,000,000, making the total deposits of the American Trust Company over \$8,000,000.

Daniel W. Quinn, Jr., who has been President of the Queens County Trust Company and who was formerly connected with the Banking Department of the State, has been elected one of the vice-presidents of the American Trust Company, and will assume charge of both of the Queens County offices.

NEW OFFICERS FOR AMERICAN TRUST COMPANY

Owing to the large increase in business resulting from the establishment of new branches at Jamaica, L. I., and Long Island City the American Trust Company of New York, has found it necessary to elect additional officers as follows: Daniel W. Quinn, Jr., vice-president; Harry V. Hoyt, assistant treasurer; Frank L. Stiles, assistant secretary; W. E. Stecher, assistant secretary; Thomas F. Haste, assistant secretary.

TUCKER, MORRIS & LOCKWOOD, INC.

The Investment Banking House of Tucker, Morris & Lockwood, Inc., Buffalo, has opened a branch office at Lockport, New York. This house,

Resources

\$17,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service
and you will be entirely satisfied

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Vice-Pres.
C. G. FEIL, Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier

Member Federal Reserve System

INVESTMENT SECURITIES

We specialize in Government bonds and other investment securities. This firm was founded in 1865 and we have always endeavored to recommend to our clients conservative investments. As members of the New York and Boston Stock Exchanges we are prepared to execute orders for the purchase or sale of securities on a cash basis in large or small amounts.

A circular describing several issues of desirable investment securities will be sent on request

Kidder, Peabody & Co.

**115 Devonshire St.
Boston**

**17 Wall Street
New York**

which was recently formed, has in its membership five who were formerly officers of the Citizens Commercial Trust Company, Buffalo.

NEW POST FOR WILLIAM H. RADCLIFF

William H. Radcliff, formerly trust officer of the Westchester Trust Company, Yonkers, New York, has been elected secretary-treasurer of the Rockland County Trust Company, Nyack, N. Y.

NATIONAL BANK OF TARENTUM OCCUPIES ENLARGED QUARTERS

The banking quarters of the National Bank of Tarentum, Pa., have just been thoroughly modernized and equipped by Hoggson Brothers.

The new banking room has been practically doubled in area and handsomely decorated, and will provide ample accommodations not only for present needs but as well for future requirements.

The National Bank of Tarentum was organized in November, 1890, and its history has been one of steady development along conservative lines. Continuity in office of its president and cashier since organization has been a strong factor in the remarkable success of this bank. Its officers are: John W. Hemphill, President; O. C. Camp, cashier; H. M. Brackenridge and J. D. Wilson, vice-presidents, and J. M. Hess, assistant cashier.

UNION NATIONAL BANK OF PHILADELPHIA

In its financial statement of September 12, 1919, the Union National Bank of Philadelphia shows total resources of \$23,361,264.81, and deposits of \$14,410,067.82. This bank has a capital of \$500,000 and surplus and net profits of \$678,059.71.

SHAWMUT CORPORATION IN NEW YORK

The Shawmut Corporation of Boston, has opened a branch office at 65 Broad-

"Reasons Why" No. 4

Immediate Credit On Live Stock Shipments

We have perfected a system by which we are able to give our correspondent banks immediate credit for live stock shipments to the Chicago market.

This system places proceeds to your credit one to three days sooner than has heretofore been possible. Write us to explain.

The NATIONAL CITY BANK *of* CHICAGO

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, Vice-President

S. P. JOHNSON, Assistant Cashier

HENRY MEYER, Assistant Cashier

R. V. KELLEY, Assistant Cashier

way, New York. This corporation, which is under the supervision of the Federal Reserve Board, finances exports and imports, deals in acceptances, drafts and bills of exchange, and conducts a general banking business for foreign commercial transactions.

CANADIAN EXCHANGE

The exchange situation between the United States and Canada, says the trade letter of the First National Bank of Boston, is the cause of considerable anxiety across the line, and is interfering materially with the conduct of business. The conditions in a general way are the same as have obtained in the exchange market with European countries. We have been selling to Canada a larger value of goods than we have been purchasing, and Canada has not been in a position to ship gold to this country in payment of its balances, owing to the fact that Canada receives a large part of its gold as payment for its credit balances in London and

this gold is available at present to only a limited extent. The United States dollar, therefore, is selling in Canada at a premium of three to four cents and the Canadian dollar is selling here at a corresponding discount. This means that Canada is paying a premium for all the goods that it purchases in this country. During the fiscal year ended March 31, 1919, Canada imported from the United States goods valued at \$746,917,509, and exported goods valued at \$454,873,170; a balance against Canada of \$292,044,339. For the ten years ended March 31, 1919, the balance of trade against Canada with the United States amounted to \$2,381,678,562. The remedy lies in the curtailment of imports from the United States by Canada or the increase of exports, thus reducing Canada's debit balance; or in such improvement in the exchange situation with Great Britain as will permit the resumption of normal shipments of gold to Canada or to the United States for the account of Canada. This of course

Our twenty-nine years of specialized experience in the industrial and financial development of the Mississippi Valley and the Southwest is at your disposal.

As your St. Louis correspondent we can render you prompt and efficient service.

Seven Complete Departments

Mississippi Valley Trust Company

Member Federal Reserve System

Capital, Surplus and Profits over \$8,000,000

SAINT LOUIS

is not at all probable for some time to come.

CALL LOANS UN-LIQUID ASSETS

"Until the unsatisfactory and unscientific Stock Exchange call loan is eliminated by a semi-monthly settlement on the Stock Exchange, most of the larger banks, because of the higher yield from this class of loan, will be tempted to continue to carry their reserves in this way instead of in bankers' acceptances. There is, however, a growing tendency among the most progressive banks to divide their secondary reserves between call loans and acceptances. Eventually the reserves of nearly every important bank will include the latter class of paper."

This statement is made by F. Abbot Goodhue, vice-president of the First National Bank of Boston, in a booklet entitled "Acceptance Corporations", just published by the American Acceptance Council in connection with its na-

tion-wide educational campaign. The author says further:

"When one realizes that a so-called 'call loan' is only callable in fair weather, and is, in fact, the most unliquid asset outside of a mortgage a bank can hold it seems remarkable that this form of investment has continued for so many years to be regarded as a satisfactory second reserve, and that this impression still persists in spite of the many superior qualities of the bankers acceptance as a readily marketable liquid asset.

"Until the larger banks of the country generally adopt a policy of employing their day-to-day surplus funds by the purchase of bankers acceptances and of making good their clearing losses by the sale of these bills, the American importer, exporter, investor and banker cannot enjoy the benefits of a real open discount market."

Copies of Mr. Goodhue's pamphlet are obtainable on request at the offices

of the American Acceptance Council,
111 Broadway, New York.

WEALTH FROM FOREIGN TRADE

Immense prosperity, says a recent bank letter of the National State and City Bank of Richmond, must come to this nation ultimately as a consequence of the new wealth represented by our foreign trade totals. The government's figures show that, during the fiscal year ended June 30th last, the American people exported \$4,129,000,000 more merchandise than they imported. Never before has the world been so heavily indebted to us on foreign account. In the month of June alone exports footed up \$918,000,000, a record total for one month. The foreign commerce of this country—meaning both imports and exports—for the last fiscal year was also much the largest ever reported in a twelve-months period, standing at \$10,320,617,889. These figures offer indisputable evidence that the United States has become, temporarily at least, the great source of supply for foreign nations to resort to. No other nation ever made such a showing before, and economists agree that if we make the best use of our foreign trade opportunity the United States will exert a commanding influence in world-trade for years to come.

FIRST NATIONAL BANK, RICHMOND, VA.

At the close of business, September 12, 1919, the First National Bank of Richmond, Va., showed total resources of \$86,161,273.42 and net deposits of \$28,439,333.50. This bank has a capital of \$2,000,000, a surplus fund of \$1,000,000 and undivided profits of \$724,997.79.

BANK AUDITORS ASSOCIATION FORMED

A coöperative organization known as the Virginia Bank Auditors Association was recently formed in Richmond, the object of which is to provide a medium for the exchange of ideas on bank accounting and for safeguarding methods and the fostering of a fraternal spirit

First



Chicago

Developed through the growth and experience of more than half a century

The First National Bank of Chicago

James B. Forgan, Chairman of the Board
Frank O. Wetmore, President

and the

First Trust and Savings Bank

James B. Forgan, Chairman of the Board
Melvin A. Traylor, President

offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and to international requirements.

Combined resources over
\$300,000,000

Equipped for Service



LOCATED in a modern building with every facility for the efficient handling of its business, this bank is in a position to offer you prompt and adequate service in your Philadelphia banking transactions.

Union National Bank

PHILADELPHIA

Resources over \$19,500,000

among those of the bank auditors' profession. While the membership in this new association is limited to those who live in Virginia, it is hoped soon similar associations in other states will be formed and eventually a national organization will result. It is felt such an organization will result in increased efficiency in banking methods and safeguards.

The following officers of the Virginia Bank Auditors Association were elected for a term of one year: John S. Haw, president, auditor of the First National Bank of Richmond; John S. Walden, Jr., vice-president, auditor of the Federal Reserve Bank, and John M. Miller, 3d, secretary, auditor of the Planters National Bank of Richmond. A suitable constitution and by-laws have been adopted and regular meetings will be held from time to time. Eventually the more important papers read at these meetings will be published in bulletin form and distributed to those interested and should prove a valuable ad-

dition to the practical banking literature of the day.

Bank auditors not only in Virginia but other states as well who are interested in this organization should write John M. Miller, 3d, secretary, care of Planters National Bank, Richmond, for details of the organization, as those interested in this work are anxious to see other associations formed, and as quickly as possible the national association.

INCREASE SPACE

UNION TRUST & DEPOSIT COMPANY TO

Contract has been let by the Union Trust & Deposit Company of Parkersburg, W. Va., to Hoggson Brothers, of New York, to remodel and increase the banking home of this institution. Expansion in business has made these alterations imperative and active work is scheduled to commence at an early date.

The Union Trust & Deposit Company was incorporated in 1903 and has a capital of \$150,000. Its present officers are: S. D. Camden, president; W.

Resources over
\$200,000,000

Capital and Surplus
\$10,000,000

The
Philadelphia National Bank

Established 115 Years

A Bank of Character, Strength and Service

LEVI L. RUE, President

CHARLES P. BLINN, Vice-President

HOWARD W. LEWIS, Vice-President

WILLIAM S. MADDOX, Vice-President

HORACE FORTESCUE, Vice-President

O. HOWARD WOLFE, Cashier

E. Davis and J. N. Camden, vice-presidents; B. T. Neal, Jr., treasurer; and George F. Frederick, secretary.

NEW BANK FOR GREENFIELD, S. C.

The organization has been completed of the Woodside National Bank of Greenville, S. C., which opens for business with a capital stock of \$200,000.

The officers of the new bank are Robert I. Woodside, president; John L. Williams, vice-president, and T. P. P. Carson, cashier.

Robert J. Woodside, president of the new institution, is now president of the Farmers & Merchants Bank and of the Farmers Loan and Trust Company. John L. Williams, vice-president, came to Greenville recently from Wilmington, where he was cashier for a number of years for the Wilmington Savings and Trust Company. T. P. P. Carson, cashier, is at present assistant cashier of the First National Bank of Greenville, and was formerly assistant cashier for the Fourth National Bank of Greenville. He has had a long

number of years' experience in the banking business.

The directors are as follows:

Capt. Ellison A. Smyth, Major W. D. Workman, O. P. Earle, V. M. Manning, Robt. I. Woodside, Jesse R. Smith, W. L. Patton, John H. Williams, Jno. W. Arrington, Jr., Jno. T. Woodside, W. E. Mason, John L. Williams, L. A. Cochran, James H. Morgan, Jr., J. D. Woodside, G. F. Norris, W. S. Griffin, W. W. Sullivan, Albert W. Anderson, E. F. Woodside, L. O. Patterson, W. N. Watson, B. F. Neeves, F. D. Hunter, R. E. Henry.

NECESSITY OF FOREIGN MARKETS

The National Bank of the Republic of Chicago, takes little stock in the contention that the United States should reduce its exports in order to relieve the exchange situation and to lower commodity prices. In a recent trade letter the bank states:

"The suggestion has frequently been heard that exports of merchandise be



STEWART D. BECKLEY

Recently elected Vice-President A. I. B., Assistant Cashier City National Bank, Dallas, Texas

curtailed, both as an aid in lowering commodity prices and as a means of rendering the financing of foreign trade less imperative. With regard to the former object sought, there would undoubtedly ensue some temporary reduction in prices, but offset by a very decided curtailment in the production of wares manufactured principally for foreign markets. As regards foreign trade financing, which has to do with the correction of the exchanges, a ban on exports no doubt would also be efficacious in restoring foreign currencies to a level nearer their mint parities. As against these purely temporary advantages, we could expect to lose, almost beyond hope of recall, the markets which we have painstakingly built up abroad, and which as a world power in industry and finance, as well as in politics, we shall need as never before in our history.

"It is to be remembered that the country just now is in process of filling

its shelves; once filled, we shall have a very substantial margin of industrial capacity in many products for which export is the only outlet. The uppermost consideration, however, is that we are morally bound to furnish Europe with the materials and machinery necessary to the revival of her industry, by which alone she can rehabilitate herself industrially and financially. From another point of view we are in exactly the same position as a creditor who extends further assistance to a temporarily embarrassed debtor as a means of recovering his original investment intact. Europe has no need of credit except as the wherewithal to purchase goods. Pending the setting up of the financial machinery necessary to render her that credit assistance, it would do no harm to forego a favorable balance of trade for the time being, not by reducing our exports to the level of our imports, but by increasing our purchases abroad and thereby fulfilling what is the very essence of trade—the exchange of goods for goods."

ANOTHER SECURITIES CORPORATION
FOR CHICAGO

Another large Chicago bank, The National City Bank of Chicago, has announced the organization of a securities corporation as an auxiliary of the bank.

The new company will be named the City Securities Company, and its charter will enable it to engage in financial operations of many kinds which are more advantageously handled by such a corporation than by a bank.

The officers and directors of the City Securities Company are: H. E. Otte, president; R. U. Lansing, vice-president; W. G. McLaury, secretary and treasurer; David R. Forgan, Robert R. Forgan and F. A. Crandall.

OFFICERS NAMED FOR BANK'S NEW
TRADE CONCERN

The Continental and Commercial Securities Company has secured its charter from the state of Illinois, and its organization has been determined upon, with Arthur Reynolds as president,



**On the Earth there are
1,750,000,000 People**

**And no one person is
an exact duplicate, men-
tally or physically, of
any other.**

We certainly don't expect, then, in serving our 2000 bank correspondents, to find any two alike in their desires and requirements. So our service is adjusted accordingly — *individual* service for *individual* bankers.

The National Bank of Commerce

IN ST. LOUIS

Capital, Surplus and Profits over \$14,000,000.00

George M. Reynolds chairman of the board, John J. Abbott and Henry C. Olcott vice-presidents, and Roy H. Goddard, secretary and treasurer.

The directors include primarily the ranking officers of the Continental and Commercial National bank and the Continental and Commercial Trust and Savings bank. All important heads of departments are included, so that the Securities company will have the benefit of the information of the two banks. The capital is \$1,000,000 and the surplus \$75,000.

ROBERT R. FORGAN RESIGNS

Robert R. Forgan has resigned as vice-president of the National City Bank, Chicago, effective December 31. Mr. Forgan will remain a director of the bank, but wished to be relieved of the duties of an active vice-president in order to give more of his time to other enterprises in which he is interest-

HULBERT PRESIDENT ILLINOIS TRUST

E. D. Hulbert, president of the Merchants' Loan & Trust Company, of Chicago, has been elected president of the Illinois Trust & Savings Bank to succeed John J. Mitchell, who becomes chairman of the board of directors. This completes the executive organization of the merged banks. Mr. Mitchell has been at the head of the Illinois Trust & Savings Bank forty years, and feels he has earned a rest from active duties. In his new position he will be in supreme direction of affairs of the combined banks, which will be known as the North American Trust Company.

PAMPHLET ON TRUST DEPARTMENTS OF NATIONAL BANKS

Virgil M. Harris, trust officer of the National Bank of Commerce in St. Louis, recently addressed the Financial Advertisers' Association at New Orleans on "The Development of a Trust Department of a National Bank." This

Your Business In The Twin Cities



And throughout the Northwest—A network of 1900 Direct Correspondents means time saved in collecting your items on points in this prosperous agricultural community.

FIRST & SECURITY NATIONAL BANK

Capital and Surplus Ten Million Dollars

MINNEAPOLIS

address is now available in pamphlet form and copies will be mailed to any banker interested in the subject.

OHIO STATE SUPERINTENDENT RESIGNS

Philip C. Berg has resigned his position as Ohio state superintendent of banking, to become vice-president of the Guardian Savings and Trust Company of Cleveland.

Mr. Berg was appointed superintend-



PHILIP C. BERG

Vice-President Guardian Savings & Trust
Company, Cleveland

ent by Governor Cox on January 25, 1917, and his term does not expire until January, 1921. Before becoming a state officer he was a national bank examiner. The government has made overtures to him several times to return to the federal service, and only recently offered him an important federal financial post.

Superintendent Berg has had an unusually busy administration. The War and its problems materially increased the duties and responsibilities of the banking department and made utmost care necessary in administration. One serious problem which confronted the department during the war period was the evolving of a plan to give banks every facility for their liberty loan and war savings work for the government. This situation was met by Mr. Berg through rulings giving wider elasticity to the law and suspending, to a degree consistent with safety, limitations enforced during normal times.

State banks have had a big growth during the present administration. When Mr. Berg became superintendent less than three years ago, their combined resources were \$900,000,000. Now they exceed \$1,200,000,000 and are the largest in the banking history of the state.

Superintendent Berg took an active part in the movement for the enactment of the new state banking code, passed by the general assembly, and which went into effect on July 11, this year. This measure is said to be the most progressive piece of banking legislation ever enacted by any state.

The Omaha National Bank

OMAHA, NEBRASKA

Established 1866

Capital	\$1,000,000
Surplus (Earned)	\$1,000,000
Total Resources	\$33,000,000

J. H. Millard, President

Walter W. Head	Vice-President
Ward M. Burgess	Vice-President
B. A. Wilcox	Vice-President
Frank Boyd	Vice-President
Ezra Millard	Cashier
O. T. Alvison	Assistant Cashier
J. A. Changstrom	Assistant Cashier
W. Dale Clark	Assistant Cashier
Edward Neale	Assistant Cashier

Direct Transit Facilities

The result of years of effort to improve service to correspondent banks

Many state banks have become members of the Federal Reserve System during the administration of Superintendent Berg. The resources of the state member banks now amount to approximately half a billion dollars. The superintendent has urged banks to join this system and that this appeal has not been unheeded is indicated by the number that have become members.

In his efforts to conduct the work of the department conservatively and impartially and to prevent politics from creeping into its affairs, Superintendent Berg has had the co-operation of the banking fraternity. In a statement announcing his resignation, he thanks the bankers for their support.

Mr. Berg's career as a financier began when he was appointed cashier of a national bank in Hillsboro, his birthplace. He still makes that place his home.

The Guardian Savings & Trust Company has resources of more than \$81,000,000. The bank has had a wonder-

ful growth. It is known as a young men's bank because most of its officials are men not yet of middle age. At the end of the first ten years of its existence in 1908, it had some four thousand customers on its books. A decade later this roll had increased to more than one hundred thousand, and the deposits had increased from \$11,000,000, to \$53,000,000.

In leaving the state banking department after an exceedingly busy tenure, Mr. Berg will take with him the best wishes of his official associates and those of the banking fraternity generally, with whom the relations of the department have been marked by harmony.

CLEVELAND BANK MERGER

A merger of the Cleveland Trust Company with the Peoples Savings Bank Company and the West Cleveland Banking Company became effective October 24. This action marks the combination of the largest trust com-

In The Great Northwest

Our new sixteen story building is now under construction, and will, upon completion in 1920, be one of the finest banking institutions on the Pacific Coast.

We recently increased our capital to One Million Dollars and our surplus to \$250,000.

Our increase in deposits during the last two years is nearly \$4,000,000.00.

Banking institutions, corporations or individuals having business transactions in the Northwest, will find this bank equipped to render the most efficient service.

Scandinavian American Bank

Pacific Avenue at Eleventh Street, Tacoma

pany and one of the largest savings and commercial institutions in Ohio.

This gives the Cleveland Trust Company total resources of over \$85,000,000 and an authorized capital and surplus of \$8,000,000. Its total deposits are now over \$78,495,000 and its savings deposits are in excess of \$48,567,000. Its individual depositors number over 175,000.

INCREASE DEPOSITS \$14,372,790.39

Between the called statements of June 30, 1919, and November 17, 1919, the National Bank of Commerce in St. Louis increased its deposits \$14,372,790.39. The statement of November 17 is the best ever published by the bank and shows total deposits of \$77,007,167.06 and total resources of \$99,322,593.92.

"MAKERS OF HISTORY"

This is the title of a half-page advertisement of the National Bank of Commerce in St. Louis which appeared in the *Globe-Democrat* during the Convention.

"On the Broadway side of the National Bank of Commerce Building," says the advertisement, "about five feet from the pavement, there is a bronze tablet, erected in commemoration of William Clark of the Lewis and Clark Expedition—a maker of history.

"Within this building there is housed The National Bank of Commerce—like-wise a maker of history. For it has been truly said that real history is not merely a record of wars and expedi-

tions, but also of those peaceful achievements which tend to the industrial and social advancement of a community or nation.

"And considering history in this broader sense, The National Bank of Commerce in St. Louis points with pride to some of the facts which entitle it to rank as a maker of history."

A LIVE PUBLICITY MANAGER

Putting as big a punch in as few words as possible is the ambition of



FRED M. STAKER

Publicity Manager Commerce Trust Company, and
Commerce National Bank, Kansas City, Mo.

Fred M. Staker, publicity manager of the Commerce Banks, Kansas City, Mo. In order the better to realize this ambi-

Is It Not Sound Policy

to send your Baltimore business to the bank whose half century of experience gives assurance of efficiency and strength?

For the handling of collections and all other banking business, this institution is admirably equipped.

Large capital, surplus and resources enable this bank to offer you complete banking facilities and services which are real and not visionary.

The National Exchange Bank Baltimore, Md.

Capital & Surplus, \$2,500,000 Resources, \$22,330,000

WALDO NEWCOMER, President

SUMMERFIELD BALDWIN, Vice-President

PAUL A. SEEGER, Vice-Pres.

JOSEPH W. LEFFLER, Cashier

CLINTON G. MORGAN, Vice-Pres.

WILLIAM R. WEBB, Asst. Cash.

tion Mr. Staker has recently relinquished the duties of manager of the safe deposit department of the Commerce Trust Company and will devote his time exclusively to the work of publicity manager of that institution and the National Bank of Commerce.

Mr. Staker's work has attracted attention and much favorable comment among bankers and publicity experts, for his advertising not only presents the services of the Commerce Banks to the public in a convincing way, but he also manages to get in a good word occasionally for Kansas City, the Southwest, and not infrequently for the whole United States.

Mr. Staker is a native of the great Middle West, having been born at Clayton, Illinois, in 1885. He was educated in the schools there, and in 1907 was graduated from the University of Illinois with the degree of LL.B. In October, 1912, he became manager of the safe deposit vaults of the Commerce Trust Company, Kansas City, and

remained in charge just seven years during which time the business was built up to the limit of the capacity which the vaults afforded. For the past five years Mr. Staker has managed the publicity work for the Commerce Trust Company and during the last two years for the National Bank of Commerce also.

Mr. Staker is live and energetic, and deservedly personally popular because of his industry and ability, and especially for the reason that his most marked characteristic is to forget himself in the service of others.

NATIONAL BANK OF COMMERCE,
KANSAS CITY

Total resources of \$83,181,832.62 are shown in the September 12 statement of the National Bank of Commerce of Kansas City, Mo. At the same time the bank's statement showed total deposits of \$59,295,771.03.

The Commercial Trust Company,

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djorup & McArdle**
42 Broadway, New York

whose capital stock is owned by the stockholders of the National Bank of Commerce showed total resources of \$41,643,391.24 and deposits of \$38,985,668.20.

These two affiliated institutions have a combined capital, surplus and profits of \$8,283,199.22; combined deposits of \$98,281,439.23, and combined total resources of \$124,825,223.86.

FIRST NATIONAL BANK OF WINFIELD
(KAN.) TO REMODEL BANKING
QUARTERS

Active work on remodelling the banking quarters of the First National Bank of Winfield, Kan., will be commenced in the near future by Hoggson Brothers, the New York and Chicago builders. The plans call for extensive alterations which will result in a banking home with ample accommodations not only for present requirements, but also for future needs of the bank.

The First National Bank was organized in 1872 and its history is one of steady, consistent growth along conservative lines. Its present officers are: W. C. Robinson, president; J. E. Dunn, vice-president; H. A. McGregor, cashier; H. E. Cooper, C. S. Dever and H. H. Hanlen, assistant cashiers.

NEW BRANCHES FOR AMERICAN STATE
BANK

The American State Bank of Detroit has announced the purchase of the private banks of Ferdinand Palma, located at Russell and Monroe avenues and Scott and Riopelle.

These will be operated by the American State Bank as branch banks and will increase the number of branches of this institution to fifteen.

SHORTAGE OF COMMODITIES IN
NORTHWEST

Under-production in the East is having its effect on the Northwest, according to a review of business conditions by the Northwestern National Bank. A shortage of commodities of many sorts, delays in receiving goods and cancellations by factories of long-standing orders are common impediments in the business of Twin City wholesalers. Lines affected are textiles (noticeably cotton goods), hardware, toys for the holidays, food products to some extent—almost every class, in fact, to a greater or less degree, from wrenches to diamonds. The shortage is chiefly due to labor trouble, both in factories and the process of transportation. The exodus of industrial workers to munition and other wartime plants has not been followed by a complete return to the former status, and this complete return could hardly be expected. The mosaic formed by our pre-war social structure which presented a pattern that was roughly harmonious, suddenly buckled up by war, will never reassemble itself into quite the same design.

V. C. BONESTEEL GOES TO SIOUX CITY

Verne C. Bonesteel, until recently national bank examiner for central and western South Dakota, has been elected

W. J. WOLLMAN & CO.

120 Broadway, New York

Members New York Stock Exchange

Investment Securities

Bankers and Trade Acceptances

Our Review of Financial, Commercial, Industrial and Economic
Conditions Issued Every Two Weeks Sent Upon Request

a director and vice-president of the Security National Bank, Sioux City, Iowa.



VERNE C. BONESTEEL

Recently elected Director and Vice-President of the Security National Bank, Sioux City, Iowa. Mr. Bonesteel was formerly National Bank Examiner for central and western South Dakota

Mr. Bonesteel was graduated from the University of Wisconsin in 1912 and then went into the James Valley Bank, Huron, South Dakota, and was cashier

of this bank and also president of the Guaranty State Bank, Ree Heights, South Dakota, when he was appointed national bank examiner for the district above-named in September, 1918. He has given special study to the subject of bank credits.

INCREASE IN RENO BANK CLEARINGS

Bank clearings for the year ending October 31 in Reno, Nev., amounted to \$38,368,198.80, an increase of \$6,886,061.10 over the previous year. Officers of the Clearing House Association were elected as follows:

President, Fred Stadtmuller, assistant cashier, Washoe County Bank; vice-president, J. O. Walther, assistant cashier, Reno National Bank; secretary, L. S. Reese, with Farmers and Merchants National Bank; treasurer, Bank of Sparks.

SPOKANE BANK HAS \$20,000,000 DEPOSITS

Doubling its deposits for the seventh time the Old National Bank of Spokane, Wash., passed another milestone in its history last month when its deposits went beyond the \$20,000,000-mark for the first time. The bank doubled its deposits in 1895, 1897, 1902, 1904, 1905, 1913 and 1919, considering only the round figures.

The greatest gains were made in the six years between 1913 and 1919 when deposits doubled for the last time, increasing \$10,000,000 in that period. In the seven-years' period preceding 1913



A Service For Banks

EACH of our Correspondent Offices is equipped to render unusual investment service to banks.

Whenever you wish to buy bonds, short term notes or acceptances, or wish bids and quotations or information concerning any

issue, simply call us up on the telephone. To facilitate quick service we have added 10,000 miles of private telegraph wires.

Among the principal cities are the following in which you may find the nearest National City Correspondent Office.

ALBANY
Ten Eyck Building
Tel. 6090 Main

ATLANTA
Trust Company of
Georgia Bldg.
Tel. 7541 Ivy

ATLANTIC CITY
Chalfonte Block
Atlantic City 749

BALTIMORE
Charles & Fayette Sts.
Tel. 5898 St. Paul

BOSTON
10 State Street
Tel. 8100 Main

BUFFALO
Ellicott Square Bldg.
Tel. (Bell)
2472 Seneca

CHICAGO
137 So. La Salle St.
Tel. 7200
Randolph

CINCINNATI
4th Nat'l Bank Bldg.
Tel. 422 Main

CLEVELAND
Guardian Building
Tel. (Bell)
763 Ontario

DAYTON
Mutual Home Bldg.
Tel. 1621 Main

DENVER
718 Seventeenth St.
Tel. 1475 Main

DETROIT
147 Griswold Street
Tel. 2632 Cherry

HARTFORD, CONN.
Mutual Bldg.
Tel. 8475 Charter

INDIANAPOLIS
Fletcher Sav. & Tr.
Building
Tel. 5011 Main

KANSAS CITY
1017 Baltimore Ave.
Tel. 2706 Main

LOS ANGELES
507 So. Spring Street
Tel. 10203

MILWAUKEE
First Nat'l Bk. Bldg.
Tel. 2880 B'way

MINNEAPOLIS
Builders' Exchange
Building
Tel. 8060 Nicollet

NEWARK
790 Broad Street
Tel. 1943 Market

NEW ORLEANS
301 Baronne Street
Tel. 3882 Main

OMAHA
First Nat'l Bk. Bldg.
Tel. 3316
Douglass

PASADENA, CAL.
Citizens Sav. Bk. Bldg.
Tel. 385 Colo.

PHILADELPHIA
1421 Chestnut Street
Tel. 5400 Locust

PITTSBURGH
Farmers' Bank Bldg.
Tel. 5926 Grant

PORTLAND, ME.
Union Mutual Bldg.
Tel. 6905 Main

PORTLAND, ORE.
Railway Exchs. Bldg.
Tel. 6095 Main

PROVIDENCE
Industrial Trust Bldg.
Tel. 3262 Union

RICHMOND
923 East Main Street
Tel. 3436 Mad.

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it also doubled its deposits, the increase then being \$5,000,000.

Deposits have increased more than \$1,000,000 since the last call, September 12, when the official figure was \$18,959,000.

The Old National was organized and opened for business in 1892 with capital of \$250,000, when Spokane had a population of 23,000. The capital was doubled in 1906 to \$500,000. It was again doubled in 1910, making it \$1,000,000, and was increased to \$1,200,000 in 1918, at which figure it now stands.

While Spokane increased in population from 23,000 to 135,000 the Old National's deposits increased from \$100,000 to \$20,000,000. Population gained 490 per cent., while the bank's deposits gained 20,000 per cent.

W. D. Vincent, vice-president, is the only officer still with the bank who was on the staff when the bank was organized. He was assistant cashier in 1892. J. A. Yeomans, cashier, has been with



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JOHN J. ARNOLD

Supervisor of Foreign Business Bank of Italy,
San Francisco, Calif.

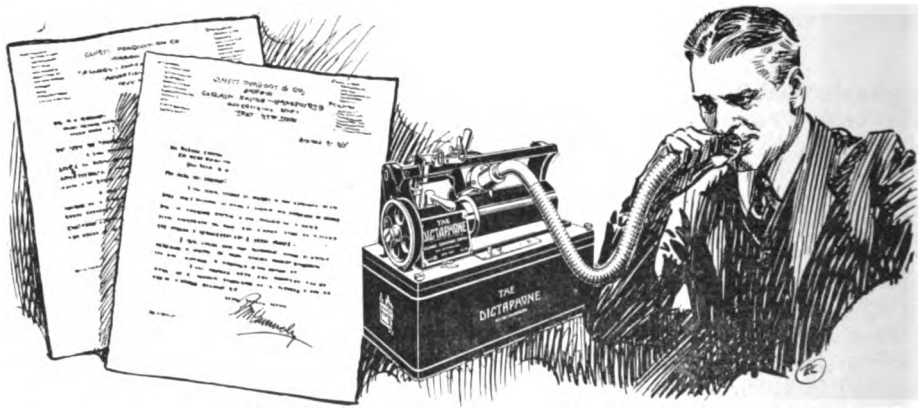
the bank since 1895, when he entered its employ as a bookkeeper.

J. J. ARNOLD GOES TO SAN FRANCISCO

After having served the First National Bank of Chicago in various capacities, and since January, 1914, as vice-president and manager of the foreign department, John J. Arnold has recently gone to San Francisco as supervisor of the foreign business of the Bank of Italy. Besides being a recognized foreign exchange expert, Mr. Arnold has given close study to international trade problems and has written and spoken extensively on such subjects. In his new position with the Bank of Italy he finds a congenial and profitable field for the exercise of his banking tastes and abilities.

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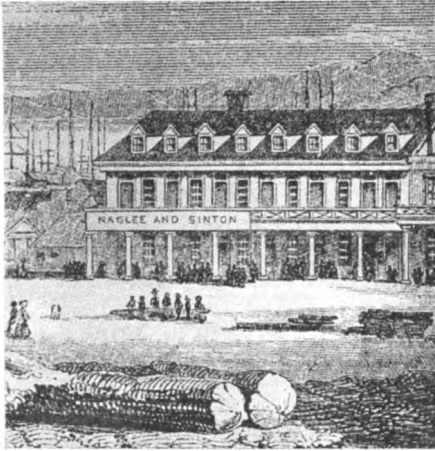


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SAN FRANCISCO'S FIRST BANK

Henry Naglee, who arrived in San Francisco in March 1847, established the first bank, January 9, 1849, under the firm name of Naglee & Sinton. The bank was known as "The Exchange and Deposit Office" and was opened in the Parker House, on Kearny Street, where the Hall of Justice now stands.

in California. It states in the trade letter issued October 25:

If money returns are the symbol of prosperity, there can be no doubt of the solid basis upon which California's prosperity rests. This is essentially an agricultural state, and never before were the cash receipts in the agricultural pocket so large as in this year of grace one thousand nine hundred and nineteen. Not only have the products of soil and sunshine yielded beyond expectation, but in the matter of markets the grower has been uncommonly favored.

It is of record that the shipments of citrus fruits from this state from November 1, 1918, to October 12, 1919, were 47,140 cars, with shipments still going at the rate of nearly a hundred carloads a day. For the same period of the previous year the shipments were 22,897 cars. Production of oranges for the present season is estimated to reach 14,500,000 boxes. By the first of November shipments of the new naval crop will be going forward from the



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Tulare County district, and there is worry over the shortage of refrigerator cars, which the Railroad Administration seems unable to supply in the quantity required.

CANADIAN BANKERS ASSOCIATION

At the annual meeting of the Canadian Bankers' Association, E. L. Pease, managing director of the Royal Bank of Canada, retired from the presidency after filling that position for the past three years. C. A. Bogert, Toronto, general manager of the Dominion Bank, was elected to the office in conformity with the usual rotation followed by the association in alternating its choice between Montreal and Toronto bankers. Mr. Pease was made an honorary president of the association.

The vice-presidents elected at the

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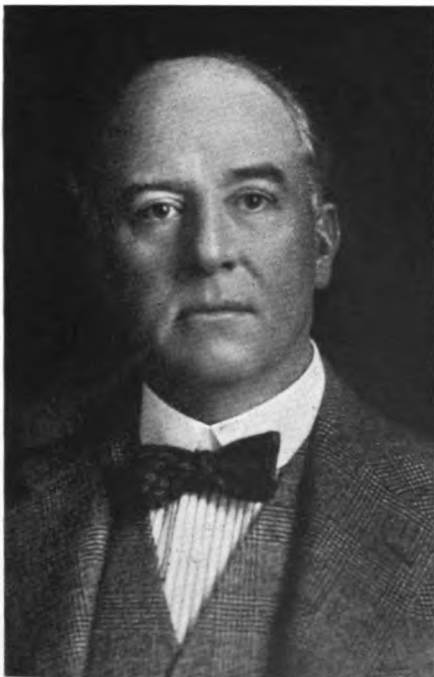
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meeting were as follows: Sir Frederick Williams-Taylor, general manager of the Bank of Montreal; M. A. Richardson, general manager of the Bank of

gether with Edward C. Pratt, general manager of the Molsons Bank, and J. P. Bell, general manager of the Bank of Hamilton, constitute the Executive Committee of the association.



C. A. BOGERT

Manager Dominion Bank of Canada, recently elected President Canadian Bankers Association

Nova Scotia; Sir John Aird, general manager of the Canadian Bank of Commerce, and C. E. Neill, general manager of the Royal Bank of Canada.

The president and vice-presidents, to-

BANK OF TORONTO

A branch of this bank has been opened at Fort William, Ontario, under the management of J. C. Wolfram.

ROYAL BANK COMPLETES FIFTY YEARS

On October 18 the Royal Bank of Canada celebrated its golden jubilee, its doors having first been opened on October 18, 1869. Several other Canadian banks are older than the Royal, but as regards total assets it is second only to the Bank of Montreal; the progress of the Royal Bank has, therefore, been rapid, and in the West Indies and South

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America it has established remarkably extensive connections.

When founded the Royal Bank was known as the Merchants Bank of Halifax. It took over the Merchants Bank (of Halifax), a private partnership bank. At the outset it had a capital of \$300,000, and a reserve fund of \$20,000. Total deposits amounted to \$284,655; total loans, including call loans, \$266,970 and total assets \$729,000. For a number of years its business was confined entirely to the maritime provinces. At the end of ten years, however, the number of its branches had grown from one to twelve, and in 1879 its capital had increased to \$900,000, reserve fund to \$180,000, total deposits to \$1,097,025, total loans to \$2,092,729, and total assets to \$2,667,000.

In 1899 Mr. Pease was formally appointed joint general manager and had under his direction the branches in Montreal, in British Columbia and in Cuba. D. H. Duncan, who had been general manager since 1882, continued

the supervision of the business at the head office, in the maritime provinces and in Newfoundland. In this year also a further new departure was made in the opening of a branch in New York City. In 1916 Mr. Pease assumed the office of vice-president and managing director, and C. E. Neill became general manager.

INCOME WAR TAX ACT OF CANADA

The Royal Bank of Canada has compiled a very valuable digest of the Income War Tax Act of Canada and the amending acts of 1918 and 1919.

NEW SECRETARY FOR A. B. A.

The American Bankers Association has announced the selection of Guy E. Bowerman of Idaho as general secretary of the association to succeed Frederick E. Farnsworth, resigned. Mr. Bowerman has accepted and will as-

Note: This announcement was featured by us several weeks ago, but its importance and the wide field of buyers interested, have led us to repeat it. *Federal Adding Machine Corp'n.*

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YOU realize that it has been costing you up to 45 per cent of the price of every adding machine you buy, just to be induced to buy it?

For years the established price of a 9-column adding and listing machine has been \$300 or more. Nearly half of this represents selling expense, but the Federal Adding Machine Company is seeking to determine by means of a national economic experiment, whether this price cannot be greatly reduced.

We believe a great number of business men are convinced that adding machines are a necessity and are now ready to *buy* without having adding machines *sold* to them by expensive sales organizations.

Every business and financial house east of the Mississippi will receive through the mails within the next two weeks, an announcement of the Federal experimental selling plan—an offer of 1000 standard \$300 Federal Adding Machines at \$222.50.

We are doing this in order to determine the actual selling cost, and to establish the future selling policy of this company.

The "serve-self" idea is gaining recognition in all lines of business. That is, the wise economy of cutting out all expensive "frills"

in getting merchandise into the consumer's hands.

By being your own salesman, you can save in selling cost. When that cost in the past has run as high as 45 per cent, it means a *real* saving to you. This is the idea behind this experiment, which we believe meets the new conditions and business needs of the present time.

We would have no trouble marketing the Federal along the old sales lines for \$300. It is the "last word" in adding machines, designed by the veteran adding machine designer and builder, Charles Wales, as the crowning result of his genius and experience. It is backed by a well-financed corporation, and is manufactured by one of the finest mechanical and engineering organizations in the country—Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.

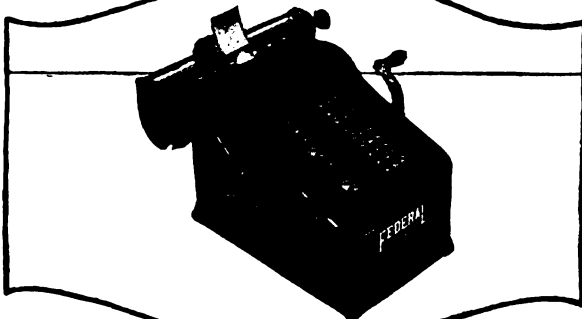
But we know that right now American business men are demanding that needless waste be eliminated in merchandising methods just as truly as in factory methods.

Are we right? You who use and need adding machines—would you rather BUY one for \$222.50 or BE SOLD one for \$300.

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sume the duties of his office January 1, 1920.

Guy E. Bowerman was born at Coldwater, Mich. He began his banking career in South Dakota, where he spent fifteen years before going to St. Anthony, Idaho, some twenty years ago. He organized the First National banks of St. Anthony, Ashton and Driggs, Idaho, in which institutions he later disposed of his interest. He participated actively in the organization of the Idaho State Bankers Association and his talent for organization work, coupled with his own personal interest in the passage of necessary and beneficial banking legislation, resulted in his being honored a number of times by the organizations with which he became identified. He has been president of his District Bankers Association and of the Idaho State Bankers Association, vice-president of the American Bankers Association for the State of Idaho, and in 1915 was elected a member of the executive council of the American Bankers Association for a three year term. He has also served on the State Legislative Council and the Federal Legislative Council. He is at present interested in banks at St. Anthony, Sugar City, Rexburg, Rigby and Brookland, Idaho, as well as two banks in Salt Lake City. He is also vice-president and director of two banks and a director of the Home Fire Insurance Company at Salt Lake.

Mr. Bowerman's service to his state

in a broader way may be realized from the fact that he served as a member of the Idaho Legislature and was chairman of the appropriations committee of the House. He was a member of the Idaho Committee on War Activities and is at

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 This book is not to be confused with the *Digest of the Opinions of the General Counsel* to be issued by the American Bankers Association, or with *Harrison's Bank Law and Taxation Digest*, which is a digest of the state banking laws relating to negotiable instruments, holidays, days of grace, reserves, capitalization, organization of banks, etc.

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present Commissioner of Finance for the State of Idaho. This office he accepted at the urgent request of Governor Davis, in view of Mr. Bowerman's known ability to handle intricate details of state finance, including the subject of taxation.

Mr. Bowerman is a man of independent fortune, for besides his banking interests, he has an extensive investment and real estate loan business, which it has taken many years to build. His broad experience in banking and business affairs combined with the fact that his training and environment enable him to get the viewpoint of the country banker, makes Mr. Bowerman an ideal man for the office of general secretary of the American Bankers Association. He possesses a commanding presence, unusual dignity, and a pleasing personality.

The regard in which Mr. Bowerman is held in his own community is shown by the fact that he has served as mayor of the City of St. Anthony, and has been honored by high office in the Masonic fraternity, of which he is a member.

Mrs. Bowerman is a woman of unusual culture and is well-known throughout the west by reason of her activities in women's club work. They have one son, Emerson, who left his work at Yale to spend two years in France with the Red Cross during the war.

The administrative committee believes that in Mr. Bowerman it has selected a man whose personality and training

make him peculiarly fitted to be of inestimable service to the American Bankers Association.

Colonel Frederick E. Farnsworth, whose resignation as general secretary of the American Bankers Association was tendered at the recent convention at St. Louis, to take effect on the selection of his successor, has announced that he will leave that office January 1, to take up his new duties as president of the Bankers Statistics Corporation of New York.

GROWTH OF THE MORRIS PLAN

The high wages now, and for some time past, paid to industrial workers throughout the United States do not seem to have lessened the necessity of borrowing to meet their current economic needs. Reports to the end of August from 104 cities show that loans on The Morris Plan, which in the first eight months of 1918 amounted to a little less than \$23,000,000, aggregated \$32,000,000 in the corresponding period of the present year—an increase of over \$9,000,000, or about forty per cent. In Chicago alone the increase during the eight months amounted to nearly \$500,000, the business done being nearly fifty per cent greater than in the same period in 1918. In New York City the number of loans in the first nine months of 1919 was 29,143, which was 7,753 more than a year ago; and the amount increased from \$3,758,494 to \$1,557,106—a gain of nearly \$800,000.

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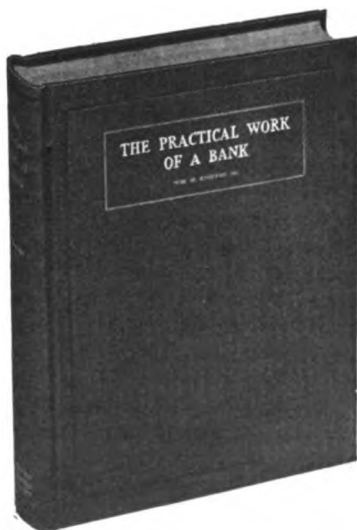
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Kniffin, Jr.

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IN the 600 pages of this book Mr. Kniffin covers every phase and detail of the operation of a modern bank. There is not a detail from the handling of the morning's mail to the extension of credit, from the duties of the messenger to the functions of the president, that he does not consider carefully and describe in an interesting way.

Mr. Kniffin has had a banking experience extending over twenty-five years, and is an acknowledged expert. But he has not depended upon his own knowledge and experience. He has, in addition, gone to leading bankers throughout the country adding their experience and their methods to his own. "The Practical Work of a Bank" is something more than a book. It is an encyclopædia, a complete text book for the student of banking.

A valuable feature of this book is the large number of charts and forms which are reproduced. These are the actual forms which are used by some of the leading banking institutions in their various departments and a careful study of them will give the reader many valuable ideas and suggestions.

Bank equipment is discussed in detail. The author goes into the subject of the best arrangement of the banking room, the location of the cages, the best place for the officers' quarters. He discusses filing, the various books used in the bookkeeping department, the statement system, employees' pensions, days off, stationery and supplies, and the best methods of handling the mail.

Particular attention has been given to the subject of bank credit, one hundred and fifty pages being devoted to that subject. On this subject the author writes with exceptional information and force. He holds the prize offered in 1911 by the late James G. Cannon to the men of the New York Chapter of the American Institute of Banking for the best essay on this important topic.

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policemen and firemen to induce the Board of Aldermen to increase their pay is supported by overwhelming testimony to the effect that a large proportion of the members of the city's uniformed employees have been forced by necessity to become habitual borrowers from the Morris Plan Company.

"THE FABRIC OF CIVILIZATION"

Because the cotton industry is at present undergoing a number of profound changes which will affect, directly or indirectly, the vast majority of the peoples of the earth, the Guaranty Trust Company of New York has just issued an illustrated booklet sketching in their broad outlines the chief phases of the industry, from the grower to the consumer as they exist today. The book, which is called "The Fabric of Civilization, a Short Survey of the Cotton Industry in the United States" has been distributed at the World's Cotton Conference held this month in New Orleans. Not the least interesting feature is a chart giving the range of cotton prices from January, 1918, to September of this year.

A short historical sketch of the development of the industry, first in India, and then in Europe, and finally, with the invention of the Cotton Gin, in the United States, is followed by a description of the raw cotton and cloth markets, and a discussion of the financial methods by which growing, manufacture, and merchandising are

made possible. There are chapters describing the various methods of cultivation, and the technical operation inside the mill and in the finishing plants.

The book points out that while the United States produces more than half the cotton fibre grown in the world, the leadership in manufacturing is held by Great Britain, whose spindlage, in the year the war began, was almost twice that of this country. The opportunities now open to American manufacturers to extend their sales in foreign countries are considered in a separate chapter of the book.

"Despite the very remarkable growth which took place between 1910 and 1918," says this section in part, "the United States ranked fifth among the nations exporting cotton goods. The reasons for this might be summed up almost in a word. The attractiveness and rapid growth of the home market provided an outlet for practically the whole output of American mills. With high prices prevailing in the home market, the manufacturer was not called upon to exert himself to stimulate sales in regions where competition would inevitably be keen and profits small.

"The war served to disarrange the system of cotton cloth distribution of the whole world. It is now a commonplace to say that the United States, by the cutting off of the usual sources of supply, succeeded for the first time in entering in force markets which hitherto had been closed. It would probably

be truer to say that foreign buyers, finding it impossible to secure their customary supply from their regular sources, came to the United States and asked American manufacturers to supply their imperative wants.

"Just what this meant is found in the statement that while in 1918 our total exports of cotton goods amounted to about 445,000,000 yards, in 1917 the figure was about 690,000,000 yards, an increase of 55 per cent.

"The United Kingdom, during 1917, exported nearly 5,000,000,000 yards of cloth, so there is no immediate prospect that the United States will be a dangerous competitor for that country, except in a few limited lines and in a few markets. The chief gain to the American cotton industry brought by the war was the opportunity it gave merchants to introduce their goods abroad at a time when loss was next to impossible. Operating at an assured profit they were able to learn the markets without the long and discouraging fight which would have been neces-

sary had the competitive power of the other nations been at full force. If, as seems likely, the economic forces which projected the United States so suddenly and dramatically into the world's markets shall continue to operate, then the future will see a further development of our sales.

"The general opinion seems to be that if the United States is to keep what she has gained by the war in the cotton goods trade the same care and aggressiveness will have to be shown in the foreign as in the domestic trade. England's position today as the foremost exporter of cotton manufactures is the result of careful study of foreign markets and their requirements, of catering to the tastes of the people, of aggressive advertising, of competent foreign salesmen, of reliability in filling orders, of good packing and of more or less liberal credit terms. Manufacturers in the United States will have to follow the same procedure if this country is to keep her present position in international trade."



The Cure for Industrial Ills

By HON. GEORGE B. CORTELYOU

Ex-Secretary of the Treasury

THE business life of the world is in a state of extraordinary readjustment. In this critical period America will lead, as she has led in the past, along the pathway of sound principle and enlightened progress. We have made great contributions to human betterment, and, while we falter at times, we seek to realize, as far as human frailty will permit, ideals of truth, justice and right-living. But today, as in all times of unrest, we are beset by a multitude of the hasty, the unthinking

or the evil-minded with panaceas for the relief of conditions about which even the wisest among men and women hesitate to reach definite conclusions. The great mistake most of our present-day theorists are making is that while they are correct in the opinion that we are living in a world distraught, their remedies overlook the fact that the only effective cure will come through the age-tested formula of hard work, frugal living, economical government and thorough coöperation.

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ANKING institutions are daily being brought into closer touch with reconstruction activities, and consequently appreciate the necessity for adequate and skillfully arranged quarters in which to transact their growing business.

Those banks which find themselves well prepared in building and equipment facilities to take part in solving the problems of reconstruction will obtain a larger share of the future prosperity of our country than would otherwise be possible.

For more than a quarter of a century Hoggson Brothers have been designing, constructing and equipping bank buildings which have been directly responsible for immediate increases in the volume of business and improvements in the quality of service.

Three fundamental advantages in Hoggson Brothers' method of conducting a building operation are:

- I—The owner places upon one organization the responsibility for the entire operation, including the functions of the architect, engineer, builder, decorator and furnisher.

- II—One contract is assumed for the design, construction, equipment, and decoration of the entire structure.

- III—A limit of total cost is guaranteed and a limit of profit agreed upon.

Thus it will be seen that one contract covers every slightest requirement; and every detail of plan, design and color, for every feature of the operation, whether it relates to construction, equipment, furnishings or decoration, is placed before the owner in a comprehensive manner and must bear his approval before any work is begun.

The final cost, including all architectural and engineering services, construction, equipment, furnishings and decoration, is determined and agreed upon by contract before the commencement of building operations.

In greater detail the following is the procedure followed:

- I—The exterior of the building is designed and the interior equipment, decorations and furnishings are planned in general accord with the results desired by the owners.
- II—Preliminary sketches and an estimate of the approximate total cost of the finished structure are prepared.
- III—Following the approval of the preliminary sketches and approximate cost working drawings are prepared and a total cost determined which can be definitely guaranteed.
- IV—Working drawings and specifications with guaranteed estimate and samples of materials are then submitted.
- V—After working drawings and specifications with guaranteed estimate are finally approved, actual construction commences and in accordance with schedule proceeds to completion.

The advantages of the method briefly outlined above are supplemented by less fundamental but very necessary factors.

HOGGSON BROTHERS · BUILDERS

As a result of many successful building operations since 1891, we have gained a unique knowledge and experience of modern banking requirements—a knowledge not merely of architectural possibilities, of engineering and construction factors, but of the manifold details of business routine peculiar to each branch of the highly specialized banking business.

If you are interested and will so notify us by the attached card, we shall be glad to send further information or to have a representative confer with you. No obligation will be incurred by such a conference.



HOGGSON BROTHERS

485 Fifth Avenue, New York
First Nat. Bank Bldg., Chicago

Established 1891

Incorporated 1907

THE BANKERS MAGAZINE

ELMER H. YOUNGMAN, *Editor*

SEVENTY-THIRD YEAR

DECEMBER 1919

VOLUME XCIX, NO. 6

Annual Report of the Secretary of the Treasury

WITHIN the limits of an ordinary magazine article it is practically impossible even to summarize the Annual Report on the Finances, which this year covers 210 pages of printed matter. All that can be done is to make a few quotations from the Secretary's report and to mention a few of the more salient points. At the outset the Secretary says:

"In this period of readjustment from war to peace, of reconstruction of regions swept bare by the havoc of the greatest war of all time, of political and economic change, and of world-wide unrest and anxiety, America stands strong economically, financially, and politically among the nations of the earth. She has emerged from the colossal struggle with strength tested and unimpaired. The impious hand of the enemy has not touched any part of her fair land, and there are no waste places here to restore. A large share of the cost of the war already has been paid for by taxes, and the public debt is but a fraction of our national wealth, our credit and financial structure is sound and secure, our gold reserves are the greatest in the world, prosperity flourishes in every branch of industry and in every part of the Nation, and the people of the country are fully employed.

"On the other hand, there are serious and grave problems that challenge our statesmanship and our patriotism. In the train of the great physical and spiritual effort the Nation put forth in the supreme task of winning the war it is not surprising, in the light of the experience of mankind following wars of every age, that there should appear a certain spirit of reaction that finds its concomitant in discontent and dissatisfaction. The continuation of prosperity and the financing of our domestic and foreign trade, the full and peaceful employment of labor and capital, credit expansion, speculation and the cost of living are great social and economic problems, but they are susceptible of American solution. To entertain the thought of failure in finding an effective remedy for every phase of

discord and dissatisfaction in America is to shatter the hopes of mankind. The answer to these great questions, which are far less grave in the United States than elsewhere in the world, is to be found in the courage and ability and spirit of Americans and their love of the United States. These are attributes which have stood the test of time from the birth of thirteen struggling colonies to the maturity of a great nation. The men who went to Europe to fight for the freedom of the world, and their compatriots who mobilized to support them to the utmost at home, will not be found wanting in these critical times and can be relied upon to grapple with these questions in the same indomitable and loyal spirit that won the war and with the traditional appreciation and respect of Americans for the rights of their fellowmen, in full confidence of the vindication of right and justice in every element of our life as a nation.

“This spirit of optimism and hopefulness is born of the Nation’s performances of the past and has its immediate revival in the great achievements of the people during the war and in the index afforded by the Treasury’s favorable outlook for the future, if our course is directed along intelligent lines of efficiency and rigorous economy in public and private finance. During the nineteen months of active warfare the people of the country cheerfully contributed taxes for the support of the Government in greater measure than ever before in our history, and generously subscribed to four great popular Liberty loans. The success of these stupendous operations was made possible only by the devoted patriotism of the American people. In the highest and truest sense, the people of the country financed the war, and they deserve the credit for the great achievement. The loyal and efficient work of the organization in the Treasury, the Federal Reserve Banks and the Liberty Loan committees, great and effective as it was, would have amounted to naught had it not sounded the note of patriotic appeal.

“Since the signing of the armistice, taxes have been paid with equal willingness in even larger amounts than during the period of hostilities, although not so great as would have been necessary if the war had continued. During the year that has elapsed since the previous report of the Secretary of the Treasury, it has been necessary to issue only one popular loan—short-term Victory Liberty notes—as compared with four issues of long-term bonds in the previous nineteen months. In the face of many gloomy forecasts that the Victory issue must be sold on a strictly commercial basis and that it would be impossible again to appeal to the patriotism of the American people, the loan, launched without the impulse of the enthusiasm of war, was another overwhelming success that again reflected the financial and economic strength of America and the solidarity and patriotism of the people of the country.”

Regarding the present condition of the Treasury, the Secretary states that tax receipts, payments of Victory Loan subscriptions and the diminishing expenditures of the Government have permitted the issue of Treasury certificates of indebtedness on a decreasing scale for the purposes of temporary financing. This has been particularly true since the close of the fiscal year 1919. On October 31, 1919, the total amount of outstanding Treasury certificates, which on April 30 aggregated \$6,250,000,000, had been reduced to \$3,736,352,300, of which only \$1,634,671,000 were loan certificates. There are no maturities of certificates to provide for prior to 1920, as the certificates maturing December 15, 1919, are more than covered by the income and profits tax installment due on that date.

In these circumstances, the Secretary expresses the belief that the time will soon be in sight when the expenditures of the Government, including interest and sinking fund charges on the public debt, may be met by current receipts, without incurring new floating debt except Treasury certificates of indebtedness issued in anticipation of income and profits taxes. He confidently expects that by the time the cumulative sinking fund begins to operate on July 1, 1920, temporary financing will be substantially over and the certificates will have disappeared from the market except to the extent that financing may be done and certificates issued in anticipation of income and profits taxes. That is the goal toward which the Treasury is aiming, but its realization, the Secretary points out, is dependent upon the continuation of taxes at the present aggregate level and the vigorous enforcement of economy.

The financial programme of the Treasury is set forth in a letter addressed to the chairman of the House Ways and Means Committee under date of July 9. This letter was followed on July 25, 1919, with a statement that, allowing for all the elements of uncertainty, the Treasury had no reason to believe that the expenditures of the Government during the fiscal year 1920 would exceed the amount of revenue to be received under existing law and from the remaining installments of the Victory Liberty Loan. This would mean a deficit for the year of only \$1,032,000,000 and a net increase in the gross public debt at the end of the year by that figure, which was the amount of the deferred installments of the Victory Liberty Loan. This estimate was contained in an open letter to the banking institutions of the country apprising them of the financial programme for the ensuing five months, including the period of heaviest expenditure during the fiscal year 1920. The plan contemplated the resumption of the issue of loan certificates after an interval of three months, during which it had been possible to suspend the issue of such certificates by reason of the rapid decrease in the current expenditures of the Government, the very large

early payments on the Victory Loan, and the ready sale of tax certificates.

The response to these two offerings of tax certificates was so great that it was found desirable to close the issue in three days after September 15. The total subscriptions aggregated \$758,600,500, of which \$101,131,500 represented the $4\frac{1}{4}$ per cent six-month series and \$657,469,000 the $4\frac{1}{2}$ per cent one-year series. In view of the success of the issues, it was possible to suspend for another period the offering of further loan certificates.

THE INTERNATIONAL FINANCIAL SITUATION

So much interest attaches to what the Secretary has to say on this important subject that his views are quoted in full:

"The international financial situation is one of great importance and in which we are seriously interested. The present position relative to foreign financing and the general policy of the Treasury concerning this vital problem should be fully stated.

"Since the armistice the United States has advanced to the Governments of the Allies, as of the close of business October 31, 1919, the sum of \$2,329,257,138.55, and there remained on that date an unexpended balance of \$593,628,111.45, from the total loans of \$10,000,000,000 authorized under the Liberty Loan acts.

"The Treasury asked and obtained power for the War Finance Corporation to make advances up to the amount of \$1,000,000,000 for non-war purposes, and the War Finance Corporation is prepared to make such advances.

"By the act approved September 17, 1919, the Federal Reserve Board is authorized to permit, until January 1, 1921, national banks to invest to a limited extent in the stock of American corporations principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate exports.

"The Secretary of War is authorized to sell surplus Army stores on credit.

"The United States Wheat Director is authorized to sell wheat to Europe on credit.

"The power which at present exists in the Government or governmental agencies to assist in meeting Europe's financial needs is, therefore, considerable. This power must, of course, be exercised with extreme caution and with the most careful regard for the urgent needs of our own people for an ample supply of foodstuffs and other necessities of life at reasonable prices.

"The Treasury is considering with representatives of the Governments of the Allies the funding of the demand obligations which the United States holds into long-time obligations, and at the same time the funding during the reconstruction period, or say for a period of two or three years, of the interest on the obligations of

foreign Governments acquired by the United States under the Liberty Loan acts.

"The Treasury believes that the need of Europe for financial assistance, very great and very real though it is, has been much exaggerated both here and abroad. Our hearts have been so touched by the suffering which the war left in its train and our experience is so recent of the financial conditions which existed during the war (when men were devoting themselves to the business of destruction) that we are prone to overlook the vast recuperative power inherent in any country which, though devastated, has not been depopulated, and the people of which are not starved afterwards. We must all feel deep sympathy for the suffering in Europe to-day, but we must not allow our sympathy to warp our judgment and, by exaggerating Europe's financial needs, make it more difficult to fill them.

"Men must go back to work in Europe, must contribute to increase production. The industries of Europe, of course, can not be set to work without raw materials, machinery, etc., and, to the extent that these are to be secured from the United States, the problem of financing the restoration of Europe belongs primarily to our exporters. Governmental financial assistance in the past and talk of plans for future Government or banking aid to finance exports have apparently led our industrial concerns to the erroneous expectation that their war profits, based so largely on exports, will continue indefinitely without effort or risk on their part. To them will fall the profits of the exports and upon them will fall the consequences of failure to make the exports. So soon as domestic stocks, which were very low at the time of the armistice, have been replenished, those industries which have been developed to meet a demand for great exports, paid for out of Government war loans, will be forced to close plants and forego dividends unless they maintain and develop an outlet abroad. The industries of the country must be brought to a realization of the gravity of this problem, must go out and seek markets abroad, must reduce prices at home and abroad to a reasonable level, and create or coöperate in creating the means of financing export business. There is no reason for high commodity prices in the specter of European demand nor for high interest rates in the specter of European credits. Our fear must be that the cessation of war exports will result in closed plants, passed dividends, and general depression. The way to avoid those evils is to stimulate production and encourage industrial and commercial activity, and not to burden them with high interest rates, which are a deterrent to these things, but unfortunately are not a deterrent, except temporarily, in such times as these to speculation.

"Since armistice day, the consistent policy of the Treasury has

been, so far as possible, to restore private initiative and remove governmental controls and interferences. It has been the view of the Treasury that only thus can the prompt restoration of healthy economic life be gained. The embargoes on gold and silver and control of foreign exchange have been removed, as well as the voluntary and informal control of call money and the stock exchange loan account. The control exercised by the Capital Issues Committee over capital issues has been discontinued. Thus the financial markets of the United States have been opened to the whole world, and all restrictions removed that might have hindered America's capital and credit resources, as well as its great gold reserve, from being available in aid of the world's commerce and Europe's need.

"There are those who believe that the dollar should be kept at par—no more, no less—in the market of foreign exchange. If effective action were taken to carry out such a policy, it could only be done by drawing gold out of the United States when the dollar would otherwise be at a discount and by inflating credit when the dollar would otherwise be at a premium.

"The dollar is now at a premium almost everywhere in the world. Its artificial reduction and maintenance at the gold par of exchange in all currencies is quite unthinkable unless we propose to level all differences in the relative credit of nations and for our gold reserve substitute a reserve consisting of the promises to pay of any nation that chooses to become our debtor. Inequalities of exchange reflect not only the trade and financial balance between two countries, but, particularly after a great war such as that we have been through, the inequalities of domestic finance. The United States has met a greater proportion of the cost of the war from taxes and bond issues than any other country. Largely as a consequence of this policy, the buying power of the dollar at home has been better sustained than has the buying power at home of the currency of any European belligerent. For the United States to determine by governmental action to depress the dollar as measured in terms of foreign exchange and to improve the position of other currencies as measured in terms of dollars would be to shift to the American people the tax and loan burdens of foreign countries. This shifted burden would be measured by the taxes to be imposed and the further loans to be absorbed by our people as a consequence, and by increased domestic prices.

"United States Government action at this time to prevent in respect to foreign exchange the ordinary operation of the law of supply and demand, which automatically sets in action corrective causes, and to prevent the dollar from going to a premium when its natural tendency is to do so, would artificially stimulate our exports, and, through the competition of export demand with domestic demand, maintain or increase domestic prices.

"The view of the Governments of the Allies, I take it, is that had they (after the war control of their imports had been relaxed) attempted to continue to 'peg' their exchanges here at an artificial level by Government borrowing, the effect would have been to stimulate their imports and discourage their exports, thus aggravating their already unfavorable international balances.

"It is not, of course, to be expected that the breach left by the withdrawal of governmental support of exchange can be filled by private initiative until the ratification of the treaty of peace has given reasonable assurance against the political risk which, rather than any commercial or credit risk, now deters private lenders. Some progress has already been made in placing here through private channels the loans of allied and neutral European countries and municipalities. The Treasury favors the making, in our markets, of such loans, which contribute to relieve the exchanges. I am sure that when peace is consummated, and the political risk measurably removed, American exporters and European importers will lay the basis of credit in sound business transactions, and I know that American bankers will not fail then to devise means of financing the needs of the situation nor American investors to respond to Europe's demand for capital on a sound investment basis.

"Meanwhile it is well to remember the invisible factors which are always at work toward a solution of the problem. Immigrants' remittances to Europe are, and will continue to be, a very large item in rectifying the exchanges. As soon as peace is concluded foreign travel will be a further item. Another very important factor is the purchase of European securities and properties and repurchase of foreign-held American securities by American investors. But the principal factor in Europe's favor is the inevitable curtailment of her imports and expansion of her exports. These processes, of course, are stimulated by the very position of the exchanges which they tend to correct."

The Secretary then reviews the recent course of the foreign exchanges. He also makes a strong plea for public economy, pointing out that Government expenditure is "the most vital, fundamental factor in increasing the cost of living." The following information is given respecting the public debt:

"The gross public debt, on the basis of the daily Treasury statements, amounted to \$26,210,530,000 on October 31, 1919, without any deduction for loans to the Allies or other investments. Of this sum only \$3,736,352,000 was in the form of Treasury certificates or floating debt. The total figures mentioned represented a gross debt increase since April 6, 1917, of \$24,928,561,000. Deducting the net increase in the general fund balance from the gross debt

increase results in a net debt increase for the war period from April 6, 1917, to October 31, 1919, of \$24,132,846,000."

CUMULATIVE SINKING FUND

Holders of United States bonds and notes will be especially interested in what the Secretary has to say respecting a cumulative sinking fund for retiring these obligations.

"Provision for the establishment of a cumulative sinking fund in the Treasury for the retirement of bonds and notes issued under the first, second, third and fourth Liberty Bond acts and the Victory Liberty Loan act is made by section 6 of the act approved March 3, 1919 (Exhibit 7, page 235), in accordance with recommendations submitted by the Treasury and adopted by the Congress. The law permanently appropriates for such sinking fund for the fiscal year beginning July 1, 1920, and for each fiscal year thereafter until the debt is discharged an amount equal to the sum of (1) $2\frac{1}{2}$ per centum of the aggregate amount of such bonds and notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligations of foreign Governments held by the United States on July 1, 1920, and (2) the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years.'

"It will be noted that the Secretary of the Treasury, in accordance with the terms of the law, will ascertain the aggregate amount of such bonds and notes outstanding on July 1, 1920, less the par amount of obligations of foreign Governments held by the United States on that date. Two and one-half per cent of that sum is appropriated annually as a fixed amount and without variation for the payment of such bonds and notes at maturity or for their redemption or purchase before maturity. As bonds or notes are paid, redeemed, or purchased from this appropriation, there is also appropriated yearly and cumulatively for the sinking fund an amount equivalent to the interest which would have been payable on such bonds or notes if they had not been retired.

"A cumulative sinking fund has the advantage of making the amount to be set aside for the service of the debt both on account of interest and sinking fund substantially a permanent item at a fixed figure until the debt is retired. The maturities and redemption dates for Liberty Loan bonds, as stated in my testimony before the Ways and Means Committee, were arranged with great wisdom and thoughtfulness by Secretary McAdoo, the bonds of the second loan being redeemable during the period between 1927 and 1942, those of the third loan being payable in 1928, those of the fourth loan being redeemable during the period between 1933 and 1938, and those of the first loan being redeemable during the period

between 1932 and 1947. The notes of the Victory Liberty Loan are of short maturity, being redeemable in 1922 and payable in 1923. With redemption dates and maturities stretching over the period from 1922 to 1947, it will always be in the power of the Government to use the sinking fund effectively for the redemption or payment of bonds and notes of the Liberty loans.

"It is calculated that the operation of the cumulative sinking fund provision will retire the funded war debt of the United States in the neighborhood of twenty-five years, except with respect to an amount equal to the loans to foreign Governments outstanding on July 1, 1920. The retirement of the latter is provided for by the authority to apply repayments of foreign obligations to the retirement of United States obligations, and as foreign obligations are paid a corresponding amount of United States obligations may be redeemed or purchased, and canceled and retired.

"The act of March 3, 1919, also repealed the old sinking-fund statutes which had proved unworkable and resulted in nothing more or less than a bookkeeping account. They did not retire the debt. The new law which takes the place of the provisions thus repealed can never descend to the state of uselessness which they occupied as long as the Government keeps faith with investors in its obligations. The formal offering of the Victory Liberty Loan by Department Circular No. 138 quoted the cumulative sinking-fund section of the Victory Liberty Loan act. To make the plan effective, sinking-fund charges must be met out of revenues received from taxation. Any thought in the future of suspending the operation of the cumulative sinking fund or of meeting its charges through the sale of securities would be not only unwise in the extreme from the standpoint of the Government's finances and the ultimate wiping out of the war debt, but would be a breach of faith with every subscriber to the Victory Liberty Loan and with every holder of the Liberty bonds. Whatever may be necessary in the future financing of the Government, nothing must be permitted to interfere with the effective operation of the cumulative sinking fund and the consequent gradual retirement of the war debt."

The Secretary makes a strong argument in favor of the budget system for handling Government appropriations.

ESTIMATES FOR THE FISCAL YEARS 1920 AND 1921

"The estimates of receipts and expenditures for the fiscal years ending June 30, 1920, and June 30, 1921, are given in the subjoined tables. The estimates of receipts are based upon existing laws. The estimates of expenditures were made by the respective Government departments and independent establishments.

"The following tabulation summarizes the estimated receipts and expenditures for the fiscal year 1920 and, on the basis of the

latest information received from the various departments, shows the estimated results at the close of the year:

FISCAL YEAR 1920

Balance in the Treasury June 30, 1919, free of current obligations.....	\$1,002,732,042
Estimated receipts:	
Ordinary	\$6,100,250,000
Panama Canal	7,200,000
Public debt.....	1,210,556,634
Total.....	\$7,318,006,634
Estimated expenditures:	
Ordinary (exclusive of expenditures from such additional appropriations as may be made for the Railroad Administration)	6,097,237,892
Special and Panama Canal.....	715,284,837
Public debt (including \$3,633,804,490 certificates of indebtedness outstanding June 30, 1919)	4,664,104,490
Total (incomplete).....	11,476,627,219
Excess of estimated expenditures (incomplete) over estimated receipts.....	4,158,620,586
Estimated deficit in the general fund June 30, 1920.....	\$3,155,888,543
Estimated amount necessary for balance in the general fund June 30, 1920	750,000,000
Estimated gross deficiency June 30, 1920.....	\$3,905,888,543

“There are many uncertainties in connection with the above figures which must be taken into consideration in attempting to forecast the condition of the Treasury at the close of the current fiscal year, and, of course, this department is not in possession of information that would enable it to form an opinion as to the deficiency estimates which may be presented to the Congress nor as to the additional appropriations the Congress may make.

“The following is a summary of the estimated receipts and expenditures for the fiscal year 1921 and, on the basis of incomplete information, shows the estimated results at the close of the year:*

“The above figures* show that the estimated expenditures for both of the fiscal years 1920 and 1921 are incomplete. This is particularly true with respect to the latter. Even in their incomplete form, the figures indicate that there will be a deficit in the Treasury at the close of the two-year period ending June 30, 1921, of \$1,509,336,528, if the floating debt is decreased by the amount of certificates of indebtedness outstanding on June 30, 1919. The amount of such debt should be reduced as rapidly as possible, and certainly to the extent of receipts on account of salvage from war materials and supplies, the repayment of stock of Government-owned corporations, and the like.

“Comparison of the estimates for 1921 with the appropriations for 1920 shows a decrease in the 1921 estimates of \$1,155,790,000.80, including the Panama Canal and sinking fund.”

*See page 753.

FISCAL YEAR 1931.

Estimated deficit in general fund June 30, 1930 (as above).....		\$3,155,888,548
Estimated receipts:		
Ordinary	\$5,412,000,000	
Panama Canal	8,000,000	
Public debt	200,350,000	
Total		5,620,350,000
Estimated expenditures:		
Ordinary (exclusive of expenditures by the Railroad Administration, of expenditures from appropriation of \$280,000,000 included by the Shipping Board in the Book of Estimates, of expenditures on account of increased compensation of Government employees, of expenditures on account of increased compensation in the Postal Service, of expenditures on account of new construction in the Navy).....	3,517,752,594	
Panama Canal	18,245,391	
Public debt.....	437,800,000	
Total (incomplete).....		3,973,797,985
Excess of estimated receipts over estimated expenditures (incomplete).....		1,646,552,015
Estimated deficit in the general fund June 30, 1931.....		\$1,509,336,528
Estimated amount necessary for balance in the general fund June 30, 1931		500,000,000
Estimated gross deficiency June 30, 1931.....		\$2,009,336,528



The Folly of Class Antagonisms

That which advantages not the hive advantages not the bee.—*Marcus Aurelius*.

OUR community life may be likened to a hive composed of numerous individual bees. Capitalists, hungry for extortionate profits, have proceeded upon the theory that they could enrich themselves as individuals and take no thought of the effect upon the hive of which they themselves formed a part. Labor leaders, intent upon wringing the highest wages possible out of the employers, seem to think that their own individual interests can be advanced without respect to what may be the effect upon their employers or upon the "general public," of which both employers and employees form a part. Acting upon this mistaken theory, we have entered upon a war between groups and classes, each one seeking to gain advantage for itself alone. These selfish attempts invariably react upon those who are guilty of them, and ultimately we find the community engaged in something resembling self-destruction.

Have we not witnessed something analogous to this in the great war just closed? Even the victorious nations find themselves almost exhausted by the force of the recent struggle. This does not mean that they would hesitate again to expend their strength in self-defense should it become necessary. A father might become prac-

tically exhausted in defending those of his own household, but he would keep up the fight as long as his strength permitted.

As time passes and the great European war may be studied in its historical perspective, one may see rather more clearly than now what the famous victory was about and what they killed each other for. Of course, we may discern even now one lesson from the war, namely, that seemingly overwhelming military strength and unlimited ambition for aggression constitute grave sources of national weakness. Possibly we may also see that the war has at last taught the world the lesson of international coöperation; or, at least, that nations will best serve their own interests by recognizing and respecting the rights of other nations rather than by attempting to gain an undue advantage through military aggression or by economic warfare. Society may also learn from great industrial strikes, with their almost universal resultant injury, that these conflicts which are apparently between a single group of employers and employees affect practically the entire community.

Neither of these conclusions leads to internationalism or to socialism, for nations and individuals will most surely develop the best of which they are capable under the incentives of nationalism and individualism; but the experience of nations and of communities would seem to indicate that a closer coöperation between nations and among individuals and groups within a particular nation is not only highly desirable but almost indispensable to the preservation of civilization itself. That the prosperity of any separate nation is bound up with the prosperity of other nations, and that the well being of individuals or of groups within respective national boundaries is inseparable from the general welfare. Nations, individuals and groups should be expected, however, to conform to the general rules of the game.

These would seem to be lessons deducible from the great war and from recent industrial conflicts. Perhaps the most salutary lesson of all is that the big capitalists, the war-crazed despots and the over-ambitious labor leaders have been taught that a public opinion exists that is not only nation-wide but world-wide, and that to battle against its mighty power is futile.

Mankind has seen the results of working at cross purposes. Would it not now be the part of wisdom to try what can be done by working together?



The Will of Henry C. Frick

IN bestowing large amounts upon educational and philanthropic institutions the late H. C. Frick has followed the usual procedure of men of large wealth. That this is a wise and beneficent use of money no one would dispute. Besides the bequests of the

character indicated, Mr. Frick bequeathed property and securities of an approximate value of \$65,000,000 to be devoted to the Frick collection of art. This means that nearly one-half his estate is to be devoted to this purpose.

Without in the least questioning the ennobling influences of art, and applauding fully the fine spirit which makes the great masterpieces of painting and sculpture available to the people, one may at least wonder whether some more practical form of public service might not have been more useful at the present time. Such a speculation may be indulged in without any purpose to criticise the beneficent objects to which Mr. Frick devoted his large fortune.

If there is any condition more than another which to-day would seem worthy of the attention of men of great wealth it is that relating to the mode of life of the great masses of the people who dwell in the large cities of the country and of the industrial workers in the smaller cities. Here is a field for practical philanthropy so vast and promising that it is a wonder that it has thus far received so little attention. Possibly its very vastness has appalled even men as wealthy as Mr. Frick, who may have been excused for considering this more properly a field for public than for private philanthropy. But at least men of great wealth could make a beginning in providing an outlet into healthful and attractive surroundings for the masses of urban dwellers and for industrial workers. To the hundreds of thousands huddled together in dark and squalid city tenements the opportunity to view a fine painting in the Frick home on Fifth Avenue would hardly prove so inspiring and so permanently beneficial as would the opportunity to live amid pleasant surroundings where landscapes more beautiful than painter ever put upon canvas might be seen at every hour of the day. Unless the bodies of men are properly nourished and their lives developed in a healthful environment, the opportunity of an occasional glimpse of a painted canvas which at best is but a counterfeit of nature constitutes little less than a mockery.

Whatever claims may be made for the spiritualizing influences of art, it can not be denied that much of the vast collections upon which millions have been expended consists of mere trivialities. Until the masses of dwellers in large cities and many industrial workers in smaller places are provided with more comfortable homes, they are apt to scoff at attempts to spiritualize them through the contemplation of works of art.

Something of the same sort may be said in regard to Mr. Frick's bequests to education. These go largely to Princeton and Harvard, to the Massachusetts Institute of Technology and to the Education Fund Commission of Pittsburgh. The two institutions first named get a total of \$20,000,000. They belong to a class of educational institutions chiefly devoted to training men for pro-

fessional pursuits—the making of clergymen, lawyers, editors, etc.; in other words, toward educating men away from the more rudimentary forms of employment whose ranks are depleted and training them for those lighter forms of employment whose ranks are already filled. Perhaps in bestowing substantial sums upon the Massachusetts Institute of Technology and the Education Fund Commission Mr. Frick was not unmindful of these considerations and endeavored to balance up his contributions between these two types of education. Training men for life's primary duties by example and demonstration rather than by mere precept would seem to be a form of education which the times demand. For this homely object an hour's hoeing in a garden or work at the carpenter's bench may be safely matched against the contemplation of Raphael's angels.

Mr. Frick's large bequests to hospitals, homes and dispensaries are beyond all praise. The fact that he left only about one-sixth of his fortune to his family and friends, the remainder going to the public, stamps him as a generous philanthropist.

Whether it would have been possible to have made a better use of some of his money or not, it is certain that his splendid bequests will be of incalculable benefit to millions of people for long years hence.



The Flag Still There

REJECTION of the peace treaty by the Senate, both with and without reservations, was a rather puzzling event. Apparently the Senate did not want the plain treaty as submitted by the President nor the drastic reservations proposed by the Foreign Relations Committee. From this might it not be fair to conclude that, having rejected both these extremes, the Senate favors something between them? It can hardly be supposed that the Senate wishes the country to remain forever even technically at war with Germany.

In rejecting the League of Nations covenant the Senate has shown a disposition not to limit the sovereignty of the United States in the manner proposed by this instrument and has refused permanently to entangle the country in old-world broils and petty political squabbles. We are thus to retain our national independence and not become a tail to the European kite. Any other course would have subjected the Senate to a suspicion of its Americanism.

What will be the future course of the Senate with respect to the treaty no one can foretell. Ultimately we shall have some form of international conference to define international law and some agreement among nations to observe the laws when thus defined.

Meanwhile the Stars and Stripes have not been supplanted by an international emblem.



National Thrift Week

BEGINNING January 17 a week will be devoted to the carrying on of special thrift propaganda under the auspices of the Young Men's Christian Association. This is an extension of the thrift day idea, originating a few years ago in Philadelphia.

The observance of a single day or week devoted to thrift will no doubt have a beneficial effect, and by concentrating the effort within this short space of time probably much greater interest will be aroused than if a more extended period were employed. Of course, in devoting a single day to thrift it is not to be inferred that this virtue is to be practiced on one day of the year only, no more than the people who go to church on Sunday are expected to lay aside their religion for the remainder of the week. Thrift day or thrift week, however, by setting aside a certain period for emphasizing the great value of this virtue serves a most useful purpose. And, while thrift is desirable at all times, perhaps there never was a period in the country's history when the people needed so much as now to understand the necessity for the wise and economical employment of their incomes. Extravagance in spending money is contributing materially toward keeping up the high cost of living. Besides, we are liable at almost any time to experience a reversal of present prosperous conditions with the attendant enforced economy that will be seriously felt by those who do not now make some advance provision against that inevitable period of diminished earnings. Then our people have an opportunity of assisting in the rehabilitation of Europe, but they can do so only by saving.

From every standpoint—that of the individual, the Nation, and internationally—the thrift week movement is to be commended. Naturally, it will have the practical support of the bankers of the country.



Right to Use the Term "Investment Bankers"

AN interesting case has come up in the courts of Ohio relating to the right of a firm dealing in securities to employ the term "investment bankers" as descriptive of the nature of the business transacted. At the instance of Otis & Co., investment bankers of Cleveland, a petition was filed against the Superintendent of

Banks on account of the interpretation given by that official to the act of April 4, 1919, relating to the organization of banks and their inspection. This act was passed pursuant to the following provision in the Constitution of the State of Ohio:

“No corporation, not organized under the laws of this State, or of the United States, or person, partnership or association, shall use the word ‘bank,’ ‘banker’ or ‘banking’ or words of similar meaning in any foreign language, as a designation or name under which business may be conducted in this State, unless such corporation, person, partnership or association shall submit to inspection, examination and regulation as may hereafter be provided by the laws of this State.”

The matter was heard in the Court of Common Pleas, and on October 14 an opinion was rendered by Stevens, J., from which the following extracts are taken:

“In attempting to make this provision of the Constitution operative, the Legislature passed the act above mentioned. By section 2 of the act, the term ‘bank’ is defined. By that definition the term ‘bank’ includes only what has hitherto been known as banks of deposit; and the act provides that all banks as thus defined shall be subject to inspection, examination and regulation as provided by law. Section 3 restricts the use of the words ‘bank,’ ‘banker’ or ‘banking,’ as a designation or name, or part of a designation or name under which business is or may be conducted in this State, to banks as defined in the preceding section, and a severe penalty is provided by the act for the violation of that prohibition.

“The petition in this case sets out the provisions of the State banking law, in so far as they may affect the business of Otis & Co. To the petition a general demurrer has been filed. The demurrer therefore admits as true all the pertinent matters contained in the petition which are properly pleaded. It is thus revealed that for many years Otis & Co., in their letter-heads and advertising matter, have followed the name, ‘Otis & Co,’ with the term ‘investment bankers.’ If it may be said properly to have been pleaded, the demurrer admits that the term ‘investment bankers’ accurately describes the business in which Otis & Co. are engaged.

“The petition, at some length, sets forth the very great value to Otis & Co. of the use of this phrase in juxtaposition with the name of the partnership, and alleges that this phrase has been used throughout the country to characterize business such as that conducted by Otis & Co.

“It is claimed that the use of this phrase is a violation of the act. The prayer of the petition is that the partners in Otis & Co. be restrained from removing the words, ‘investment bankers,’ from the advertising of Otis & Co., and from its stationery, and that the

Superintendent of Banks be restrained from bringing any action to enforce penalties against Otis & Co. or the individual members of the partnership, for the use of the words 'investment bankers.'

"It is a matter of common knowledge among those who have any familiarity at all with terms used in the business world that the word 'bank' is a rather broadly generic word. Those possessed of this familiarity with the use of business terms would understand that the words 'investment bankers' did not describe banks of deposit. The words are an announcement that the concern employing them is not a bank of deposit. They differentiate rather than include. They serve to distinguish such an institution from an institution which does deposit or commercial banking.

"If there is given to the statute the interpretation urged by the Superintendent of Banks it must be held that Otis & Co. are forbidden to use a term which accurately describes their business and which pointedly differentiates it from the business of deposit banking and from the kind of banking described in the act as the only kind which is permitted to use the words 'bank,' 'banker,' or 'banking.'

"The business of investment banking for many years has been a recognized, legitimate business, and should not be interdicted unless, by the plain provisions of law, such action is required. To forbid the use of the phrase as descriptive of the business would, to a greater or less degree, be a prohibition upon the conducting of that business."

After considering the rules properly applicable in the construction of the statute in question, the court thus concludes the opinion in the case:

"I am of opinion, for the reasons thus indicated, that the words 'investment bankers,' employed as they are by Otis & Co., are not a designation under which business is conducted, and that Otis & Co. are, therefore, in using those words, not in violation of the act.

"I feel like adding that, if it were necessary to inquire into the constitutional questions raised, a very serious question arises out of the attempt which the Legislature has made to act under the constitutional provision. Investment banking is a legitimate business. Section 3 of Article XIII of the Constitution forbids the use of the words 'bank,' 'banker' or 'banking,' as a designation or name under which business may be conducted in this State, unless such partnership, etc., shall submit to inspection, examination and regulation as may hereafter be provided by the laws of this State. The Legislature has made short work of the matter by forbidding the use of those words to any save deposit bankers. The constitutional provision, it seems to me, quite plainly contemplates the legitimate use of those words by any class of bankers who shall submit to inspection, etc., to be provided by the laws of the State. Invest-

ment bankers have by this act been given no opportunity to submit to the inspection provided by those laws. The statute, if interpreted narrowly, simply puts them out of business so far as concerns their right to use the word 'banking.' It seems to me a peculiar use of the grant of authority, to limit the words 'bank,' 'banker' or 'banking' to a particular class of persons whose business is no more legal or legitimate than is that of the excluded classes."

Doubtless the only aim of the statute in question was to exclude irresponsible seekers after deposits from using the words "bank" and "banker." This aim could have been accomplished without the virtual destruction of a most important branch of the banking business, that of investment banking. And certainly it is arbitrary, to say the least, to deny to investment bankers the right of submitting to the inspection which the statute provides for other classes of banking institutions.

That investment bankers should be under some kind of governmental regulation is perhaps generally conceded, but that is not the issue in the present case. The Ohio law would appear to prohibit them from using the words "investment bankers" without any relief which inspection might afford.

The function which the investment banker performs is far too important to the community thus to be flatly prohibited. Besides, the investment of money in securities constitutes a banking function quite as much as does the receiving of deposits and the discounting of commercial paper, though it may differ in character and may not even be a proper part of commercial banking.

By using the single word "banker" after a firm name the public might be deceived into thinking such a concern a bank of deposit; but, as the court says in the case under consideration, the use of the term "investment bankers" serves to distinguish such an institution from an institution which does deposit or commercial banking.

In the past the services of investment bankers have been of incalculable value in marketing sound securities and thus providing funds for states and municipalities, for public utility corporations and for many private industries. In the future, with the growth of our domestic and foreign financing, we shall require their services even more than in former years. As these institutions perform one of the multifarious functions of modern banking, they are clearly entitled to the use of a term which fairly and accurately describes their business.



Consequence of the Recent Rise in Silver

SILVER has risen of late to such a point that there is already discussion of the possibility that the silver dollars and subsidiary coins may be exported or find their way to the melt-

ing pot. A bill has been prepared proposing to reduce the silver in the half-dollar from 192.9 grains to 150 grains and also to reduce the amount of silver in the quarters and dimes.

Even with silver at \$1.37½ an ounce it is hardly thought likely that the subsidiary coins would be melted, since their mint valuation is about \$1.38 per ounce, and particularly since many of the coins, having been in circulation for some time, are considerably worn. But should the price go as high as \$1.40 an ounce, the coins would probably find their way to the melting pot. The rate at which the dollar is coined, \$1.29 an ounce, puts it in danger of the crucible at the recent quotations for silver bullion.

The chief explanation given for the abnormal increase in the value of silver consists in the enlarged demands for the metal from India and China to balance their heavy excess of exports over imports and to the falling off in the production of silver, especially in Mexico.

Last year, to relieve the silver situation in India, an act was passed authorizing the sale of 350,000,000 of silver dollars as bullion, and under authority granted in this act some \$260,000,000 has been converted into bullion and sold, leaving about \$90,000,000 yet to be disposed of.

In order to stabilize the price of silver an arrangement has been consummated between the Treasury of the United States, acting through the Federal Reserve Board, and the International Banking Corporation, Asia Banking Corporation and the Park-Union Foreign Banking Corporation, whereby standard silver dollars that are free in the Treasury will be delivered against other forms of money to the Division of Foreign Exchange of the Federal Reserve Bank of New York, coöperating with branches of American banks in the Orient, to employ such dollars in regulating our exchanges with silver-standard countries. For some time these exchanges have been adverse to the United States, and recently large gold shipments have been made to the East. By pegging the dollar exchange rate in Shanghai it is hoped in part, at least, to obviate the necessity for such shipments.

The advance in the value of silver to a point which brings the bullion value of a silver dollar above the coinage value has already revived the talk about bimetallism, and William J. Bryan, the ardent champion of silver, has derisively alluded, in a letter to New York "financiers," to the gold dollar as "a cheap dollar." Since Mr. Bryan's popularity arose largely on account of his championship of the poor and despised silver dollar, he could hardly expect now to gain popularity as the friend of a dollar that is worth more than a gold dollar. If the recent course of silver has added to his reputation as a prophet it has correspondingly dashed his hopes as a politician championing the lowly silver dollar. But if the relative

value of gold to silver goes low enough, we may see Mr. Bryan running for President in 1940 on a platform denouncing silver as the money of the plutocrats, and declaring to those who are trying to maintain the use of the white metal as money: "You shall not press down upon the brow of labor this crown of thorns; you shall not crucify mankind upon a cross of silver."



A Joyous Year Ahead

What the people need in these times is to keep in good humor.—*Myron T. Herrick.*

WELL, why shouldn't they keep in good humor? Isn't there enough doing to entertain, instruct and to amuse anybody not a hopeless old curmudgeon?

Let us look at the case and see.

A French savant has discovered that the life of certain microbes persists for at least five hundred years. Mankind being but a compound of microbes, does this not argue a longevity approximating that of Methuselah, even if it does not point to possible physical immortality?

Then another scientific gentleman, guessing by the progress of the stars, has destroyed that pretty story about Sir Isaac Newton, sleeping in his garden and being hit on the nose by a falling apple, deducing from this trifling event the law of gravitation. The twentieth century scientist, if not actually denying the existence of any such law, shoots it full of holes. Mr. Gompers and other labor leaders had already abolished the law of supply and demand, and if now we are to lose the law of gravitation as well, where indeed are we at? Is there any wonder that the world is slipping its intellectual cables, so to speak?

But there are other things of interest and of joy, science again being the contributor. Pursuing a subject which has long fascinated the alchemists, a European investigator has discovered some magical gland which, being implanted in the human frame, imparts to the senile the energy and freshness of youth. Under its potent spell the aged frisk and gambol like the young lamb. Wives whose husbands have long labored under the burdens of years and the ailments which are the concomitants of the scriptural allotment of life express regret and indignation, however, because their rejuvenated spouses instead of tackling the household chores for which they have been incapacitated no sooner feel the enlivening impulse imparted by the interstitial gland than they caper off nimbly to a cabaret. Such are still the lingering imperfections of human nature even in the glorious new day in which the world is now living.

And the joy of watching the alternate hopes and fears of those who have expected a wet interregnum before the whole country becomes more arid than Sahara's burning sands! To-day a judge decides that the ban is off, and the liquor begins to flow adown the parched throats but, alas! to-morrow another judge claps the lid on again, and the hopes of the thirsty are crushed.

Next up pops our old friend Doctor Wiley, the food expert. He has been figuring on the high cost of living, and finds it as much of a myth as the law of gravitation. Arriving first at the conclusion that a man can live on fourteen cents a day, he subjects his findings to the test of logarithms, differential calculus, quadratic equations and the fourth dimension, with the surprising result that he discovers that he was off three cents on his original estimate, and that a man can live well enough on eleven cents a day on a diet of mush and milk.

How dire have been the influences of this high cost of living and how far its ramifications have extended may be inferred from recent reports that in those countries where a plurality of wives is permitted it has been found necessary to economize in this respect. Doubtless Doctor Wiley's mush-and-milk diet may serve to preserve the numerical strength of Eastern harems intact.

But the end is not yet. Look at the statesmen, near and otherwise, trying to convince the people that they measure up to the stature of the Presidency of the United States. All these persons will be much in evidence in nineteen hundred and twenty, and their antics will afford an endless fund of humor.

Nor should Bryan be forgotten. His impudent note reminding the New York financiers that they must, as opponents of a cheap dollar, insist on paying their debts in silver, which is now the dearer metal, ranks as one of the joy-provoking incidents of the times. And, as if gold were not already cheap enough, another scientist announces that he can make it out of lead and bismuth, and that the long-dreamed-of transmutation of metals is now a reality.

Surely, all these things afford a fund of good humor for a full twelvemonth ahead.

Should there be any who see nothing to be happy about in aught else, let them go out at night and look up at the eyes of heaven twinkling with laughter as they look down upon the fantastic doings of those who inhabit the earth.



Window Display Advertising

By W. R. MOREHOUSE, Author "Bank Window Advertising,"
"Bank Deposit Building," "Bank Letters," etc.

NOT long ago a merchant of national reputation writing in a leading magazine, made the statement that "goods well displayed are half sold." Among other things that this merchant said was that his windows were his silent salesmen, and to them he attributed much of his success in business.

How long could American merchants remain in business if a law was passed compelling them to cover up their beautiful windows with heavy shutters and iron bars, very much the same as some of our banks have done? Not very long. Such a law would so stifle the retail trade that many of these merchants would be compelled to discontinue business. Not only would it retard business, but such a law would make the down-town streets of our cities unattractive and uninviting at night.

For many years merchants and bankers have worked in opposite directions. The merchants have been using every means at their command to make their windows attractive. They have finished them in the finest of wood and decorated them with plush. In these beautiful windows they display the smartest of the season's merchandise, with the result that they are able greatly to increase the volume of their business. While the merchants have been making their windows earn them big dividends, many bankers have remained content to leave theirs uninviting, dark and gloomy—an expense to them instead of a profit-gatherer.

BANKS COMING TO REALIZE THE ADVERTISING POSSIBILITIES OF THEIR WINDOWS

But gradually the bankers are beginning to see that the merchants are on

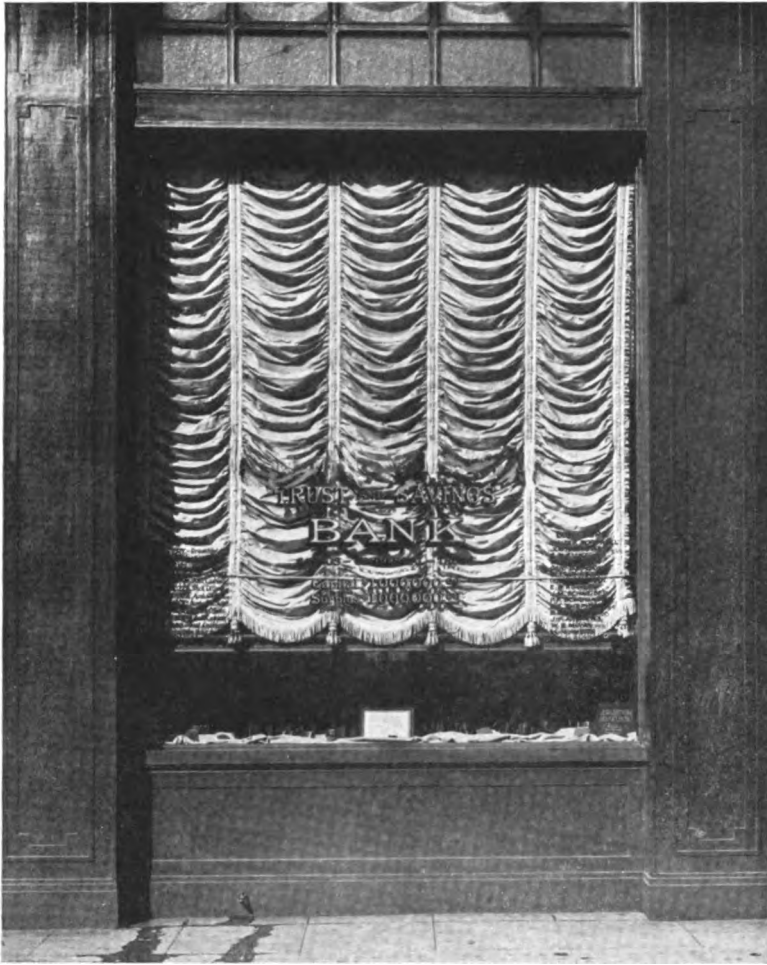
the main line and they are on the siding, in this regard.

Contrast the old type of bank, with its narrow windows set high above the walk, its heavy shutters and its iron bars, with the bank I shall describe to you. I have in mind a bank that keeps its shutters fastened back to admit the light of day and to allow the warm sunshine to flow in. Within this bank everything is homelike and pleasant. Its windows are within easy reach of your vision as you pass by in the street—a frontage of one hundred and forty feet is devoted to window display, twelve separate displays, each one different, all of them interesting and suggestive of the service which this particular bank has to offer. At night these displays are well lighted. They command your attention, and you draw near in order to study each more closely. There is a certain friendliness about this particular bank that compels you to go in and open an account at your first opportunity.

The difference between these two types of banks is in their windows and the use made of them. One draws business by using window displays, while the other keeps its windows dark and gloomy.

TANGIBLE RESULTS OF WINDOW DISPLAY ADVERTISING.

In this article I will undertake to show that window display advertising produces results so tangible that you can record them and know what they are; no guesswork as with some advertising mediums. I will show that the cost of window display advertising is small compared with other forms of advertising, and will further show how window display advertising can be used



A Typical Bank Window Display, Showing Arrangement of Curtains and Advertising

successfully in securing the "good will" of a whole community.

How are you to know that window display advertising produces results? This is how I proved it out.

Our bank had just published a new booklet advertising its trust department. The title of this booklet is, "Your Will." On a certain day before the bank opened its doors for business I built in one of our windows a display featuring this new booklet. On a poster which occupied a prominent place in the display was the announcement that free copies of the booklet were obtainable inside. Just exactly at the opening hour I stationed myself near

this particular display to await results. People were passing in the street; here and there a person would drop out of the line, approach the display, read the poster, about-face and walk deliberately inside the bank intent on securing one of the booklets. The first day this display was the means of distributing fifty booklets to persons interested in making their wills. As the days passed the number of booklets distributed increased rather than diminished.

Let us take another example in order that no mistake be made as to the effectiveness of window display advertising. About the same time that the booklets were on display the bank was

making a drive for savings accounts. This drive was part of a thrift campaign, and so in this case a window display was used that would have a strong appeal to persons who found it hard to save money. A display consisting of small home safes was used in this instance. A poster in the display announced that the safes would be found a great aid to saving money, and that they would be loaned free with every savings account of one dollar or more. Within a few minutes after the bank opened for business that day strangers began to drop in and open savings accounts. There could be no doubt as to the pulling power of that window display for these new depositors asked for the loan of the home safes shown in our windows.

HELPING LOCAL MANUFACTURERS.

I will now try and show how a bank can get large results from window displays by coöperating in various municipal campaigns; as, for instance, campaigns inaugurated by local merchants and manufacturers having as their object the stimulating of consumption of home manufactured and locally assembled goods.

In what better way can a bank help to get locally manufactured goods before the public than to display the goods in the windows?

When "Made in Los Angeles Week," was observed in that far western metropolis, the local banks were invited to join with the merchants in displaying in their windows and lobbies locally manufactured merchandise.

The Guaranty Trust and Savings Bank, with which the writer is associated, contributed to this occasion the space in its twelve large windows, aggregating one hundred and forty feet of frontage on two principal streets.

In one of its large windows was a display showing how glass is manufactured. Well to one side of the window and to the right could be seen the raw materials which enter into the manufacture of glass, while by the side of each pile of chemicals a poster defined the material and gave the name of the place

from which it was secured. Moulds of various sizes and different designs, with other tools used in the manufacture of glass, made up another part of the display. Bottles in different stages of manufacture as well as other articles of glass, many of them in fancy shapes and variegated colors, contributed materially to the attractiveness of the exhibit.

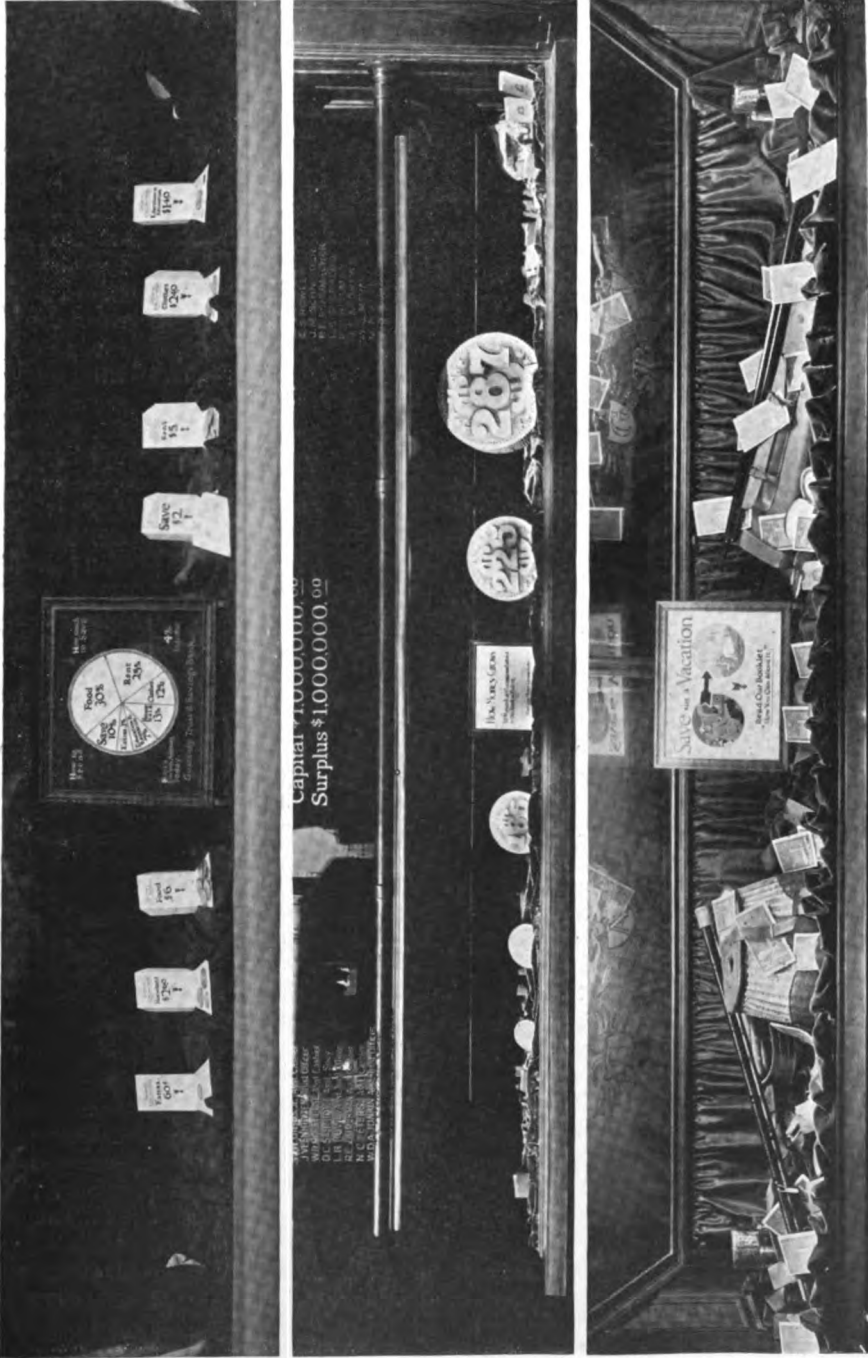
Without the least exaggeration I can say that this window display proved so popular that hundreds studied it during the week. But did it produce tangible results for the manufacturer? The week had not yet closed when I met the manufacturer, and being curious to learn the results, asked him for a report. He told me that he had received inquiries from at least fifty individuals, firms and corporations as a result of the one display, and that he had more orders than he could fill.

The best way for you to estimate the value of this window to the glass manufacturer is for you to put yourself in his place. A prominent bank in your city invites you to display your goods in its windows, which you do, with the result that you receive many orders for your goods. The very least that you would think of doing under these circumstances would be to "boost" this particular bank at every opportunity.

What did it cost to get the "good will" of this glass manufacturer, his employees and his friends and business associates? The manufacturer furnished the materials and the posters, and the only item of expense to the bank was the time of one man, forty-five minutes. The cost to the bank was less than \$1.00—a figure so small as compared with the value of the results obtained that it isn't worth mentioning.

In the next window was a display of fourteen "Kaybee" dolls, the production of another local enterprise. Why did the bank select dolls for this window? Because it wanted a window display that would be of especial interest to women and children.

As anticipated, this display caught the eye of nearly every woman and child who was passing by the bank.



These "How Much to Save," "How Money Grows" and "Save for a Vacation" Displays were very effective

There in the foreground were Uncle Sam and Liberty, dressed in their red-white-and-blue clothes. Near them were twelve other dolls, just as handsomely and attractively dressed, each representing some well-known character. Not one wore an expression of sadness, gloom or disappointment, but all fourteen made up a happy, jolly party.

From the moment that this display was installed it proved a big winner and had the bank been in the retail doll business, it could have sold dozens of these dolls. Although the bank had no dolls for sale it was instrumental in creating a brisk demand for "Kaybee" dolls by telling those who inquired to ask their merchants for, and insist on having, dolls bearing the "Kaybee" trademark.

It cost the bank less than \$1.00 to get the "good will" of the doll manufacturer.

We will pass by the display in the next window with the mere statement that it contained auto-theft signals. A goodly crowd of automobile owners were soon seen bunched in close to the window in order to get a close-up view of this useful automobile accessory.

As you catch your first glimpse of the display in the next window you are curious to know how a bank can use macaroni in its windows. But there it is, in its many different shapes, from seashells to alphabets, from thread-like strings to others one-quarter inch in diameter, some straight, some curled in loops, some clipped in short lengths, the whole making a most interesting study of a food which one relishes as he does few other edibles. In many ways this display was a winner. It was unusual, something different, and even to the hundreds of housewives who saw it the large variety making up the macaroni family must have been a revelation.

As a direct result of this display, the president of the company manufacturing the particular brand of macaroni exhibited, opened his personal account. But he did not stop with an account with the bank. It so happened that he was also president of a local organiza-

tion of manufacturers in all lines. Appreciative of what the bank was doing to cooperate with manufacturers, he made arrangements between the members of his organization and the bank whereby these manufacturers numbering fifty, were to display their goods in the bank's windows. Thus as the results of a window display featuring macaroni, the Bank secured a good account besides being placed in a position to secure the good will and the accounts of fifty manufacturers.

Like the other displays, the cost to the bank was only nominal. Space precludes reference to the other eight window displays in this series. In passing I will say that they were equally interesting and as successful as those I have described.

Did the twelve displays get results for these manufacturers? I can best answer that question by saying that they were so effective that manufacturers' agents selling eastern goods in the Los Angeles market protested the Bank's action, stating that it was "boosting" home manufactured goods at the expense of their trade.

How did the average citizen of Los Angeles regard this campaign? Every loyal citizen approved of the campaign and not a few so expressed themselves to the bank. They were 100 per cent. behind it, if for no other reason than it meant employment for home people at better wages.

After using window displays for three years, in which time I have averaged nearly one new display a day, covering a wide range of subjects, I am convinced that the possibilities for bank window display advertising are practically limitless. Besides the cost is ridiculously low, considering the large results obtained.

WINDOW DISPLAYS GET ATTENTION.

But someone asks, does window display advertising get good attention? I can best answer that question by referring to the "flu" epidemic last year. At the time the "flu" was prevalent in Los Angeles the health department of that city ordered the Guaranty Trust and

Savings Bank to remove its twelve window displays, giving as the reason for such drastic action that the displays were causing people to congregate in groups in front of the bank. When the health department of a city like Los Angeles takes such measures, you may rest assured that the window displays were bringing the people together in large groups.

VALUE OF WINDOW DISPLAYS EASILY TESTED.

In conclusion I wish to leave these few facts with you. When you use window display advertising you don't need a mountain of faith to believe that it is going to produce results. There is no occasion for you to speculate on what it will produce sometime, somehow in the future. Put your displays in at 9 A. M. and before noon of the same day you will be getting tangible results. Window displays get quick results because they make a compelling appeal at a time when those whom you wish to reach are just outside the bank,

and therefore they can act upon your suggestion without any effort on their part. Compare this with the case where a prospect reads your advertisement in his home. Regardless of how favorably it impresses him, there are many things that may intervene between the hour he reads your advertisement and the time when it is convenient for him to get to the bank. He may make other plans, he may decide to invest in real estate or buy an automobile, or do a hundred and one other things that will keep him from opening an account with you. But if you can appeal to him when he is just outside your bank, your chances of getting his business are much better than they would be under the other circumstances I have just cited.

Use window display advertising; the merchant does it and it pays him; your bank can do it and it will pay you equally large dividends. In your next year's programme of business-building include window display advertising—it will round out your campaign and help put your bank in the lead.



MAN is born into the universe with a personality that is his own. He has a right that is founded upon the constitution of the universe to have property that is his own. Ultimately property rights and personal rights are the same thing. The one cannot be preserved if the other be violated. Each man is entitled to his rights and the rewards of his service, be they never so large or never so small.

—CALVIN COOLIDGE.

Letters of Credit

By THOMAS C. JEFFERIES, Assistant to the President,
Manufacturers Trust Company, New York

TRAVELLER'S letters of credit are letters of introduction which also give their holder absolute control of a certain amount of money which the letter specifies.

Character and credit are the guide-posts by which a bank is governed in the issuance of such letters, and naturally not a little discrimination is necessary on its part.

Such an instrument in the hands of dishonesty or incompetence becomes the source of great annoyance and loss. Hence special provision is made to safeguard them, when they are issued and at all times thereafter. For that very reason they are held in high regard by foreign banks and bankers, and holders of such letters are invariably the objects of marked consideration and attention. If, however, such a letter is lost through the carelessness of a holder, or is stolen or fraudulently secured, the harm likely to result can readily be imagined.

Armed with a traveller's letter of credit a traveller is introduced, recommended and given access to certain funds.

These letters are generally limited, however, as to the time in which they may be used, according to the customer's desires, and they are issued in the currency of the country on which they are drawn, unless they are issued in American dollars—which has the practical effect of making them good almost anywhere, and at any time.

The amount of each payment on a traveller's letter of credit is endorsed on the back of the letter of credit, and on the last payment, exhausting its face amount, it is taken up by the paying bank and sent to the issuing bank with

accompanying transmission note and memo of charge made.

When a client applies for a credit available in a foreign country and the credit is issued, the client's signature is affixed to the letter of credit and specimen signature is also secured for file. The customer is furnished with a list of paying agents in the different countries, all of whom have on file specimen signatures of the signing officers of the issuing bank.

LIMITED AND CIRCULAR LETTERS

There are two kinds of travellers' letters of credit—limited and circular (all of them are engraved on special safety paper) the former being addressed to specified paying banks and the latter "to correspondents." Thus the first are limited for use to certain specified institutions while the latter can be used at any point where the issuing bank has correspondents.

For the issuance of circular letters of credit certain banks in foreign cities are selected in advance as paying agents and to them are furnished special lists showing specimen signatures of issuing bank's signing officers. For the issuance of limited forms of letters of credit only the specified institutions whose names appear on the credit are notified and furnished with specimen signatures of the one for whom the credit is issued.

The form of a dollar circular letter of credit is illustrated in Forms A and B.

Sterling and franc letters of credit are similar to these excepting that the former specifies sterling and the latter is written in the French language and calls for payment in francs.

COMMERCIAL LETTERS OF CREDIT

A commercial or import letter of credit is a letter written by a bank, at the request of a client, addressed to a firm in a foreign country, guaranteeing payment of a certain amount on presentation of a number of specified documents covering a shipment of stipulated merchandise from the said foreign country to this country.

It is an absolute guarantee by means of which merchandise can be bought throughout the world on a cash basis, without the putting up of any cash whatever.

These letters of credit can be issued for the importation of any commodity and are accepted readily by foreign merchants in any part of the world as they know that as soon as the merchandise has been shipped they can obtain reimbursement through their own local banks by presenting the credit along with the stipulated documents.

The details of a letter of credit are matters for arrangement between the American importer and the foreign shipper. They can, when necessary, be established by cable, saving the delay in waiting for their transmission by mail.

Naturally, before issuing such a credit, a bank must ascertain a client's financial condition. This information is gained from the client's latest balance-sheet, reports from other banks, and from reputable and unbiased people in trade circles. When a client applies regularly for letters of credit, a line or limit is usually fixed, up to which a customer's business will be taken care of. For instance, if a concern buys 10,000 hides in South America at \$10 per hide, c.i.f. (to include cost, insurance and freight), New York, terms ninety days' sight, banker's credit, the buyer applies to its bank for a credit. The bank, satisfied with the customer's credit, issues the Letter of Credit which is illustrated in Form C.

The following particulars are cabled to a South American bank:

We have established credit in favor of Brown & Company, Buenos Aires, for

\$100,000 available for ninety days sight drafts on us accompanied by invoice, consular invoice, bills of lading, marine insurance policies covering shipment of hides to New York account Jones, Smith & Company Credit expires December 31, 1919. Notify beneficiaries.

The bank notifies the seller, and the seller ships the hides, getting the steamship company's receipt known as a bill of lading which specifies the number of hides, the carrying vessel and the destination. The seller makes out his own bill, called a commercial invoice, and with the above papers secures from the American consul in his city, a consular invoice, which is necessary for custom house purposes on all goods coming into this country. From his insurance broker the seller secures policies covering the risks. A draft at ninety days' sight is then drawn on the bank here opening the credit. The draft and documents are taken to the bank which notified them of the credit. If the documents are all in order, the bank buys the draft from the seller, or discounts it. The South American bank sends the draft and documents to some New York bank where they have an account. If this does not happen to be the opening bank, the latter institution receives it later and, if the papers are found in order, accepts it. The draft is then handled by the presenting bank as instructed by the South American bank; the latter may want it discounted or may prefer to have it credited to their account when it becomes due.

In any event the documents are retained by the accepting bank and the buyer advised. When shipment arrives the buyer applies to the bank for the documents, which are delivered to him against what is known as a trust receipt which specifies among other things that ownership of goods remains with the bank. The buyer thus gets its goods and by the due date of the draft the hides are probably being worn on the avenues of the metropolis.

It can thus be seen that the advantages of a letter of credit are manifold. The buyer did not have to pay for the goods until at least arrangements could be made for securing some return on

credits are confirmed and bear a clause reading somewhat to this effect:

We guarantee that all drafts drawn under this credit and complying with its terms shall be duly honored if negotiated before (date).

An unconfirmed letter of credit would bear the same clause with the addition: "Unless previously revoked."

institution. The second is that form of credit which is granted by an American bank to one of its own exporting clients to enable an export transaction to be consummated.

The export credit domiciled in America by a foreign bank is more or less of a recent development due to the war. Prior to 1914 most of our ex-

SPECIFICATIONS			
of all payments made under this Letter of Credit.			
(Please endorse all payments in Dollars, U. S. Currency, in which this Credit is issued)			
Date When Paid	Paid By	Dollars, amounts in words	Dollars, amounts in figures
Oct. 10, 1919.	Thos. Cook & Co., Chicago	Ninety	\$200.00
Oct. 12, "	Boatmen's Bank, Kansas City, Mo.	Two hundred	90.00
		Amount carried forward	\$

Form B. On the Reverse Side of the Letter of Credit, (Form A), a Record is Kept as Above

This latter form, however, is seldom specified.

EXPORT CREDITS

Export letters of credit cover credits of two kinds. The first is a form of credit which is in reality established abroad by a foreign bank in favor of an American trader, but which is advised to or domiciled with an American

ports were financed by drafts drawn on the foreign buyers, as our exports were more or less limited to certain large lines of staples, such as cotton, grain, tobacco, meat, oil, sugar and lumber, all of which were, for the most part, in the hands of large operators of undoubted credit; and whilst some of these exports were covered by credits established abroad, and especially

cotton shipments, by far the greater part of them were paid for through the negotiation of bills on the foreign buyers, and which were, and even now are, the backbone of foreign exchange.

As a result of war, America was called upon to supply in addition to the before-mentioned staples, diversified merchandise, to supply it to all parts of the world and to people absolutely unknown to our commercial community. To meet this situation foreign banks were compelled to open credits here to pay for these goods, and so the export credit, which hitherto had played but a trifling role in our international commercial relations, suddenly came to take a very prominent part in the day's activities and will doubtless continue to do so for a long time to come.

The handling of an export credit established by a foreign bank is not in itself regarded as a difficult transaction but it is one that requires very careful attention to details. In connection with operations of this kind the negotiating bank does not act for itself but for a correspondent whose interest and rights must be of primary importance since it is paying out the correspondent's money.

CONFIRMED CREDITS AND UNCONFIRMED CREDITS

These credits, owing to prevailing conditions, are opened by cable and may be confirmed or unconfirmed. A confirmed credit is irrevocable; that is it cannot be cancelled or annulled without the consent of the beneficiary. An unconfirmed credit may be cancelled at the pleasure of the bank establishing it. The former is, of course, regarded as the more desirable instrument from the shipper's point of view; the latter being a rather hazardous document and not held in high favor.

Export credits granted by American banks to their clients to facilitate export transactions are in reality extensions of credit by the banking institutions; since this is a form of lending money, such negotiations and arrangements come under the jurisdiction of

the lending officers of the institutions concerned.

Such credits are sometimes merely subsidiary ones based on original credits from abroad and which may prescribe payment against ocean documents. An original credit, for example, might be in favor of, say, a New York export house for \$50,000 and cover steel bars. The exporter is buying from Pittsburgh and the mill will not accept the order unless accompanied by a bank credit. The exporter would therefore lodge the original credit with his banker, and request the issuance of a subsidiary credit in favor of the mill with which he could obtain the goods. As a rule these operations are not attended with any great degree of risk provided the basic credit fulfills the requirements, but in such transactions the banker must exercise the greatest care and watchfulness and thoroughly understand all of the features that have a bearing on such transactions lest the bank finds itself some day loaded with several tons of steel or other merchandise that must be liquidated at a loss "for account of whom it may concern" after they have been carried to seaboard and paid for but cannot be shipped owing, perhaps, to the freight situation. As a rule, however, by the exercise of due care, these transactions can be consummated to the satisfaction of all parties concerned.

The other form of export credit is that in which the operation is based on a sale made to a foreign buyer, where no credit is established, and in which transactions the banker extending the credit must look into, around and under the proposed operation. Before undertaking to grant the accommodation, he generally asks the last question first, how, when, where and by whom is the ultimate payment to be made. That to him is the crux of the whole transaction and those points must be determined before any further steps are taken in the matter. If it is planned to liquidate the indebtedness arising out of the proposed transaction by a bill of exchange drawn on the foreign buyer, the complete credit ratings of all parties to the

IMPORT LETTER OF CREDIT (DOLLARS)

MANUFACTURERS TRUST COMPANY
of New York and Brooklyn.

Credit No.134567....
....\$100,000—U. S. C.....

Foreign Department
New York,September 11, 1919....

Messrs. Brown & Company,
Buenos Aires, Argentine.

Dear Sirs:

At the request and for the account of...Messrs. Jones,
Smith & Company, New York,....we hereby authorize you
to value on

MANUFACTURERS TRUST COMPANY OF NEW YORK
AND BROOKLYN

at...ninety days sight...for the sum or sums not exceed-
ing a total of...One hundred thousand dollars (\$100,000)
.....accompanied by commercial invoice,
consular invoice, bills of lading, ...Marine insurance cer-
tificates.....representing....cost, insurance
and freight....shipment of...hides....from Buenos Aires
to New York
Insurance....Marine insurance to be effected by the ship-
pers.

Bills of lading for such shipments must be drawn to the
order of...Manufacturers Trust Company of New York
and Brooklyn, New York....

A COPY OF THE CONSULAR INVOICE AND ONE
BILL OF LADING MUST BE SENT BY THE BANK
NEGOTIATING DRAFTS, DIRECT TO MANUFAC-
TURERS TRUST COMPANY OF NEW YORK AND
BROOKLYN,NEW YORK....

The amount of each draft must be endorsed hereon.

We hereby agree with bona fide holders that all drafts
drawn by virtue of this Credit, and in accordance with the
above stipulated terms, shall meet with due honor upon
presentation at the Manufacturers Trust Company of New
York and Brooklyn, New York, if drawn and negotiated
prior to...December 31, 1919.....

MANUFACTURERS TRUST COMPANY OF
NEW YORK AND BROOKLYN,

.....
.....

N. B. Drafts drawn under this Credit
must bear the clause "drawn
under Letter of Credit No.
....134567.... Dated Sep-
tember 11, 1919."....

Form C. Form for an Import Letter of Credit

deal must first be ascertained and passed on. If the bank's requirements in this particular are met, the nature of the goods involved is considered; it is important whether they are staple goods readily salable in case of default, or whether they are perishable; whether they have been specially marked or

imprinted so as to be useful to one house only and worthless to everyone else; whether they are liable to deteriorate en route; whether there is danger of missing a market in case a delay should occur; all these features must be considered and weighed by the banker as he estimates the risk to be in-

curred in opening a proposed credit.

A banker may not care to assume the entire burden of paying the full purchase price of material in a transaction of this kind; he is apt to have a strong preference for an arrangement under which the party for whose account the credit is being opened shall himself have some money in the deal instead of the banker carrying the

whole burden of the financing; in such a case the banker will prudently insist that the buyer pledge twenty-five per cent. or thirty per cent. in cash as margin, representing his actual financial interest in the transaction, which margin acts as a measure of protection to the banker in case the deal is not completed as contemplated and the goods have to be liquidated at a loss.

Banks as Custodians of Credit

By VERNE C. BONESTEEL, Until Recently National Bank Examiner for Central and Western South Dakota

IN these days of attempted upheavals of our socio-economic order—a society and system far from ideal, but one under which the masses are continually lifting their standard of living—the American banker should understand the particular place of his own occupation.

The banker is a dealer in media of exchange, and by far the most used medium is credit. Credit is something with which the banker feels so familiar that he rarely stops to inquire into its meaning or its function. The word is used by everyone and has various meanings. But to the banker the most acceptable definition would seem that credit is a postponed payment of money.

It is a commonplace that most business is done not with our own cash resources but because we are permitted to postpone payments. Credit sets to work the factors of production—nature, labor, capital and organization. Through credit, capital, which is wealth or goods used in further production, finds its way into channels in

which it has the best chance of being profitably employed.

UNIQUE RESPONSIBILITIES AND OPPORTUNITIES OF THE BANKER

In the custody and furnishing of credit the banker has unique responsibilities and opportunities to be of service to his community. He must remember, however, that in lending credit he holds most of it merely as custodian—it is not his own "money." For that reason, while he should try to help the worthy and do all he can to serve and upbuild his community, it goes without saying that the first principle in the extension of credit is safety.

With unsecured loans the banker must consider three points: first, the character of the borrower; second, his capital—the amount, nature, and convertibility of it; and, third, his capacity and ability to produce. In secured loans the amount and marketability of the collateral or mortgaged property are the essentials. And it must be borne in mind that the question must be

the value of the security at the time payment comes due. As the uncertainty of the future value increases, the necessity for a larger margin increases. Of course, proper distribution of all investments is necessary to safety.

Because the credit or "money" that the banker lends is his merely as custodian, along with safety goes liquidity of investments. It must be held in mind that there are in general two kinds of banks; commercial and investment. Some of the most serious problems of finance have arisen out of the failure to appreciate the distinction. Commercial banking is related to the process of manufacturing and marketing consumers' goods and concerns itself with furnishing credit that will be returned in a short time or on demand. Investment banking has to do with the creation of capital goods—machinery, tools and equipment, railroads—and furnishes credit that is not expected soon to be repaid. Whether a bank's deposits are largely demand or whether they are chiefly time deposits must determine the necessity of liquidity of investments. Liquid loans can be collected on demand or when due or can be disposed of or rediscounted at any time.

"What difference does it make to the banker how I use the money I borrow?" is not an uncommon query. But it does make a real difference; and if the borrower at a commercial bank uses the credit for building an addition to his factory, he abuses the trust of his banker.

BORROWERS SHOULD FURNISH DEFINITE INFORMATION

The borrower owes it to his banker and to himself to furnish definite information. The Federal Reserve Banks and the Comptroller of the Currency have done much to bring bankers to a realization of the importance of keeping up-to-date statements and other credit data. Before the inauguration of the Federal Reserve System, whenever there was a period of strong demand, banks would have to lean heavily on their city correspondents,

and money was usually tight. Now, however, with the outlet for demand into the Federal Reserve Banks, the pressure is less felt. A danger which now exists is that credit may be granted too freely, because the member banks can shift the load upon the reserve bank. But the Federal Reserve Board has partly eliminated cause for this fear, and a resulting inflation of credits, by its interpretation of Section 14 of the Federal Reserve Act. A bill of exchange or acceptance to be eligible for rediscount must not be for a speculation or a fixed investment: it must have arisen out of an actual commercial transaction. The proceeds of a note offered for rediscount must be used directly in producing, purchasing, or distributing goods. If the statement of the maker accompanying the note shows a reasonable excess of quick assets over current liabilities, it is considered evidence that the proceeds were used in accordance with the terms of the Act. If, however, the statement does not show more than sufficient current assets to offset current liabilities, the extension of credit is based upon an investment of a permanent nature, such as land, buildings, or investment securities: such notes are not acceptable for rediscount.

PROPER USE OF CREDIT

We cannot go on multiplying credits without ill results. Credit must be used only to put the physical agencies of production into effective use. Production must keep pace with credit expansion. If the industrial equipment of the country is not working to full capacity; if land is standing untilled for lack of labor while labor is unemployed; if cattle are dying in one part of the country for lack of feed while in another section there is food going to waste; or wherever production may be increased by use of agencies now idle, then credit may be profitably employed. But when all the physical agencies of production are already in full use, the attempt to use more credit brings inflation and drives up prices.

Largely because of the constant ex-

pansion of credit during the war, while production of goods not directly of use in winning the war fell behind, "money" is plentiful and its purchasing power small. Although we are on a new price level and prices will not go back to where they were, there will be some deflation which will cause prices to descend, as production catches up here and abroad—when we get down to producing instead of fighting among ourselves. Without hindering production, it is up to the country banker to discourage at the source all borrowing which is not absolutely necessary. The country banker will thus take his important part in effecting the slight deflation which is desirable. Most bankers do not see this. They are afraid that they will lose some business if they "turn down" the applicant for credit. Because of keen competition for country bank accounts, city correspondents are taking practically any paper the country banks send. There is too much of this leaning on other banks at this time.

During the war bankers willingly

gave of their facilities and their time to an extent not generally appreciated. But a banker cannot ignore his responsibilities. The Government has been doing much to encourage thrift, which is of great benefit to the banker. Now it is for the custodians of credit to continue the campaign of education. The people must realize that the high cost of loafing and the cost of high living are more dangerous than the high cost of living; that all who take part in the creation of economic utilities are producers—the railroad man, the farmer, the merchant—one as much as another; and that what we all must do now is to work and save. Those who save increase the production equipment of the country. As prices fall, as they will at least to some extent, the cheap dollar saved now will be a dollar plus.

It is for the banker thus to educate the people, for he must bring together from numerous sources the small surplus funds upon which he can build a credit structure of indispensable service to his community and his country.

AND now look at the present! It is the intellectual part of creation alone that has forgotten its mutual love and unity. Here only we see no waters speeding to rejoin the parent stream. And yet, let man flee as fast as he will, he is none the less overtaken, and Nature is too strong for him. Observation will show the truth of what I say: for the seeker will sooner find earth untouched by earth than a single man absolutely divorced from his fellows.

—MARCUS AURELIUS.

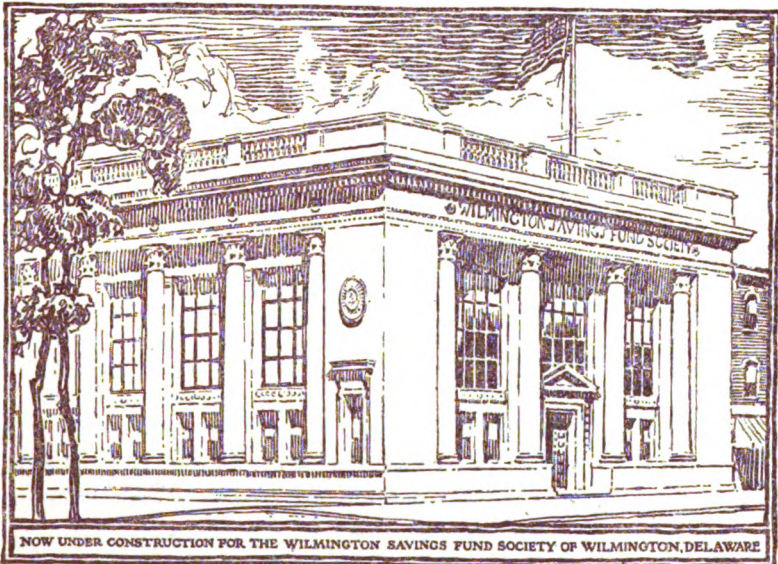
HOGGSON BROTHERS

BANK DESIGNING

&

CONSTRUCTION

INDICATIONS are that more building is contemplated for 1920 than can possibly be executed during the next twelve months. **THOSE FIRST IN THE FIELD** will have decided advantages in the securing of both labor and materials. **IF** you expect to build next spring—we suggest an immediate conference with our representative.



HOGGSON BROTHERS

485 FIFTH AVENUE, NEW YORK
FIRST NATIONAL BANK BUILDING, CHICAGO

"MERIT HAS MADE THEM FAMOUS"

"YORK"

**BANK
SAFE DEPOSIT**

?

VAULTS

ASK 

Clearing House Association.....	New York
Federal Reserve Bank.....	New York
Chase National Bank.....	New York
Chatham & Phenix National Bank.....	New York
Corn Exchange National Bank.....	New York
Central-Union Trust Co.....	New York
Empire Safe Deposit Co. (Equitable Building).....	New York
Equitable Trust Co.....	New York
First National Bank.....	New York
Guaranty Trust Co.....	New York
Metropolitan Life Insurance Co.....	New York
International Trust Co.....	Boston
American National Bank.....	San Francisco
American Trust Company.....	St. Louis
Beneficial Savings Fund Society.....	Philadelphia
Mellon National Bank.....	Pittsburgh
Union Trust Co.....	Pittsburgh
City National Bank.....	Evansville, Ind.
Detroit Trust Co.....	Detroit
First National Bank.....	Milwaukee
Fourth National Bank.....	Atlanta, Ga.
Guardian Savings & Trust Co.....	Cleveland
Rhode Island Hospital Trust Co.....	Providence
Title Guarantee & Trust Co.....	Baltimore
Travelers Insurance Co.....	Hartford
Royal Bank of Canada.....	Canada
Sun Life Assurance Co.....	Montreal, P. Q.

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"CONSTRUCTION MAGAZINE"—Issue of Dec., 1918

YORK SAFE & LOCK CO., YORK, PA.

New York	Chicago	Philadelphia	Boston	Baltimore
Pittsburgh	St. Paul	San Francisco	New Haven, Conn.	

The Women's Department of a Bank

By C. JANE CREEL, Manager Women's Department,
Mississippi Valley Trust Co., St. Louis

WOMEN'S departments in financial institutions, while not altogether new, are not general, yet there is not a department that yields better results in proportion to the length of time it has been in existence.

The majority of women are not familiar with banking and its many angles and the women's department where they can be counseled, instructed and advised, is the logical solution for their present inexperience.

Women are handling more money than they were ever known to handle before. They are becoming investors, managing estates, supervising properties, operating industries, branching out in every direction in the financial world, and they are demanding service, from the bank or trust company that bids for their patronage.

Women are buying stocks, bonds, foreign exchange, real estate notes and all manner of income-producing securities—and the beginner in such matters must needs be advised.

To most women the system of finance has been regarded as too mysterious to even contemplate, consequently all financial matters have been trusted to others, whose knowledge of finance was taken for granted; but women are beginning to recognize the advantage and need of personal supervision of their affairs.

Not long since, a customer of the Mississippi Valley Trust Company, which I represent, said to me, "I have managed my own affairs ever since my husband's death—have brought up my sons to manhood, sent them to college, and launched them in business, and I've not touched one cent of the principal of my money."

This woman is the exception now, but in a few years she will be the rule.

The Women's Liberty Loan Committee took the first step in the financial education of women, and the women's department is following closely in its wake, but unless one has personal contact with this department one cannot



MRS. C. JANE CREEL
Mississippi Valley Trust Company, St. Louis, Mo.

realize its importance, or how far-reaching its possibilities are.

The woman in charge must be versatile, tactful, ever on the alert, and ready to answer any question put to her, whether it be, "What is to-day's quotation on Russian Imperials" or "Is there an E in lonesome"?

The ability to pass from one person to another without seeming to dismiss

the one and attend the other is an advantage, for in spite of the fact that people hurry themselves, they resent being hurried.

I find women less exacting than men. They think quickly and grasp things readily, and never does a thing have to be explained to them twice.

All women are artists—they visualize. I recall a beautiful little woman, speaking the soft tongue of some Latin race, who used to come into the trust company and who could not write her own name, could not sign her own check, in spite of a credit to her account reaching into five figures.

I suggested that she should, at least, learn to make her signature, explaining how it could be done, by making repeated copies of it as written by some one else.

Instantly her face lighted up and she said, "O, you mean make picture!" That was just it—"make a picture of it"—and when a woman once has a mental picture of a check, a draft, a note, an inheritance tax blank or what not, you may be sure she is going to make no mistakes in the conduct of her banking.

Judgment is usually the measure of training and experience—and when women have acquired this training and experience, they are going to display a soundness of judgment superior to that of a great many men.

But they must be guided and directed by one who understands them and is interested in them.

Women come to me for all manner of advice and all sorts of information, such as:

Do trade acceptances require revenue stamps; how large does an estate have to be before a trust company will handle it; will this bank hold a check for me until I can deposit funds to cover it; what is the penalty for overdrawing; what is to-day's market quotation on XYZ, and is there likely to be a decline; will you read and witness my will; what do you advise for a quick and safe investment for the insurance money I'm to receive to-day; will you give me quotations on foreign

money and send some away for me; do I pay inheritance tax on a joint savings account; which is better, a letter of credit or travelers checks; how can I borrow money on an estate that is not settled; will you explain these bonds to me; will you open a checking account for my son for whom I must take complete charge; do you advise municipal bonds or real estate; how do you address Lloyd George?

But why go on? You see the woman who presides over the women's department must needs be banker, broker, lawyer, amenuensis, critic, etc. Hers is an interesting, broadening experience, and she must constantly improve her wits and resources if she is to be equal to her job.



America Will Not Shirk

SPEAKING at a farewell dinner given to the foreign delegates to the recent International Trade Conference, former Supreme Court Justice Charles E. Hughes said:

Although the mechanism still remains to be worked out, the future is still assured, because I say this visit shows co-operation already has begun. I do not propose to enter into controversial matters, but I do say it is the spirit of the American people to give aid to Europe without sacrificing our own institutions. The fact that the United States is reluctant to make commitments regarding unknown matters does not mean that it is not ready to discharge any known duty. Our response will be immediate and effective. Unless we can erect a temple of international justice we cannot build a temple of international trade.

We stand united with all liberty loving peoples for the establishment of such tribunals as may settle questions that may arise between the civilized nations of the world by peaceful conciliation. I do not believe America has any disposition to shirk her duties. Our spirit was manifested by our conduct in the great war. Do you suppose we entered it to remain forever isolated from the rest of the world? We intend to maintain American institutions, but will always be willing to do our part for the maintenance of liberty and the welfare of all mankind; and we insist that a contract shall be a sacred thing and shall never be violated by mere brute force.

Tax Record for Savings Banks

By LEMUEL B. WILMARTH, Secretary and Treasurer,
Albany Exchange Savings Bank, Albany, N. Y.

ONE of the most difficult propositions arising in the conduct of a savings bank is a proper record of state and local taxes, paid or unpaid, by owners of real estate upon which the bank holds a mortgage.

The system adopted by the writer

Below is number of mortgage, number of ward, between what streets, side of street, street number, name of mortgagor, amount of mortgage, rate and date when made. On the reverse side of the card are two parallel columns headed "Taxes" and "Water," respec-

LOCAL ASSESSMENTS	TAXES	WATER
	1918*	1919*
	1919	1920
	1920	1921
	1921	1922
	1922	1923
	1923	1924
	1924	1925
	1925	1926
	1926	1927
	1927	1928

STREET.....Main.....	WARD NO.....10.....
MORTGAGE NO..2046....	BETWEEN..First and Second..
\$1,000.....6%.....	SIDE.....East.....
.....1918.....	STREET NO....225.....
	NAME.....Richard Roe.....

A Handy Form for Keeping Tax Records

serves the purposes of street index, inspection card and tax record, and involves a search of the city and county tax records once each year in each instance where tax receipts have not been presented at the bank for inspection. In this manner a tax sale may be forestalled and much worry and inconvenience avoided.

The card used is of stock size, 8 by 5 inches with name of street at the top.

tively and containing year dates from 1918 to 1927 in the first column and from 1919 to 1928 in the second. When these dates are checked, taxes are paid.

The card shown above will illustrate the various uses to which it may be put, and it is the sincere desire of the writer that others may reap as much benefit from this system as he has done.

A Model Statement Blank

A MODEL statement blank for corporations is shown herewith. This form, which was prepared after a great deal of study by John N. Eaton, credit manager of the Merchants National Bank of Boston, has been adopted by several important Boston banks and is likely to come into more general use.

The information called for in this form complies with recommendations of the American Bankers Association and the Federal Reserve Banks, who desire that a uniform statement be used by the borrowing clients of all banks and trust companies.

Many statement blanks call for more

CORPORATION

STATEMENT OF _____ **ADDRESS**

BUSINESS

TO THE MERCHANTS NATIONAL BANK OF BOSTON

FOR THE PURPOSE OF PROCURING CREDIT WITH YOU ON OUR NEGOTIABLE PAPER OR OTHERWISE, WE FURNISH THE FOLLOWING AS A TRUE AND ACCURATE STATEMENT OF OUR FINANCIAL CONDITION ON _____ 19__ AS PER INVENTORY OF _____ 19__

ASSETS				LIABILITIES			
CASH ON HAND AND IN BANK				NOTES PAYABLE FOR MERCHANDISE			
NOTES RECEIVABLE OF CUSTOMERS:				NOTES PAYABLE, UNSECURED:			
DUE WITHIN 90 DAYS				DUE BANKS			
DUE BEYOND 90 DAYS				DUE OFFICERS, DIRECTORS AND STOCKHOLDERS			
ACCEPTANCES OF CUSTOMERS (ON HAND—NOT DISCOUNTED)				OTHERWISE DISPOSED OF			
ACCOUNTS RECEIVABLE OF CUSTOMERS:				NOTES PAYABLE, SECURED, HOW—ITEMISE			
GOOD—NOT DUE							
PART DUE OR DOUBTFUL				NOTES AND ACCOUNTS PAYABLE TO CONTROLLED OR ALLIED CONCERNS			
MERCHANDISE: (HOW VALUED)				ACCOUNTS PAYABLE FOR MERCHANDISE			
FINISHED (.....) \$				ACCOUNTS PAYABLE TO OFFICERS, DIRECTORS AND STOCKHOLDERS			
STOCK IN PROCESS (.....) \$				DEPOSITS OF MONEY BY OFFICERS AND OTHERS			
RAW MATERIAL (.....) \$				TRADE ACCEPTANCES			
LIBERTY BONDS				BANK ACCEPTANCES			
OTHER QUICKLY MARKETABLE INVESTMENTS ITEMISE				DIVIDENDS DECLARED AND PAYABLE			
				INTEREST ON BONDS DUE AND PAYABLE			
				OTHER LIABILITIES			
TOTAL QUICK ASSETS				TOTAL QUICK LIABILITIES			
LAND AND BUILDINGS: (BOOK VALUE (ENTER ANY MORTGAGE IN LIABILITIES))				BONDED DEBT:			
(ASSESSED VALUE \$.....)				KIND	RATE	DUE	
MACHINERY							
GOOD WILL				MORTGAGE DEBT DUE			
PATENTS, TRADE MARKS, COPYRIGHTS, Etc.				ACCRUED TAXES, INCLUDING RESERVE FOR INCOME AND EXCESS PROFITS TAXES			
PREPAID EXPENSES				TOTAL LIABILITIES			
NOTES AND ACCOUNTS RECEIVABLE OF OFFICERS, DIRECTORS, STOCKHOLDERS AND EMPLOYEES				CAPITAL	AUTHORIZED	ISSUED	DIVIDEND RATE
NOTES AND ACCOUNTS RECEIVABLE OF CONTROLLED OR ALLIED CONCERNS				PREFERRED			%
INVESTMENTS—ITEMISE				COMMON			%
				RESERVES—ITEMISE			
				SURPLUS			
OTHER ASSETS				PROFIT AND LOSS (UNDIVIDED PROFITS)			
TOTAL				TOTAL			

VALUE OF MERCHANDISE PURCHASED FOR NEXT SEASON'S BUSINESS
AND NOT INCLUDED IN ABOVE ASSETS OR LIABILITIES

A Model Corporation Statement Prepared by J. N. Eaton,

details than this one, but it is felt that this covers most of the essential points and it has been made as simple as possible.

In Mr. Eaton's statement form provision is made for stating how the merchandise is valued, and the arrangement made for carrying out in the last column simply the total merchandise makes the figures easier to analyze.

As practically all corporations now have Liberty bond holdings, a definite space is assigned for that item rather

than have them included among securities or other assets. An item of "Other Quickly Marketable Investments" definitely sets aside any investments other than Liberty bonds, and is likely to clearly describe their value as quick assets.

In this statement a specific place is given for "Reserve, for Income and Excess Profits Taxes" which, while they are not included among current liabilities are included in total liabilities. There is some prejudice against includ-

CONTINGENT LIABILITIES:

CUSTOMER NOTES ON ACCEPTANCES DISCOUNTED OR SOLD AND NOT INCLUDED IN ASSETS OR LIABILITIES \$

OTHER CONTINGENT LIABILITY (BILLS RECEIVED, GUARANTEES, ETC.) \$

CUSTOMER ACCOUNTS SOLD AND ASSUMED \$

INSURANCE CARRIED: MAR. \$ APRIL \$ MAY \$ JUNE \$

LIFE, FOR BENEFIT OF COMPANY EMPLOYERS LIABILITY TOTAL INS. \$

Condensed Income or Profit and Loss Statement for Fiscal Year Ending 19

COSTS AND EXPENSES				INCOME			
COST OF MATERIAL OR MERCHANDISE CONSUMED				FROM NET SALES			
ACTUAL EXPENSE OF CONDUCTING BUSINESS, INCLUDING RENT, TAXES, INSURANCE, ETC.				FROM INVESTMENTS			
SALARIES PAID TO OFFICERS				FROM DISCOUNTS ON PURCHASES			
INTEREST ON BORROWED MONEY, BONDS, ETC.				FROM OTHER SOURCES (ITEMS)			
BAD DEBTS CHARGED OFF							
DEPRECIATION CHARGED OFF							
NET PROFITS (AFTER ABOVE CHARGES)							
TOTAL				TOTAL			

SURPLUS AND UNDIVIDED PROFITS

BALANCE AT CLOSE OF PREVIOUS YEAR							
CHARGES OR CREDITS NOT APPLICABLE TO CURRENT YEAR							
ADD NET PROFITS AS ABOVE							
LESS DIVIDENDS (PREFERRED) %							
(COMMON) %							
BALANCE AS PER BALANCE SHEET							

THE ENDORSERS ON OUR NOTES HAVE OTHER ASSETS OUTSIDE OF THE CORPORATION, AS FOLLOWS:

NAME	DESCRIPTION OF ASSETS	TOTAL	\$
.....		
.....		
.....		
LIABILITIES OF ENDORSERS			
.....		
.....		
TOTAL			\$
NET AMOUNT OF OUTSIDE MEANS			\$

PLEASE SHOW CORPORATION NAME

DATE SIGNED BY

BOOKS AUDITED BY

WE ADVISE OUR CLIENTS TO HAVE THEIR BOOKS AUDITED BY A PUBLIC ACCOUNTANT AT LEAST ONCE A YEAR, NOT ONLY FOR THEIR OWN PROTECTION, BUT ALSO BECAUSE SUCH A BUSINESS EXPERT OFFER GIVES SUGGESTIONS WHICH LEAD TO GREATER EFFICIENCY AND ECONOMY.

(THIS SHEET IS SET TO STANDARD TYPEWRITERS)

Credit Manager, Merchants National Bank, Boston

ing this item among quick liabilities, but this item placed where it appears on this statement should be sufficiently definite to satisfy everybody.

One very important provision of this statement is "Value of Merchandise Purchased for Next Season's Business and Not Included in Above Assets or Liabilities." With many concerns this is an important matter. With shoe manufacturers it is particularly so. The majority of shoe manufacturers close their books at the end of a season's run and have in many cases large quantities of merchandise which have been purchased for the next season's

run which are not included among their assets, and the money owed for this new merchandise is not included among the liabilities. This is the customary way for a shoe manufacturer to handle his accounts. Many bankers, however, are entirely ignorant of this important point.

Provision is particularly made in the important matter of outside means of endorsers on notes and the liabilities of endorsers.

Mr. Eaton, in devising his form of statement, has aimed to eliminate all unnecessary details, yet covering all essential points.

Bank Messengers in Livery

By H. B. CURRY

The following article on the imposing porters and messengers that adorn the lobbies of London's banks is reprinted by permission from the "New York Evening Post" in the belief that it will prove interesting to American bankers.—Editor.

WHAT is the solution of the bond-theft evil which has cost Wall Street banking and brokerage houses upward of \$1,000,000 in stolen securities within recent weeks? Why do bank messengers—to use a well-worn phrase—go wrong?

Something must be radically wrong with a delivery system in which there have been lately so many leaks, and when the cost has to be counted in seven figures it is time to talk about reform. One reform already has been introduced at the instigation of the surety companies which underwrite bankers and brokers against such losses. Henceforth messengers carrying large sums

of money or negotiable securities are required to go accompanied by an armed guard. This may be, and probably is, only the forerunner of other changes—not the least of which may be the rehabilitation of the silk hat to a place of dignity and importance in the financial district. In the past it was the bank president who always had first call on the tile, but if that badge of distinction were now to be transferred to the head of the bank messenger there would at least be good precedent for the shift. London, less given to the use of armed guards for bank messengers, has tried the tile and found it effective.

Because it is well nigh impossible even to think evil, much less to commit crime, beneath a silk hat's halo, London financiers have adopted it as one of many precautions to assure the safety of stocks and bonds in the hands of messengers. The London bank messenger must wear a silk hat—a new and

shiny creation purveyed by a noted hatter and paid for by the bank.

How much of the million dollars abandoned, "mis-laid" or actually stolen by messengers in Wall Street recently would have been saved if Bennie or Mike or Jimmie or Jake had each upheld a silk hat and a sense of responsibility? Of course, one would scarcely like to be the very first messenger boy that would plunge into Broad or Nassau Street crowds "wid a silk lid on his nut." "Things" might happen.

But where the practice, as in London, is familiar custom, it must contribute its share of wholesome restraint, especially because it is supplemented always with a suit of rich, expensive livery. In these times of psychological tests and psychological analysis, the truth cannot be ignored that there is more than empty sentiment in the breaking of a cashiered officer's sword, in the stripping of buttons from the breast of a criminal soldier, in the time-honored warning to policemen or recruits that they must not disgrace their uniform.

MESSENGERS IMBUE WITH PROUD AUSTERITY.

Carefully attuned in style and color, the London messenger's livery is designed to maintain the wearer's dignity—even to imbue him somewhat with a proud austerity. According to Hoyle it is a "plain livery of brown, blue or black superfine (broadcloth) cut in the style of an ordinary frock, or as a coat, with gilt crest buttons, an ordinary roll or step-collar vest and plain trousers." The material is always broadcloth of superior weaves.

Messengers who serve The Mercantile Bank of India in Gracechurch Street wear, for example, a brown livery—by way of suggestion, as is surmised by the bank's New York representative, Richard A. Edlundh, that the East Indian often wears brown and not much else.

And the Bank of England decks out its messengers with the gayest of all bank liveries. They disport garments of a crushed strawberry color set off by

scarlet facings and gilt buttons. Their black silk hats are adorned with dark gold bands and with cockades as well. Not that The Old Lady of Threadneedle Street can be charged with an incongruous frivolity, but so many generations of serious Britons in The City have associated "the Bank" with this blythesome costume that it's now too late to change the fashion; especially as the livery when adopted, 200 years ago or more, was that of the royal household servants—in deference to the close alliance then existent between the throne and its chief fiscal agent.

It is clearly improbable that any urban Robin Hood would have the courage, or the heart, to "hold up" the impressively picturesque messenger from England's premier bank. But even were his sartorial guardians reduced to a blue serge suit with a straw hat and a sport collar, the English messenger would doubtless prove trustworthy. For elaborate care is exercised by his employers to engage only such men as will not discredit their official uniform.

The bank messenger abroad is never a boy nor a mere youth. He is commonly a veteran soldier or sailor who has retired after fifteen or twenty years of unsullied service. That his honorable discharge was merited the bank takes care to ascertain. He will seldom be less than thirty-five years old—often much older.

MODEST SALARIES.

His salary is modest for his age, but it is not his sole source of income. As Mr. Edlundh recalls pre-war conditions—which may well have changed for the better—the messenger receives \$15 to \$20 a week in actual wages. But though he would never demean himself by accepting tips for official service, he is not above the earning of gratuities from the bank staff or the bank patrons in case he goes on unofficial errands.

Then, as another link in the chain of checks upon his possible misconduct, he receives no inconsiderable part of his revenue at intervals far apart and from sources upon which he has no le-

gal claim. At Christmas he is sure to receive in gifts at least \$50. And once a year also he will share with the other bank employees in the bonus which his institution is virtually certain to distribute. It will range from 10 to 20 per cent. of his annual wage and thus amount to \$100 or more. Provided always that his conduct, in the interim, has been as spotless as that of Madame Caesar.

The bank not only provides a messenger with working clothes, including hats and shoes and overcoats, but it cares for him should he be ill; it enables him, if necessary, to take recuperative journeys; it assists him through domestic crises; it gives employment often to members of his family; and when at last he becomes too old or too ill for service, it grants him a life pension.

Thanks to his rich and influential patron, the messenger acquires a life employment, wherein, shielded from many ills that confront the restless worker, a man of steady habits and modest ambition may find no little content. Only the dissolution of the Empire, only the incredible failure of Britannia to supervise the waves, could jolt him from his job.

Furthermore, as a veteran soldier or sailor, he also receives his pension from the Government. This regular allowance, which would, of course, be forfeited should he commit a crime, not only increases his income but also adds another signboard that keeps him to the right.

Indeed, the London bank messenger is surprisingly hedged about, for an employee of humble position, with incentives to be honest. The ordinary messenger in Wall Street has little or no past record to be investigated, no previous and rigid training in discipline, no current income except his wages, no assured income whatever, no present pension to forfeit, no prospective pension to endanger, no important and regular gratuities to lose. Lacking all guarantees of future employment and receiving only such gifts from "the firm" as good times may warrant, he

is merely "playing in luck" if his employers are willing to assist him, should he encounter illness or misfortune.

DIFFERENCES IN AMERICAN AND ENGLISH CUSTOMS.

His London brother, on the other hand, will hesitate when tempted. Should he succumb, he not only wrecks his military record and overturns the "character" he has long and laboriously built up, but he sacrifices his well nigh certain prospects for an easy, comfortable, respectable future, protected, so far as human life can be protected against harsh frowns of fate.

Because of the difference between the methods followed respectively by the British and the American stockbroker in settling for purchased securities, most of the daily transfers of stocks, bonds or money in financial London are in the hands of the bank messengers. Inasmuch as the London broker settles his stock and bond transfers every "fortnight," and not daily, the interchange of securities between brokers on "settlement day" becomes a task too formidable for regular messengers unaided. Once every two weeks, accordingly, nearly all the broker's staff, but especially his junior clerks, enlist as messengers pro tempore. And such clerks customarily are young men of good family. They have provided satisfactory proofs as to their past, and they entertain settled ambition to enjoy the promotion and the fairly assured careers which good conduct will secure. This type of messenger never comes back to the office with the mournful explanation that two strangers held him up on the twenty-third floor and relieved him of shares and debentures worth some £7,000. And not because a "twenty-third floor" in Britain would sound like "high finance."

When the London broker or banker requires an additional messenger temporarily for carrying securities, appeal is made to one of two "corps." This concern will not provide an ordinary messenger boy such as the A. D. T. equivalents who take parcels or deliver

invitations. The corps will be either The Corps of Commissionaires or The Veteran's Corps, and their agents will be also former soldiers or sailors distinguished by rich livery.

In all cases, moreover, the London banker and the "corps" that temporarily serves him will avail themselves, as a final precaution, of the one resort upon which the New York broker bases all his hopes of safety—that is, the messenger's honesty will be guaranteed, to a limited extent, by a bonding company.

But the million dollars lost recently through defects in the Wall Street messenger system will not all be recovered. No small proportion will be lost whether by brokers, bankers or bonding companies. And the success of the London system in assuring a practical guarantee against such losses is at least suggestive, even though many concessions must be made by any reformer to inherent differences between the two financial centres.

NO LOSSES THROUGH DISHONESTY.

London, in any event, has solved the problem well. During the twenty years of his banking career Mr. Edlundh had never known, so far as he could recall, any losses in "The City" because of dishonesty on the part of the regular messenger men, whether they were clerks or men in livery. Neither could he remember any "hold-ups" whereby such messengers were robbed. Indeed, so little apprehension of such excitement is felt in Lombard or in Princes Street that a youthful clerk may now and then be seen carrying with one hand a roll of shares as openly as if he held a copy of the *Times*.

By methods very similar to those pursued in London, Paris has gained a like immunity from the loss of securities entrusted to messengers. According to Marcel Felsenberg, who represents here the Credit Lyonnais—that great institution which, ranking next to The Bank of France, sent 30,000 employees to the war—even the Parisian Apaches, during their spectacular raids

some years ago, never assaulted, as he believed, any person conveying valuables through the financial quarter; but restricted their attacks to cashiers, tellers or other officials more visibly adjacent to hypnotic piles of gold.

IN GAY PARIS.

In Paris, as in London, deliveries of stocks and bonds from brokers' offices are made by brokers' clerks. In Paris as well nearly all bank messengers are army or navy veterans allied to the banks, through various ties, as permanent, if lowly, members of the staff.

But the gayety of the French capital extends to its bank messengers. Their possible *esprit* is not depressed with sombre liveries. They wear, as a rule, some cheerful uniform which, if it does not exactly include a laced coat, suggestive of duels and romance, is very often crowned with a gallant cocked hat.

And, besides, the French bank messenger retains perpetual youth, if one may trust his title. He may have other duties in connection with his messenger service, but never is he accounted so mature as to deserve the name of junior clerk. Always he remains a "boy." Not an office boy in the American sense, for such young aids are "pages" round about the Bourse. But despite his glowing livery, his military service, and very probably his veteran's pension, the messenger—to use the title loosely—will answer to the call "*garçon!*" He may be a *garçon de bureau*, which is a sort of office boy; or a *garçon payeur* or *garçon de caisse*, whose tasks have some association with payments; or a *garçon recettes*, more interested in receipts, etc., but he's *garçon* to the last.

Yet, whether boy or man officially, the carrier of stocks and bonds in Paris is a mature employee with a tested character and a secure position, who dresses like a real official and feels his own importance. For the personage who bears a cocked hat and a due sense of many permanent advantages connected with said hat is not likely to be vampired by ciphers on a bond.

The Banker's Opportunity in Promoting the Celebration of Thrift Day— January 17

By P. H. JEWETT, of the Staff of Collins Publicity Service,
Philadelphia, Pa.

JANUARY 17 is the date that has been agreed upon for the celebration of Thrift Day. Two reasons have governed this choice: First, it is the anniversary of the birth of the great American apostle of thrift—Benjamin Franklin; second, it comes at a time of the year when the average man realizes, if ever, the value of thrift.

The individual who has entered too heartily into the extravagance of the holidays has his inevitable moment of reaction that follows the payment of his December bills. If they are still unpaid he is brought face to face with the realization of how much happier he would have been if he had used enough foresight to have provided for them. In any case, he's as near broke as he's likely to be at any time during the year.

And yet the habit of thrift is unpopular with many. Perhaps it has been overdone in the past. It is more likely that most people have the wrong idea of what thrift really is. They have confused it with miserliness and other forms of narrow-mindedness and littleness. They do not yet appreciate that thrift may be practiced in wise spending as much as in wise saving.

THE BANKER'S PART IN THRIFT DAY

It is well worth while for the banker as one of the recognized guardians of the country's wealth to accept wholeheartedly the celebration of Thrift Day and help to educate his clientele to an understanding of the true meaning of the word by suggesting to them the

various forms that their observance of the day may take and the motives that should actuate its observance.

Those of us who were convinced that man is at heart a selfish animal following instinctively and often exclusively the path of his own interests, must have felt ourselves convicted of pessimism by the almost universal response to the Government's appeal to save and win the war. The subscriptions to Liberty Bonds and the purchase of War Savings Stamps exceeded the expectation of the most sanguine advocates. Then, with the signing of the armistice, came the almost immediate reaction. The sale of Thrift Stamps for the entire year of 1919 will perhaps be below that of any one month of 1918. And the brokers who are advertising their willingness to purchase stamps and bonds are often hard put to it to obtain cash enough to take care of their many customers.

In other words, men will save for the country when they will not save for themselves and their families. It is all a question of the relative strength of the motive to save and the incentive to spend. But with the wage-earners making more than they have ever made before, and in many cases literally not knowing what to do with their money, it is incumbent on everyone who is in a position to make his influence felt to supply the motives, to offer the facilities and to advance every available incentive that will urge people to continue saving. Thrift Day furnishes an excellent fulcrum with which to start

the movement. It is as much the banker's duty as it is to his self-interest to use it.

TEACHING OF THRIFT A NECESSITY

Anyone with eyes to see and the ability to think must realize that never was the teaching of thrift so necessary in this country as it is to-day. With prices higher than ever within the memory of any but our oldest inhabitants, the general purchasing of useless luxuries is greater than ever before. People will pay anything for anything. Trade reports from all parts of the country agree that the demand for fur coats, pleasure cars, expensive jewelry, costly bric-a-brac and a thousand and one miscellaneous articles which cannot possibly be conceived of as necessities, greatly exceeds the available supply. It is a matter of psychology rather than economics; it may be reaction from war-time tension, but it is obvious that habits of prudence, foresight and thrift have been thrown to the wind.

It is useless to resort to platitudes, to quote the maxims of Benjamin Franklin and Samuel Smiles, or to tell people what will happen to them if they don't save. They are in no mood to listen. They are not concerned with the future, for they are having a fine time in the present. Half of that pleasure comes from the fact that they know they are taking chances and postponing the day of reckoning. And yet these are the same people who denied themselves during the four years of war. And they are still ready to do it again when they know that it's for the good of the Nation.

Yet their thrift means more to the Nation to-day than it does to them. There is no cause so potent in keeping up the high cost of living as this universal willingness to spend so long as there is a cent left. It is the vicious circle—the worker demands an increase in salary, spends his increase on non-essential luxuries, finds that he is worse off than he was in the first place, demands a further increase, and so on indefinitely, while his employer passes

each advance on to the public, which bears the burden in the high price it pays for the commodity on which he works. Already the deprivation which must come from the shortage of coal is being welcomed in many quarters as strong medicine which may yet cure the patient—if it doesn't kill him. Sound economic thinkers have advocated that the best thing that could happen in the cloak and suit industry, for instance, would be to suspend all operations for sixty days. We would probably find rags to cover us in the meantime, and it is believed that sixty days of unemployment might check expenditures and restore the workers to temporary sanity.

We suffered less from the war than any other combatant nation, but the chances are that it will take us longer to recover. Our thrift is not ingrained as it is in the European nations—it is an artificial product, an acquired art.

The banker who allows Thrift Day to pass without making an effort to bring it to the attention of his clients has missed the best opportunity to serve his own interests that will occur until the day arrives again. There are many things he can do—he may display posters announcing the day and its plan and purpose; he may enlist the support of the local newspapers; he may bring it to the attention of the clergy in his town and to the attention of the school authorities, or he may make it the subject of a letter to his present and prospective depositors.

There are a few obvious precautions. He should not attempt to tie up the spirit of Thrift Day exclusively to the saving of money, neither should he preach the old, familiar platitudes which previous thrift campaigns have worn threadbare. He will stand the best chance of success if he restricts himself to the broadest treatment of the subject—thrift in the saving of effort, the saving of health, foresight in purchasing, the avoidance of needless expenditures and the refusal to pay inflated prices for useless commodities because of the effect that such extravagance is bound to have on high prices,

the general cost of living and the welfare of the country as a whole.

PROGRAMME FOR THRIFT WEEK

In this connection the banker can have no better ally than the Thrift Week inaugurated by the Y. M. C. A. The observance of this week provides a fitting setting for the observation of the day itself. The programme for Thrift Week is briefly as follows:

Beginning with January 17, Benjamin Franklin's birthday, comes the National Thrift Day hitherto observed on February 3. Its observance is to inaugurate the National Thrift Week. Then comes the "Share with Others Day," Sunday, January 18, a day which suggests a theme for everyone's thoughts, and especially designed to furnish the subject of sermons, Sunday school talks and the like. Monday, January 19, is to be "National Life Insurance Day," emphasizing the importance of protecting our loved ones with insurance. Tuesday, January 20, is to be "Own Your Own Home Day," and furnishes a chance to set forth the value of this policy in relieving the shortage in housing facilities. Wednesday, January 21, is "Make a Will Day," a plan for increasing future contentment. Thursday, January 22, is "Thrift in Industry Day," emphasizing the need for factory thrift and the economic value of co-operation between labor and capital. Friday, January 23, is "Family Budget Day," the time for inaugurating the budget plan of operation in personal or family finances. The week closes with "Pay Your Bills Promptly Day," which is expected to bring home to everybody the moral obligation of prompt payment of debts.

It is obvious that the observance of any one of these days is going to have a good effect on the banker's business. Banks which extend trust facilities should be particularly active in making known what they have to offer. In formulating plans for home building and family budgets, the bank can be particularly useful.

A BANK ACCOUNT A PRACTICAL EVIDENCE OF THRIFT

But in the last analysis thrift will always mean for the great majority of the people the opening or the extension of bank accounts. It is inevitable that there will be a rapid increase in such accounts after January 17. Whether that increase is to be continuous and systematic, or whether it is to become merely spasmodic and its effects are to disappear within a few months, depends upon the initiative, vision and enterprise of the bankers themselves.

PUSH NATIONAL THRIFT WEEK—CAPITALIZE NATIONAL THRIFT DAY.



Relations of Employer and Employee

RECENTLY the United States has had as a visitor Lord Leverhulme, one of the largest employers of labor in Great Britain. Speaking at Boston of the relations between employers and employees, Lord Leverhulme said:

I am convinced of this: If we can bring the capitalist and the workman together in some form of partnership then we have gone not only a long way to make satisfied workmen, and to produce the best type of men and women, but to relieve our own shoulders of the burden of embarrassment which we now carry.

And we want relief. I venture to say that the heads of business today have a greater load to carry, a greater responsibility, than ever it was intended that human beings should, single-handed, be called on to carry. And the only relief we will get is from our own staff.

What the workman wants, both in America and England, is a feeling of equality; that he, in his place, is doing his share, and is as important in the business in his own way as the president of the company, and that he occupies as honored and honorable a position.

When you come to people who are apathetic, no strikes, no industrial unrest, but the slumber of lethargy, the end of that nation is not very far off.

We rejoice, every one of us—we ought to—that the American and British workman wants a greater share in life, a greater share for his wife and children.

What is the most valuable asset in busi-

ness today? It is good will. We may not be able to call it a tangible asset, but take the good will away from any business in the United States and you have taken the profit away.

The healthiest sign you have in your country today, and that we have in ours, is industrial unrest. Industrial unrest simply proves you raised the level of the workman. He is on a high peak, and he sees other higher peaks beyond.

So it will go on indefinitely. There will be no saturation point in a healthy community at which any of us say, "We have had enough, we don't want more."

If this was a channel that led the worker

to industrial unrest without the possibility of satisfying him, it would be hopeless. It is not. Under co-partnership he will feel with the president of the company, when he sees the figures of the company, that his channel for development is to increase the business, increase the output and reduce the cost. He will go on every year seeing new vistas, new mountain peaks to scale. And the country that owns such a man, full of industrial unrest, far from being to be pitied, is to be congratulated. And the nation that produces men of this type is a nation that can be proud of its past, enjoy its present and look forward without fear to its future.

First Annual Board Meeting American Acceptance Council

THE first annual meeting of the board of representatives of the American Acceptance Council, 111 Broadway, New York, was held December 4. The officers were re-elected. There were few changes in the executive committee. Officers and members are now as follows:

President, Lewis E. Pierson, chairman of the board, Irving National Bank, New York City; vice-president, Arthur Reynolds, vice-president Continental & Commercial National Bank, Chicago; secretary, Jerome Thralls, secretary-treasurer, Discount Corporation of New York, New York City; treasurer, Percy H. Johnston, vice-president, Chemical National Bank, New York City; executive secretary, Robert H. Bean.

Executive Committee—**C**hairman, Paul M. Warburg, New York City; first vice-chairman, Daniel G. Wing, president, First National Bank, Boston; second vice-chairman, Fred I. Kent, vice-president, Bankers Trust Co., New York City.

Members—John Bolinger, vice-presi-

dent, National Shawmut Bank, Boston; Thatcher M. Brown, Brown Brothers & Co., New York City; Henry Burden, chairman finance committee, National Cannery Association, Cazenovia, N. Y.; E. W. Decker, president, Northwestern National Bank, Minneapolis; Charles W. Dupuis, vice-president, Citizens National Bank, Cincinnati; Randall N. Durfee, chairman Cotton Buying Committee, National Association of Cotton Manufacturers, Fall River, Mass.; Forrest Ferguson, Ferguson-McKinney Manufacturing Co., St. Louis; Herbert C. Freeman, Touche, Niven & Co., New York City; Morton H. Fry, Bernhard, Scholle & Co., New York City; John H. Fulton, executive manager, National City Bank, New York City; P. W. Goebel, president, Commercial National Bank, Kansas City, Mo.; Dr. J. T. Holdsworth, vice-president, Bank of Pittsburgh, N. A., Pittsburgh; Kenneth R. Hooker, president, Putnam-Hooker Co., Cincinnati; Percy H. Johnston, vice-president, Chemical National Bank, New York City; Archibald Kains, president, American Foreign Banking Cor-

poration, New York City; D. F. Kelly, Mandel Bros., Chicago; William A. Law, president, First National Bank, Philadelphia; J. T. McCarthy, treasurer, Kirby-Bonner Lumber Co., Houston, Texas; A. L. Mills, president, First National Bank, Portland, Ore.; W. M. Nones, president, Norma Co. of America, New York City; Lewis E. Pierson, chairman of the board, Irving National Bank, New York City; W. H. Porter, J. P. Morgan & Co., New York City; Arthur Reynolds, vice-president, Continental & Commercial National Bank, Chicago; John Rosseter, Sperry Flour Mills Co., San Francisco; John E. Rovensky, vice-president, National Bank of Commerce, New York City; Oliver J. Sands, president, American National Bank, Richmond, Va.; Jerome Thralls, secretary-treasurer, Discount Corporation of New York, New York City; Melvin A. Traylor, president, First Trust & Savings Bank, Chicago; J. H. Tregoe, secretary-treasurer, National Association of Credit Men, New York City; Festus J. Wade, president, Mercantile Trust Co., St. Louis; David C. Wills, chairman, Federal Reserve Bank, Cleveland; George Woodruff, president, First National Bank, Joliet, Ill.

In making his report as chairman of the Executive Committee, Paul M. Warburg characterized the call loan, together with the treasury certificate, as the two most serious obstacles to the bankers' acceptance attaining a position as the most desirable asset among the so-called secondary reserves of banks.

On this subject Mr. Warburg said in part:

"As long as this system continues, as long as banks all over the country dump their idle funds upon the Stock Exchange, treating these Stock Exchange loans and New York balances invested therein as their quickest and most important secondary reserve, just so long is the Stock Exchange in an unsound condition, and just so long will it be impossible to secure for our country the benefits of a wide discount market and effective bank rates.

"At present our gold position is well protected by a trade balance phenom-

enally in our favor. In the long run, however, our country will not be able safely to accomplish its new task as world banker without the protection of an effective discount rate regulating a wide discount market."

Discussing the changes that should be made with respect to Stock Exchange loans on call, Mr. Warburg says:

"The call money market ought to be based primarily on prime bills that can quickly be turned into cash balances while the bulk of undigested stocks and bonds ought to be carried by time loans rather than call loans. As a matter of fact many of these call loans are callable only in name. Inasmuch as they are carried by loans that are actually subject to call, they are a source of unrest and danger."

In line with the position taken by Mr. Warburg in his report a resolution was adopted by the Board of Representatives as follows:

WHEREAS, The present method of daily Stock Exchange settlements, with its dominating and often unsettling effect on the call money market, influences adversely the development of a wide and healthy discount market in the United States;

RESOLVED, That the chairman of the Executive Committee be authorized to appoint a committee consisting of members of the Executive Committee and other individuals to study the advisability and ways and means of modifying the present system of settlements on the New York Stock Exchange and substituting therefor some system of periodical settlement, with power to take such steps as may seem advisable in the case.

In his report as executive secretary, Robert H. Bean said that since its reorganization in January, 1919, the active membership of the Council has practically doubled. The organization of local associations of the Council is now proceeding actively in various cities. The Cleveland Association was

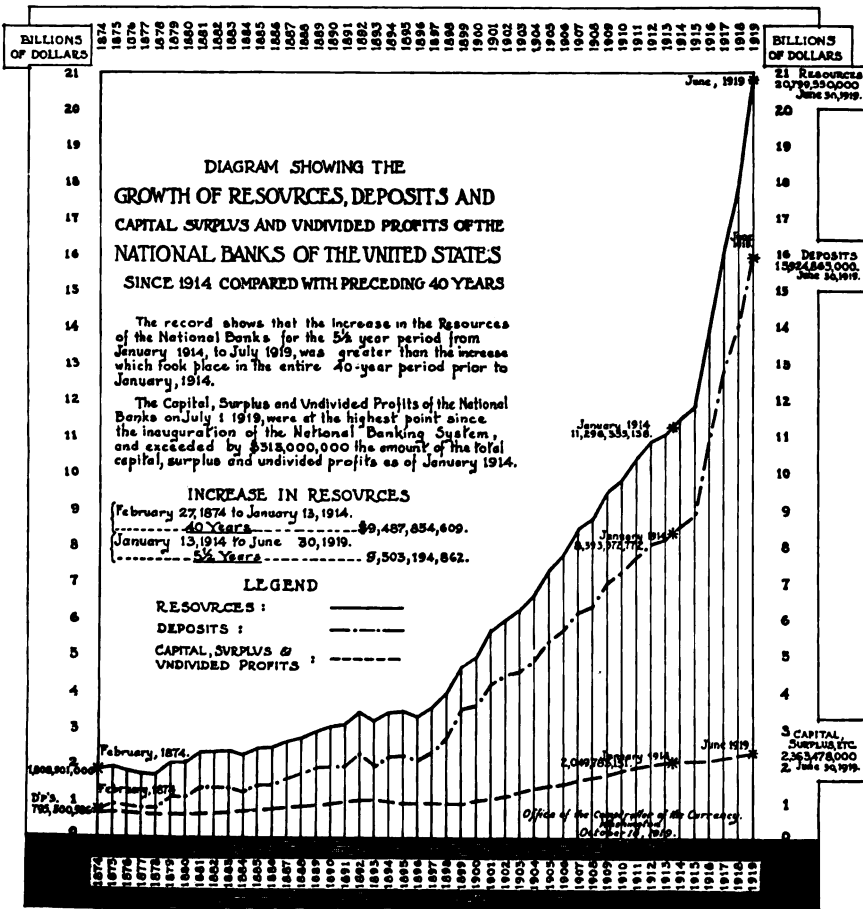
organized on December 8 as a department of the Chamber of Commerce of that city. Active membership of the Council comes from the following cities: Baltimore, 2; Boston, 8; Brooklyn, 1; Buffalo, 1; Cazenovia, N. Y., 1; Chicago, 6; Cincinnati, 3; Cleveland, 6; Detroit, 2; Fall River, Mass., 1; Fresno, Calif., 1; Houston, Texas, 3; Indianapolis, 1; Joliet, Ill., 1; Jackson, Mich., 1; Lexington, Ky., 1; Minneapolis, 4; Mishawaka, Ind., 1; Newark, N. J., 1; New Haven, Conn., 1; New York City, 89; New Orleans, 5; Orange, N. J., 1; Philadelphia, 6; Pittsburgh, 3; Portland, Ore., 4; Rochester, N. Y., 1; Richmond, Va., 3; San Francisco, 10; St. Louis, 8; So. Bethlehem, Pa., 1;

Syracuse, 1; South Bend, Ind., 1; Tulsa, Okla., 1; Utica, N. Y., 1; and Worcester, Mass., 1. It is composed of 86 banks, 31 bankers, 14 national associations, 58 commercial houses and 7 individuals.



The National Banks of the United States

SOME interesting charts have been prepared by the Comptroller of the Currency showing the growth of the national banks of the United States as expressed by the increase in their re-



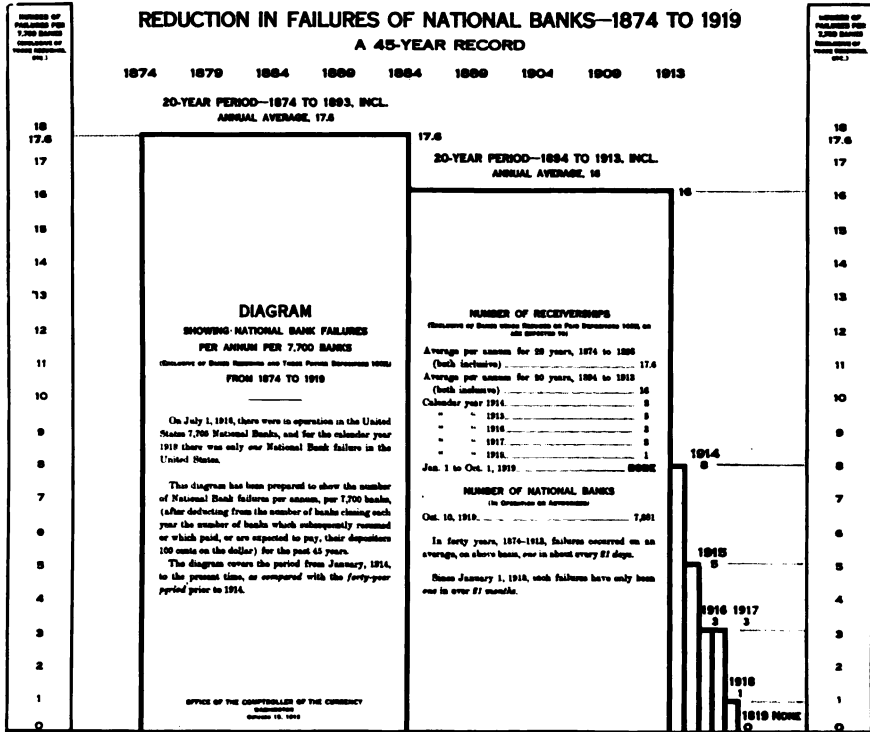
Growth of National Banks

sources, deposits and capital; their stability and safety as shown by their immunity from failure during the present calendar year; and their prosperity as reflected in annual net earnings. These charts are presented herewith.

These charts compare the results achieved during the last five and one-half years, from January 1, 1914, to

been thirty times, or 3,000 per cent, better than the record for the forty-year period prior to 1914; and that for the current calendar year there has been no failure of any national bank in the entire country involving loss to depositors.

The third chart shows that the annual net earnings of our national banks



Comparative Failures of National Banks for Forty-five Years

July 1, 1919 (covering the entire period of the European War and eight months of "reconstruction"), with the preceding forty years.

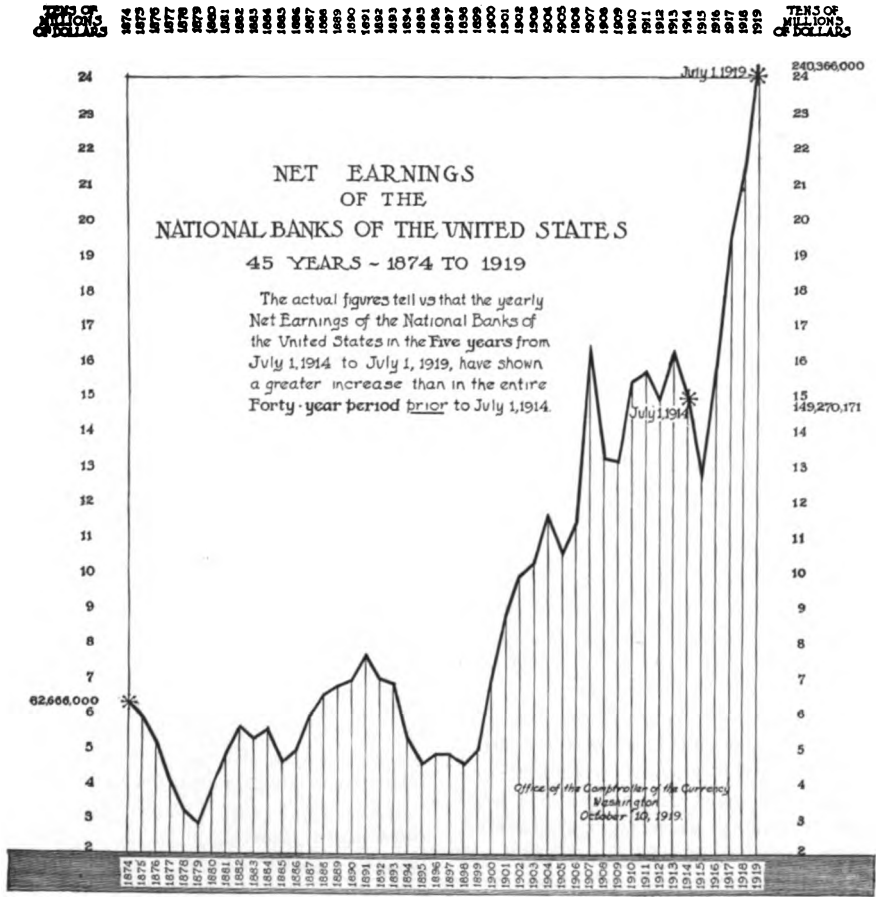
The first chart shows that the resources of the national banks in the United States have had a greater growth during the past five and one-half years than in the forty years immediately prior to 1914.

The second chart demonstrates that in the matter of immunity from failure the record for the past twenty-two months, since January 1, 1918, has

increased more during the five-year period from July 1, 1914, to July 1, 1919, than in the entire forty years prior to that time.

In presenting these charts, the Comptroller says:

It is with genuine pleasure, and some pride, that I offer to the banks of the country my warm congratulations upon these deeply gratifying results which have been achieved by their sound management, their closer observance of law, their able direction and their enterprise during these last five and one-half momentous years.



Net Earnings of National Banks, 1874-1919



THE present disjointed, lumbering, inharmonious condition and the irritation and disapproval so often manifested among the sections of the country are mainly due to their lack of knowledge about one another. There must be found means of tearing away these veils of ignorance that prevent the people of each region from knowing and appreciating at their real worth the life and achievements of other regions.—Florence Fynch Kelly in the *Yale Review*.

Banking and Commercial Law

The following decisions are selected from the most important of the current decisions, handed down by State and Federal Courts, passing upon questions of the law of banking or negotiable instruments. The word "opinion," where used, indicates that the matter following is the opinion written by the court, in whole or in part.

Liability Under Depositors' Guaranty Law Where State Bank Takes Out National Charter

Citizens' National Bank of Broken Arrow v. State, Supreme Court of Oklahoma, 184 Pac. Rep. 63.

THE DEPOSITORS' guaranty fund law of Oklahoma levies an assessment against all state banks of 5 per cent. of the bank's average daily deposits, to provide a fund for the security of the depositors in the state banks. The statute provides that "said assessment shall be paid one-fifth during the first year of existence of said bank or trust company, and one-twentieth during each year thereafter, until the total amount of said five per centum assessment shall have been fully paid. A question arose as to the status of a state bank, which took out a charter as a national bank and had paid all parts of the assessment as they matured up to the time of its conversion into a national bank. The question was whether the bank was liable for subsequently maturing parts of the assessment, until the entire amount of five per centum had been paid in. The Attorney General of Oklahoma contended that the bank was so liable and brought an action against the Citizens' National Bank of Broken Arrow, successor to the First State Bank of Broken Arrow, for \$1,975.42, the amount which the Attorney General claimed had accrued against the bank, from the time of its change to a national institution to the time of the bringing of the action.

It was decided that, when the bank surrendered its state charter, liability un-

der the guaranty law ceased. It was liable only for those parts of the assessment, which matured prior to the date of giving up the charter.

OPINION.

Action by the State of Oklahoma, on the relation of S. P. Freelin, Attorney General, against the Citizens' National Bank of Broken Arrow. Judgment for plaintiff, and defendant brings error. Reversed and remanded, with direction to dismiss the action.

KING, Special Judge. This was an action by the state, on the relation of the Attorney General, against the Citizens' National Bank of Broken Arrow, Okl., to recover a balance of \$1,975.42 claimed to be due from it to the bank depositors' guaranty fund, as the successor of the First State Bank of Broken Arrow, Okl., on the theory that the 5 per cent. assessment, levied by the state against all state banks to provide this fund for the security of depositors in state banks, created a present indebtedness, and, notwithstanding the First State Bank paid all parts of this assessment as they matured, up to the time it was converted into this national bank, still this national bank was liable for the whole of this 5 per cent. assessment. The trial court, in accordance with the previous decision of this court, by a divided court in *State ex rel. West, Attorney General, v. Farmers' National Bank of Cushing*, 47 Okl. 667, 150 Pac. 212, sustained this claim of the state of a present indebtedness of the full 5 per cent. levy, but limited the recovery in this particular action to the parts of the assessment maturing between the time of this

conversion and the filing of the petition; and the bank appeals.

While the amount involved in this particular case is small, it is stated in the briefs and on the argument that more than 100 national banks are in a similar situation, and the amount involved to the fund more than \$600,000. The facts are not disputed, and the case turns on the construction of the statute creating this fund, section 3, c] §1, Session Laws 1910-11.

It is contended by the bank that it was liable only for such parts of this assessment as matured while it was doing business as a state bank. It is contended by the state that this statute created a present existing indebtedness of 5 per cent. of the average daily deposits of this and every other bank, during their continuance in business as state banks, and further, by continuing to do business under the law, the bank assumed and agreed to pay the same—a contractual liability. If this is true, then this bank, which paid all these maturing assessments up to the time it nationalized, must continue to pay for some 15 years these remaining assessments, during which time neither it, nor its depositors, will have any benefit from these payments, nor from this fund—a plain act of injustice, and this on the ground of logic. It may be the logic of my Lord Coke. It certainly is not the justice of my Lord Chancellor, and, when logic and justice part company, so much the worse for logic. Not that the judge may decide cases according to his particular ideas of justice, for it must never be forgotten that this is a government of law and not of men. No doubt Nero and Ivan the Terrible administered justice according to their ideas of justice; and the Roman or Russian citizen had a sportsman's chance of guessing how Nero or Ivan would act under particular circumstances. But even that poor privilege would be denied an American citizen, for he cannot know in advance what particular judge will decide his case. Justice, and not logic, is the object of the law. The Giver of all real law gave us a much better guide to

the interpretation of the law than all the logicians, when he said: "By the fruit ye shall know the tree." It must be presumed that the Legislature did not intend by this act an actual injustice. Such a motive should not be lightly attributed to such a body; for the law, rightly enacted and rightly interpreted, follows along the moral, rather than the logical, lines.

It is contended that this act made a levy in præsentī, a present indebtedness, against all the banks operating under the law; and, as this bank did business for more than a year under this law, it is liable for the full 5 per cent. of this assessment. Both the premise and the conclusion of this proposition are unsound. The parent and the child are alike discredited. Let us examine this act. It provides (section 3, c. §1, Session Laws 1910-11):

"There is hereby levied an assessment against the capital stock of each and every bank and trust company organized or existing under the laws of this state, for the purpose of creating a depositors' guaranty fund, equal to five per centum of its average daily deposits during its continuance in business as a banking corporation."

Now does this last clause, "during its continuance in business," refer to the "five per centum of its average daily deposits," or to the "assessment"? If the fund is to be "equal to five per centum of its average daily deposits during its continuance in business as a banking corporation," no man can tell what the amount of this fund will be until every state bank goes out of business or this law is repealed, maybe more than 100 years; and unless the levy is to be unnecessarily excessive, some depositors may have to wait a long time for their money, from a very easy collector. That this clause does not refer to "its average daily deposits during its continuance in business" is made plain by the next sentence:

"Said assessment shall be payable one-fifth during the first year of existence of said bank or trust company, and one-twentieth during each year thereafter until the total amount of said five per centum assessment shall have been fully paid."

This would be impossible, if the average daily deposits of the bank during its continuance in business was the basis for computing the amount of the assessment. There must be some other basis, and it is accordingly given in the third sentence, as follows:

"The average daily deposit of each bank during the preceding year prior to the passage and approval of this act shall be taken as the basis for computing the amount of the first payment on the levy hereby made."

Not the average for the existence of the bank. The fourth sentence provides:

"One year after the passage and approval of this act, and annually thereafter, each bank and trust company, doing business under the laws of this state, shall report to the bank commissioner the amount of its average daily deposits for the preceding year, and, if such deposits are in excess of the amount upon which the first or subsequent payment of the levy hereby made is computed, each bank and trust company, having such increased deposits, shall immediately pay into the depositors' guaranty fund a sum sufficient to pay any deficiency on said first or subsequent payment, as shown by such increased deposits, by giving credit to the depositors' guaranty fund and issuing a special certificate of deposit, payable to the bank commissioner, bearing four per centum interest per annum."

Evidently using the first year's average as the basis for computing the amount of each subsequent payment until there is an increase, and then using that, by the fifth sentence it is provided:

"After the five per centum assessment, hereby levied, shall have been fully paid, no additional assessment shall be levied or collected against the capital stock of any bank or trust company, except emergency assessments, hereinafter provided for, to pay the depositors of failed banks, and except assessments that may be necessary by reason of increased deposits to maintain such funds at five per centum of the aggregate of all deposits in such banks and trust companies, doing business under the laws of this state."

Evidently this statute contemplates the raising of this fund in 17 annual payments, and when the seventeenth is paid in the 5 per cent. fund is paid in, or to use the language of the statute,

"the five per centum assessment hereby levied shall have been fully paid." So that it is clear that the basis of computation is the preceding year's deposits, and not the average daily deposits during the continuance of the bank in business. It is evident, therefore, that these words, "during its continuance in business as a banking corporation," have no reference to the preceding clause, "equal to five per centum of its average daily deposits." The only other part of this sentence to which they could possibly refer is the assessment, and by reason of the succeeding sentences of the section a necessary reference. So that the meaning of the sentence is, and its words might properly be rearranged to read:

"There is hereby levied against the capital stock of each and every bank and trust company, organized or existing under the laws of this state, an assessment, during its continuance in business as a banking corporation, for the purpose of creating a depositors' guaranty fund, equal to five per centum of its average daily deposits."

Now, while this first sentence does not divide this 5 per centum into annual assessments, the succeeding sentences plainly do; and the meaning of this statute is just as though it was written into this first sentence that this 5 per centum is divided into 17 different annual assessments, maturing and payable annually, by each and every bank, "during its continuance in business." That is, if any of these annual assessments was not payable "during its [the bank's] continuance in business," it was not and never could become a liability of the bank. Besides, when the bank went out of business there was no means of ascertaining the amount of these future assessments; and it is impossible to pay that which cannot be ascertained, and it is not fair to attribute this to the Legislature as an oversight. Unless this is the meaning of this statute, the words "during its continuance in business" have no meaning. The object of the law was to secure the payment of current deposits, not deposits existing at the time of the completed payment of this 5 per centum,

or when the bank had gone out of business, but during all the time these assessments were maturing, as well as after.

When the bank went out of business as a state bank, its liabilities settled, there were no deposits to be guaranteed, so far as it was concerned, and there was no consideration for any future payments. There was nothing for the law to act upon; and when the reason of the law ceases, then the law itself ceases. The payment of these assessments are conditioned on the bank going on with, not stopping, business. Evidently the Legislature so intended it, for by the act of 1913 (Session Laws 1913, p. 81) it is provided:

"Whenever any state bank shall liquidate, or cease to operate under the banking laws of this state, it shall be liable for its pro rata share of any existing indebtedness against the said depositors' guaranty fund or any unpaid assessments."

Thus furnishing the rule of thumb for the interpretation of the law, and not the law itself. And so the Supreme Court of the United States understood this law, for in the case of *Noble State Bank v. Haskell*, 219 U. S. 575, 31 Sup. Ct. 299, 55 L. Ed. 341, in sustaining the constitutionality of this law, that court says: "For in this case there is no out and out unconditional taking at all. The payment can be avoided by going out of the banking business, and is required only as a condition for keeping on, from corporations created by the state."

The case of *State ex rel. West, Attorney General, v. Farmers' National Bank of Cushing*, 47 Okl. 667, 150 Pac. 212, is overruled. The judgment is reversed, and the case remanded, with directions to dismiss the action.



Trustee Under a Will

In re *Sherman*, New York Supreme Court, Appellate Division, 178 N. Y. Supp. 164.

Where securities comprising a trust estate, at the time they come to

the possession of the trustee, are of doubtful value, the trustee is under an obligation to exercise good faith and reasonable judgment in administering and collecting the securities. In this case the principal asset of the trust estate was a \$20,000 mortgage on a summer hotel, which had been reduced by payments to \$15,000. Later the business was conducted at a loss and the trustee made a further loan of \$5,000 because the owner had threatened to abandon the property. The business continued running at a loss until the due and unpaid interest amounted to about \$17,000. In an action for an accounting a decree, surcharging the trustee, was reversed and a new trial granted, because at the trial there had been given no proof as to the value of the mortgage when the trustee received it.

OPINION.

Appeal from Surrogate's Court, Albany County.

In the matter of the application of *Mary E. Sherman* for an accounting and removal of *Willard Lester* as trustee under the last will and testament of *Benjamin C. Scribner*, deceased. From a decree of the Surrogate's Court, surcharging the accounts of the trustee, etc., the trustee appeals. Reversed and new trial granted.

LAMBERT, J. This proceeding is instituted by a life annuitant for a final accounting by and removal of a substituted trustee under the will of *Benjamin Scribner*, deceased. The will was probated in 1880. Letters of administration with the will annexed were issued to one *Taber B. Reynolds*, who soon thereafter, by judgment of the Supreme Court, was appointed trustee under the will. *Reynolds* served as trustee until January, 1896. Before the trust was fully administered, he brought an action in the Supreme Court for a final accounting and discharge as trustee. The action proceeded to judgment in January, 1896, adjusting his accounts and permitting his resignation. The judgment determined the trust estate to then consist of securities,

\$49,840.50; cash, \$6,130.41—totaling \$55,970.91, and made certain allowances which brought the estate down to \$55,078.04.

The appellant, Lester, was then appointed substitute trustee, and the trust estate, as so constituted, passed to him. He, as trustee, has not heretofore made any accounting of his trust duties. In compliance with the order to show cause, issued in this proceeding, he filed an account of his administration of the trust. The same was surcharged, and the issues thus made were tried before the surrogate of Albany county, resulting in the decree surcharging his account about \$49,000. That result proceeded upon two theories: First, that by accepting the trust estate as fixed by the judgment of 1896, without investigation as to the then value of the securities, the trustee was negligent, and must be held liable for the face value of the investments turned over to him, plus uncollected interest; second, that in the subsequent handling of the estate the trustee was guilty of negligence, bad faith, and malfeasance. The decree specifically directed and adjudged that the title to the principal securities reported by the trustee as assets of the trust estate, and for which he sought credit, should be vested in him personally, segregated and impounded for the benefit of the trust estate, and that he be charged with the face value thereof, plus uncollected interest. In this provision of the decree were included securities representing investments made by his predecessor, as well as investments made by him in the course of administration of the trust estate. The appellant was also charged by the decree with losses in administration, depreciation in values of property, and denied commissions and attorney's fees, and was personally charged with costs of the proceeding.

The bulk of the trust estate upon the accounting was represented by securities turned over to the trustee under the judgment of 1896. The principal one consisted of a \$20,000 mortgage, reduced by payments to \$15,000, on a summer hotel property known in the

record as the "Wayside Inn Hotel." The findings of the surrogate described it as a large wood structure, used for summer hotel business, located at a place called Luzerne, Warren county, and "that an important part of the value of said property consisted in the good will of the hotel business." The owner of the equity of redemption, who was the mortgagor and maker of the bond accompanying the mortgage, was a widow, well advanced in years and insolvent. She had operated the hotel for several years. At the close of business in November, 1897, because of losses in operation and need of money to pay debts and make repairs, she threatened to abandon the property. In this situation, for the purpose of inducing his trust debtor to continue in the operation of the hotel, the appellant made an additional trust loan of \$5,000, taking as security, a second mortgage upon the hotel property and a first mortgage lien upon properties owned by the mortgagor, adjacent to and serviceable in the conduct of the property as a hotel business. This arrangement was carried out. At the end of the succeeding year, a substantial loss resulting from the operation of the hotel determined Mrs. Butler, the trust debtor, to surrender the real estate covered by the mortgages mentioned to the trustee.

In this crisis, the trustee arranged with his brother, who was the owner of the personal property equipment of the hotel, to operate it for the next five successive years on a percentage basis of profits to the trustee. This arrangement resulted in a financial loss. Thereafter, and in the year 1903, to the time of the accounting, this hotel property was leased under varying conditions, with a loss in operation to the operator. During this period no interest was paid upon the trust mortgages, which at the time of the trial had reached the alarming sum of around \$17,000. This, in a general way, presents the history of the Wayside Inn mortgage indebtedness and the treatment it received by the trustee, and as embodied in findings made with much amplification by the surrogate. There

was made the additional finding of fact that the loan of \$5,000 upon the hotel property, and the trustee's consent given to the operation of the hotel business, entailing yearly loss of interest upon the trust securities, was made in bad faith and for the purpose of enhancing the personal and moneyed interest of the Lester family. Upon this premise of facts, considered in their relation to specific findings of neglect, bad faith, and malfeasance, the surrogate determined that the trustee should be charged with the face value of the mortgages, plus the uncollected interest thereon, and provided for the substitution of cash for the securities as assets of the estate.

The trustee took an appeal from the decree entered to the Appellate Division of the Third Department. Matter of Sherman, 180 App. Div. 196, 167 N. Y. Supp. 682. The decision of the Appellate Division is evidenced in an opinion. It was there decided that the determination of the surrogate that the appelland trustee should be charged with negligence in accepting the securities under the judgment of 1896 was erroneous; this because he had no part in their creation and owed no duty in respect thereto, except to administer the same in good faith and with such care as the attending circumstances would commend to a prudent person. It was further suggested in the decision rendered that, inasmuch as the value of these securities was uncertain, and depended upon the operation of the hotel business to preserve the "good will," the principal element of value of the securities, the trustee was justified in making an honest effort to operate, or have operated, the said hotel business for at least some period of time. The court did not go to the extent of deciding that the operation of this hotel from 1898 to the time of filing the account was legally justifiable in view of the attending yearly loss. That was left as an open question of fact, to be determined upon a new trial, which was ordered. It was, however, distinctly decided that in no event should the trustee be charged with the face value of

the securities, except upon adequate proof that such was their value at the time they were charged to him.

The rule of liability follows as a necessary sequence because, as stated in the opinion of the Appellate Division, at the time these securities came to the trustee they were of doubtful and uncertain value, and he owed only the duty thereto of exercising reasonable judgment and good faith in the administration and collection of the same. If a loss was sustained to the estate, such as might make the trustee chargeable with their value at some time during his administration of the trust, then proof should have been given respecting the value, for the purpose of fixing the loss resulting. In this connection the court suggested that there was neither such a finding nor evidence upon which to base it in the record, and for that and other reasons a new trial of the proceeding was ordered. It has been had. No additional evidence was given. By stipulation, the record made on the first trial was read in evidence. The surrogate has again made findings and decree, reaching substantially the same financial result. He eliminated the finding of negligence in the acceptance of the securities under the judgment of 1896, but has again found specifically, bad faith and malfeasance by the trustee in handling the trust estate. He has again fallen into the error, made on the former trial, of charging the trustee appelland with the face value of the securities at the time or soon after he received them, in the absence of any proof of their value.

The Appellate Division, on the former appeal, pointed out in its opinion that there was neither a finding nor evidence justifying a finding of the value of the Wayside Inn Hotel property, and that such was indispensable to show the loss sustained by the estate through the mismanagement and want of care upon the part of the trustee. This is the rule that the court suggested should be applied to the legal redress granted by the surrogate. It questioned the premises adopted by the surrogate, to which was applied the

drastic remedy of compelling the trustee to substitute cash for the trust securities. It appeared then, as now, that the surrogate charged the face value of these securities to the trustee, on the first default in the collection of interest. This surely cannot be sustained as a just rule of liability, even in a trust accounting, except upon justified findings of a conspiracy or design to wreck the estate. There is nothing in the record that has been called to our attention, or that we can find, that justifies such a conclusion of fact. At the due date of the first uncollected interest, the record shows the trustee was struggling with the question of how to keep the hotel in operation to preserve its market value. As suggested by the opinion of the court, it was his duty to exercise his best judgment in the management of the property for the benefit of the estate, and if he did so, and acted in good faith, he will be protected against loss to the estate. Whether or not he was justified in continuing his effort to operate this hotel, in the face of successive yearly losses of interest upon the investment, is a question that has not yet been passed upon, as stated above.

The observations made with reference to the Wayside Inn security have more or less application to the remaining securities coming to the possession and care of the trustee from his predecessor. For this reason it is not deemed essential that they be more specifically considered at this time.

The decree should be reversed, and a new trial ordered, with costs to the appellant to abide the final award of costs. Findings of fact numbered 9 and 40 are disapproved and reversed, and the court further holds and decides that, as to the securities which came into the hands of the trustee under the judgment appointing him trustee, there is no satisfactory evidence to show their value and the amount with which the trustee is legally chargeable. All concur.

Alteration of Promissory Note

Commercial Security Company v. Donald Drug Company, Supreme Court of South Carolina, 100 S. E. Rep. 359.

The defendant corporation signed a promissory note, which the payee subsequently sold to the plaintiff corporation for value. When the plaintiff sued the defendant on the note, the latter claimed that the note had been materially altered after leaving its hands. According to the defendant the note, when signed, was payable three months after date. It claimed that the note had been altered so as to be payable four months after date. And it also claimed that the note was dated at Honea Path, Ga., and that the "Ga." had been removed and "S. C." substituted instead. It appeared, however, that the plaintiff was a holder in due course and it was held that the plaintiff was therefore entitled to recover on the note according to its original tenor.

OPINION

Appeal from Common Pleas Circuit Court of Anderson County; George E. Prince, Judge.

Action by the Commercial Security Company against the Donald Drug Company, a partnership, etc. Judgment for defendant, and plaintiff appeals. Reversed.

See, also, 96 S. E. 529.

S. M. Wolfe, of Columbia, for appellant.

Bonham, Watkins & Allen, of Anderson, for respondent.

FRASER, J. This is an action on four promissory notes. The defense, so far as this appeal is concerned, is material alterations. One note is set out in the case, and is as follows:

"\$225.00 P. O. Honea Path, State Ga. S. C.
4 "Date Dec. 6th, 1916.

"Three months after date, for value received, we promise to pay to the order of Partin Manufacturing Company, Incorporated, two hundred and twenty-five dollars (\$225.00). at Citizens' Bank, Honea Path, S. C.

"The Donald Drug Co.,

"Per S. F. Donald."

Instead of "Honea Path, S. C.," the original had "Honea Path, Ga." "Ga." was erased, and "S. C." substituted; the printed word "three" was erased, and the figure "4" interlined; thus changing the date of payment and the place of payment. Both are material changes under the negotiable instrument statute. Laws 1914, P. 687. The statute reads as follows:

"124. Where a negotiable instrument is materially altered without the assent of all parties liable thereon, it is avoided, except as against a party who has himself made, authorized or assented to the alteration and subsequent indorsers.

"But when an instrument has been materially altered and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor.

"125. Any alteration which changes:

"(1) The date;

"(2) The sum payable, either for principal or interest;

"(3) The time or place of payment;

"(4) The number or the relation of the parties;

"(5) The medium or currency in which payment is to be made;

or which adds a place of payment where no place of payment is specified, or any other change or addition which alters the effect of the instrument in any respect is a material alteration."

The record shows that the plaintiff was a holder in due course. It fails to show that it was a party to the alteration, if there was an alteration, and therefore it was entitled to enforce payment of the notes according to the original tenor. There is nothing in the record to show that the plaintiff was not entitled to enforce the payment according to the original tenor. The note was dated December 16, 1916, and assigned to the plaintiff December 27, 1916.

There is another question that is fairly made and should be settled in this case, and that is: Upon whom rests the burden of proof that a material alteration in an instrument was made before its execution? Upon this subject authorities elsewhere are in hopeless conflict, and the authorities in this state are not specific. It was held in *Wicker v. Pope*, 12 Rich. Law, 887, 75

Am. Dec. 732, and other cases, that it is a question for the jury to determine under all the circumstances when the change was made, and whether authorized by the maker or not. That, however, does not settle the question as to the burden of proof. The note shows an alteration on its face. It does not, as a matter of law, show when the alteration was made. The way to prove the execution of a note is to prove the signature. The proof of the signature is enough to allow the introduction of the note in evidence. If nothing more appears, then the plaintiff is entitled to a directed verdict. In this case the signature is not denied. That the instrument has been altered is a matter of defense, and the burden is unquestionably on the defendant to prove his defense.

Again, where the defense is that a material alteration has been made, the plea is in the nature of confession and avoidance. "While the note was good when executed, it has become void." He who alleges a change in conditions must show it. We know of no valid principle of law that throws on the holder of a negotiable instrument the burden of showing that it is valid.

A contrary holding would practically destroy many valid negotiable instruments. Banks and concerns doing a large business, dealing in negotiable instruments, must use printed forms. These forms must be printed to suit the majority of their customers. To hold that any change in the printed form to make it conform to the special contract between the parties throws upon the holder the burden of showing that the alteration was made before signing would be to practically destroy its value as a negotiable instrument. It may be said that this trouble can be obviated by a footnote, stating that the instrument was altered before signing. This overlooks the fact that the notation of alteration is a matter of as much suspicion as the alteration in the body of the instrument. It is just as easy to put in the notation of the alteration as it is to alter the instrument.

The judgment is reversed.

Maker of Note Not Liable to Bank

Lackawanna Trust Company v. Carlucci.
Supreme Court of Pennsylvania.
107 Atl. Rep. 693.

The plaintiff trust company was the holder of a note, made by the Carlucci Stone Company, payable to the order of one Cassese and indorsed by him. The stone company was adjudged a bankrupt. The company then asked the defendant Carlucci to sign a new note payable to Cassese, which the latter would indorse. The company agreed that it would not look to the defendant for payment of the new note and that its object was merely to keep the obligation alive on its books until the legal status of the stone company, as to dividends, should be definitely established. It was held that the defendant was not liable on the new note.

OPINION

Assumpsit on a note by the Lackawanna Trust Company against Frank Carlucci. From an order making absolute the rule for judgment for want of a sufficient affidavit of defense, defendant appeals. Reversed.

BROWN, C. J. This action was brought by the Lackawanna Trust Company against Frank Carlucci as the maker of a promissory note, dated October 7, 1913, and payable three months after date to the order of J. A. Cassese, for \$3,000. The note was indorsed by the payee, and the trust company avers in its statement of claim that it is the holder thereof in due course. This is specifically denied in the affidavit of defense, and the defendant thus substantially details the circumstances under which he signed the note and the trust company became the holder of it: In September, 1910, the Carlucci Stone Company made its promissory note for the sum of \$3,000, payable to the order of J. A. Cassese at the plaintiff's bank, three months after date. Said note by successive renewals, was continued in force until May, 1913, when, by proceedings duly

instituted in the United States District Court the said stone company was adjudged a bankrupt. After the last renewal of the note the plaintiff, through its treasurer, Frank Humler, refused to renew it, because the company had been adjudged a bankrupt, and requested the defendant to become the maker of a note for the same amount, agreeing to look to the indorser, J. A. Cassese, the payee in the original note, for payment of the obligation. Defendant specifically stated that he would consent to become maker solely upon condition that he would not be liable for the obligation of the stone company. Whereupon the plaintiff, through the said Frank Humler, agreed to take the note in suit under these conditions, and stated that he wanted the obligation kept alive on the books of the institution until the legal status of the stone company, as to dividends, should be definitely established. The learned court below having been of opinion that, as these averments contradicted and practically destroyed the obligation given by the defendant, the plaintiff was entitled to judgment, and the rule for it was made absolute.

[1] The averments in the affidavit of defense are to be taken as true, and the defendant was not required, as counsel for appellee seems to think, to set forth the manner in which they will be proved, nor the evidence by which they will be substantiated. *Gandy v. Weckerly*, 220 Pa. 285, 69 Atl. 858, 18 L. R. A. (N. S.) 434, 123 Am. St. Rep. 691; *Endlich on Affidavits of Defense*, 324.

[2] The holder of a note in due course is one who has taken it "in good faith and for value." An accommodation maker is one who signed it "without receiving value therefor and for the purpose of lending his name to some other person." *Negotiable Instruments Act* May 16, 1901 (P. L. 194). Under the averments in the affidavit of defense, the plaintiff is not a holder of the note for value, and the defendant is a mere accommodation maker of it. While he would be liable on it to a holder for value, there is no liability on it to the appellee, if what is averred in the af-

fidavit of defense be true. "Between accommodating and accommodated parties the consideration may be shown to be wanting." Daniel on Negotiable Instruments, sec. 109.

[3] In *Peale v. Addicks*, 174 Pa. 543, 34 Atl. 201, the note upon which suit was brought was indorsed by the defendant without consideration, solely for the accommodation of the plaintiff, and in holding that the affidavit of defense, which so averred, was sufficient to prevent judgment, we said, through Mr. Chief Justice Sterrett:

"The averments contained in the affidavit of defense are sufficient to carry the case to a jury. If it be true, as is substantially averred in the affidavit of defense, that defendant, without any consideration, at plaintiff's request, and solely for his accommodation, indorsed the note in suit 'so that he might use it with his bank' it necessarily follows that, as between themselves, the defendant is in the proper sense of the term an 'accommodation indorser,' and the plaintiff should not be permitted to recover."

This was but the reannouncement of a long-settled rule:

"The party for whose benefit accommodation paper has been made acquires no rights against the accommodation party, who may set up the want of consideration as a defense to an action by the accommodated party, since as between them there is no consideration, a fact which is always a defense to a suit on negotiable paper between the immediate parties." 8 Corpus Juris, sec. 409.

In *Tasker's Estate*, 182 Pa. 122, 37 Atl. 924, the receiver of a bank presented, as a claim against the estate of the deceased, the last of a series of renewals of a note which he had originally given to the bank without consideration and solely for its accommodation, at the request of its president. In holding that, if such was the case, the estate was not liable, Mr. Justice Green said this is too manifest "to require argument in its support."

The affidavit of defense in the case now before us requires its submission to a jury, and the judgment is therefore reversed.

Book Reviews

BANK ADVERTISING EXPERIENCE. By T. D. MacGregor. Burroughs Clearing House, Detroit.

This new volume contains not only the results of Mr. MacGregor's experience as vice-president of Edwin Bird Wilson, Inc., and in other advertising connections for a dozen years past, but it also summarizes the composite experience of scores of successful banks and bank advertisers.

The book is bound in cloth and it contains 375 pages, thoroughly illustrated. The chapter titles are as follows: Helping Your Bank to Grow; Service and Advertising Equally Im-

portant; Starting the Campaign; Plan the Work and Then Work the Plan; Patriotic Bank Advertising; Banks Co-operating with the Government; The Banker and the Framer; Farms Helping to Increase Production; Advertising Criticism; Some Examples, Horrible and Otherwise; Clothing the Bank Advertisement; A Few Points on Typography; The Illustration of Advertisements; Examples of the Appropriate Use of Pictures; Emblems and Slogans; Condensed Advertisements; Advertising Letters and Suggestions for Follow-up Efforts; Coöperative Bank Advertising; A Look Into the

Future; Trade Acceptance Advertising; Suggestive Paragraphs for Pushing the Better Credit Method; Bank Window Advertising; Clever Displays Will Attract Attention and Bring Business; A Round-up of Good Bank Advertising Ideas.



ANNUITY STUDIES. By Samuel F. Racine. Western Institute of Accountancy, Commerce and Finance, Seattle, Wash.

Contains a set of rules easy to understand, with problems on annuities. Also a table showing the accumulation of \$1 at compound interest.



LAURIE'S TABLES OF SIMPLE INTEREST. E. P. Dutton & Co., New York.

These tables are given in pounds at 5, 4½, 4, 3½, 3, 2½, and 2¼ per cent. per annum. It also gives tables of compound interest and interest on large sums for a single day at the same rates with copious tables of commission or brokerage from one-eighth to 10 per cent.



PRINCIPLES OF FOREIGN TRADE. By Norbert Savay. Ronald Press, New York.

This is an entirely new manual covering every aspect of foreign trade. It embraces all the technicalities of the subject, and blocks out all its economic, marketing, legal, shipping, banking, and other principles.

The author summarizes the commercial laws the foreign trader should know and explains the various methods

in use both here and abroad in financing a shipment.



TABLES FOR CALCULATING DOLLARS INTO STERLING. Effingham Wilson, London.

Contains tables for calculating dollars into sterling at from \$4.10 to \$4.29 15/16 to the pound, in rates varying by 1/16. Also gives a table showing decimals of £1 sterling.



THE REMAKING OF A MIND. By Henry deMan. Charles Scribner's Sons, New York.

An interpretation of some of the issues now before the world in the light of the development of the author's own ideas under pressure of his war experiences. He presents in broad chronological succession the events which have influenced his ideas on Internationalism, the Labor Struggle, Capitalism, and similar problems of world reconstruction.

The author is a prominent young leader of the Belgian labor party who has lived and studied in Germany, Austria, England, France, Holland, Italy, Switzerland, and Scandinavia. He is by instinct and training an "international man." With Karl Liebknecht he founded the powerful Socialist Young People's Federation, and he was one of the little group, composed of Liebknecht, Jaures, Haase, Huysmans, and Mueller, who strove up until the last moment to throw the weight of international labor against the war. He enlisted when his country was invaded and served throughout the war, winning the Belgian War Cross and the British M. C.



International Banking and Finance

SPECIAL

**BANKERS
MAGAZINE**

SECTION

Close-up Credit Answers

Not in money itself, which is merely a token of value, but in *credit*, which is the significant measure of power to produce value, lies the creative force of modern commerce and industry.

Only when the essential credit facts are known and are considered carefully can risks be measured and obligations accepted with the degree of freedom and safety required for success in manufacturing and trading.

To supplement their own information facilities both in domestic and in foreign fields, commercial banks will find the Irving's specialized Credit service prompt, reliable and world wide in scope. The Irving policy of friendly co-operation with correspondents at home and aboard affords access to guarded local facts and experienced aid in interpreting their meaning.

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NATIONAL BANK**

WOOLWORTH BUILDING, NEW YORK





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**THE EQUITABLE TRUST COMPANY
OF NEW YORK**

37 WALL STREET

TOTAL RESOURCES OVER \$286,000,000

Economic Conditions in France

COMMERCIAL RELATIONS WITH GERMANY

A NOTE from the Ministry of Commerce determines the status of the French traders in their relations with Germany. As regards exports to Germany, article 269 of the Peace Treaty obliges Germany to apply, within the six months following the execution of the Treaty, the Customs Tariff in existence on July 31, 1914, and to maintain this regime for certain products during three years. Furthermore, as regards travelling salesmen and the representatives of commerce, article 276 declares that Germany cannot impose upon the persons belonging to this profession restrictions which would not apply also to all the foreigners travelling for the same purpose. Germany has, however, already begun to take measures against the penetration of French representatives of commerce. The French Government has directed a protest to the commission intrusted with the execution of the Peace Treaty.

FRENCH INTERESTS IN TURKEY

On the eve of the war, the capital invested by France in the Ottoman Empire amounted to Fr. 3,285,273,377 against Fr. 1,443,486,506 invested by Germany, and Fr. 813,312,136 invested by England.

Since the Crimean war (1855) the finances of the Ottoman Empire have been strengthened by French capital. Out of fourteen loans issued by the Ottoman Government ten have been successful thanks to the intervention of French financial institutions.

It was only in 1903 that German financial institutions under the guidance of the Deutsche Bank entered upon an active policy in Turkey. In spite of this competition, France subscribed from 1903 to 1914 to six Turkish loans out of twelve. In 1914 the French Gov-

ernment obtained as a counterpart certain concessions regarding railroads and ports.

French investors have participated in the construction of over one thousand miles of railroads in Turkey. In the mining industry French capital invested amounted to 42,712,000 francs against English capital of 6,250,000 francs. Finally, in the construction of ports the participation of French capital has equally been in majority: 55,375,000 francs against 10,000,000 francs of English capital.

In considering these heavy investments one realizes the damage suffered by the French capitalists during the war. Turkish securities have reached a very low degree of depreciation (70 per cent), so that the French Government is directly interested in the improvement of Turkish finances. The French Treasury has been obliged to pay the interest to the French holders of Turkish bonds, pursuing the same policy as that adopted toward the holders of Russian securities.

AN OFFICE FOR ECONOMIC ORGANIZATION

A company has been established in Paris for the purpose of developing the economic relations of France at home and abroad. The attention of this organization will be directed to all questions pertaining to industries, commerce, and finances. The initial capital of the company is two million francs divided into 4,000 shares of 500 francs. The repartition of the benefits will be effected as follows: Five per cent. for the reserve fund, and six per cent. on shares.

A NEW BANK FOR THE CREDIT OF NATIONAL INDUSTRY

The two largest French banks, the Comptoir National d'Escompte de Paris and the Credit Lyonnais have founded in common, under the name of

Rotterdamsche Bankvereeniging

Rotterdam Amsterdam
The Hague

Capital, fully paid f75,000,000
Reserve Fund f25,000,000

Every description of banking business transacted, including the making of collections, the issuance of travellers' letters of credit and documentary letters of credit, buying and selling of foreign exchange and of stocks and shares.

Our large capital and complete organization enable us to handle all matters entrusted to our care with efficiency and promptness.

"L'Union pour le Credit a l'Industrie Nationale," a bank with a capital of 25,000,000 francs. This new financial institution will promote the development of national industry throughout

the country. It will facilitate the search for capital investments and the placement of their titles for business enterprises in such regions where banking conditions are not satisfactory.



Economic Conditions in Italy

RELATIONS BETWEEN ITALY AND POLAND

DIRECT commercial relations between Italy and Poland have been inaugurated recently. The beginning of such relations was the establishment of a Polish Chamber of Commerce in Milan. A commercial syndicate for export and import between the two countries has also been founded, with branches in Milan, Rome, Warsaw and Crakow.

Furthermore, the Banca Italiana di Sconto has agreed to buy bonds of the Polish Treasury in amount of fifty millions francs at six per cent., expir-

ing in three years. These bonds will be offered for public subscription. The Banca Italiana di Sconto will soon open a branch at Warsaw.

BANCA DI CREDITO POPOLARE DI TRIESTE

The "Banca di Credito Popolare di Trieste" has issued a statement of facts regarding its actual situation. Thanks to the wise policy of its administration, this important financial institution has managed to maintain its traditional prosperity throughout the war. The political and financial collapse of the Austro-Hungarian State has, in fact,

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Established 1818

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NEW YORK

Boston

FOREIGN SERVICE

Through our long established connections abroad, we are in a position to render complete foreign service to banks corporations and firms doing an international business. Our correspondents include the strongest and most progressive institutions and private banks overseas.

BROWN, SHIPLEY & CO.

Established 1810

Founders Court, Lothbury
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little affected the bank. The balance on Dec. 31, 1918, had reached the amount of 350,150,827 kronen against 175,819,168 kr. in 1917. The development was chiefly due to the confidence of the population in the allied cause. With the Italian occupation of the city of Trieste, a new era began for the activities of the institution. One of its most important activities was to furnish credits to the industries of the province of Trentino as well as to encourage the development of commerce with the mother country. In this sense the Banca di Credito Popolare has contributed to the establishment of normal financial conditions in the redeemed territories.

ECONOMIC RELATIONS WITH CZECHOSLOVAKIA

The political independence of Czechoslovakia brought about by the dissolution of the Austro-Hungarian Empire has been followed by a rapid development of her commerce and indus-

try. Two-thirds of the industries of the former Hapsburg Empire were located in that country. For Czechoslovakia possesses rich mineral deposits, especially coal and iron. For this reason Italy has sought since the signing of the Armistice to secure commercial relations with that country. The importation of coal is especially demanded by the Italian industries paralyzed through the shortage of this fuel caused by the industrial unrest in England. Financial transactions have already been concluded between the representatives of the two countries. The Czechoslovak banks under the guidance of the Bank of Credit in Prague have contributed to the establishment of such relations. The bank named has established a special office for the purpose of conducting financial and commercial relations with foreign countries. On the other hand, Italy has begun to encourage through several banks the development of such relations on a basis of mutual cooperation.

BANK OF ATHENS

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Capital paid up - - - ^(Drs. 5 = \$1) \$9,600,000

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ENGLAND: London, 22 Fenchurch Street

FRANCE: Marseilles, 33 Rue de la Darse

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Irving National Bank
National Bank of Commerce
National City Bank

*Banking business of every description transacted
Special facilities granted for the development of
trade between America and the Near East*

Economic Conditions in Belgium

THE RECOVERY OF BELGIAN INDUSTRIES

THE industries of Belgium have resumed work, and some of them are now functioning under normal conditions. This early recovery is chiefly due to the financial help given by the Allies, especially Great Britain and the United States. Thus England has removed any restrictions for woolen spun in Belgium, which fact has greatly encouraged the wool industry of Verviers. On the other hand, the United States has sent to Belgium a commission for the purpose of restoring machinery necessary for the factories. Moreover, the United States has granted Belgium a credit for the purchases of machinery in this country. The duration of credit will be for three years. A Belge-American Commission will also conduct the negotiations with the various houses in the United States for the purchase of machinery. In short, Belgian in-

dustries are rapidly recovering from the damage caused by the German invasion.

BANQUE GENERALE DU NORD

The Banque de l'Union Parisienne will contribute to the industrial restoration of Northern France and Belgium. In collaboration with the Societe Generale de Belgique, this institution will create at Lille a new financial establishment with a nominal capital of 50 million francs in 500 fr. shares issued with a premium which will secure to the new bank a reserve fund of at least eight million francs. The "Banque Generale du Nord" will absorb the Banque Verley-Decroix and the Banque Centrale of Maubeuge. The last-named bank is one of the most important financial institutions in Lille, with a capital of 20 million francs, and with several branches in the most popu-

The Yokohama Specie Bank, Ltd.

[Yokohama Shokin Ginko]

HEAD OFFICE, YOKOHAMA, JAPAN

Capital Subscribed Yen	100,000,000
Capital paid up Yen	61,000,000
Reserve Fund Yen	28,000,000

(\$0.50=1 Yen)

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The Bank buys and receives for collection Bills of Exchange, Issues Drafts and Telegraphic Transfers and Letters of Credit on its various branches and elsewhere, and transacts a general Banking Business

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R. ICHINOMIYA, Agent

lous centers of Northern France. The new bank will be also an important factor in the economic development between France and Belgium.



Economic Condition in Poland

THE MONETARY REFORM

THE Parliament of Poland has taken the initiative of a monetary reform on the basis of a standard of gold called "Zloty" divided into 100 "groszy" analogous to the franc, that is to say, a kilogram of gold will furnish 8,100 zlotys. The pieces of 20 zlotys will be termed ducats and those of 10 zlotys half-ducats. There will be pieces of 5 and 2 zlotys in silver, pieces of 20 groskys of nickel, and pieces of 10, 5, 2, and 1 grosky of copper.

THE POLISH STATE BANK

A new bank with a capital of 100 million zlotys has been established in

Warsaw as a financial State institution intrusted with the monetary circulation and the regulation of exchange. The bank has the privilege of issuing notes to the amount of three billion zlotys against remittance of Treasury bonds. The name of the bank is "Bank Polski." The establishment of such an institution will put an end to the chaos of currency existing in Poland. Up to the foundation of the Bank Polski there were Russian, Austrian, and German coin and bank notes in circulation all over the territory of the new State of Poland, a fact which has greatly contributed to the restriction of business.

The Polish Minister of Industry and Commerce and the Minister of Finances

National Bank of Commerce in New York

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E. A. SCHROEDER
H. C. STEVENS

CAPITAL, SURPLUS AND UNDIVIDED PROFITS OVER \$50,000,000!

have authorized the "Banque de Commerce" in Warsaw to increase its capital with five million rubles (10 mil-

lion zlotys) by issuing 20,000 new shares at a nominal price of 250 rubles per share.

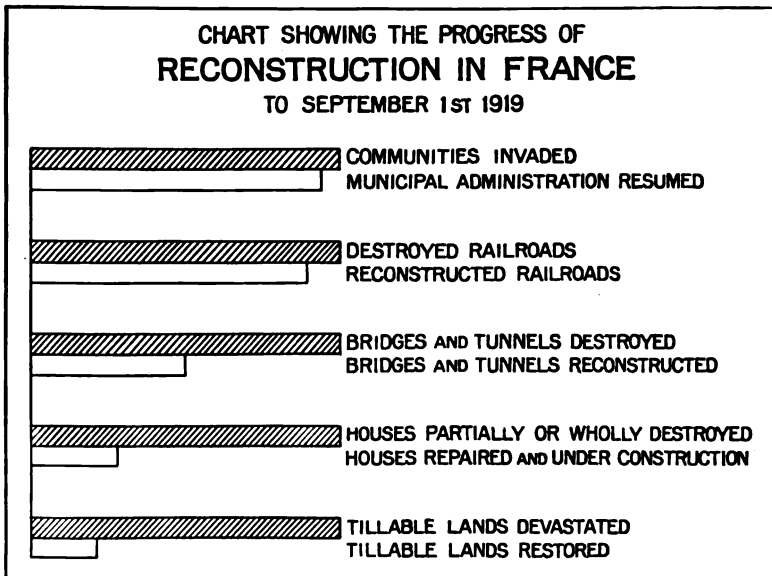


Reconstruction in France

THAT France is recovering from the war with the same remarkable vitality which characterized the nation after the War of 1870 is evident from a very comprehensive treatise on the situation just issued by

Brown Brothers & Company of New York. This is in the form of a pamphlet containing 35 pages, and is interestingly illustrated by charts and photographs.

Speaking of the progress which has



been made in the reconstruction of the nation's transportation facilities, it is stated:

One of the first needs of the invaded areas was the restoration of the means of transportation. On November 11, 1918, the destruction of railway property amounted to 945 miles of double track and 463 miles of single track railroad, not including 143 miles of road serving the mining districts. By September 1, 1919, however, 90 per cent. of the double track road and 93 per cent. of the single track road had been permanently restored. On the Northern Railways System only four miles of road had not been rebuilt up to that time and operation had been resumed on almost all the lines. Through trains are again being operated between Paris and Brussels.

In addition, of the railways serving the mining districts 114 miles out of 143 miles have been rebuilt. Moreover, of 1,160 railway bridges and tunnels destroyed 588 have been reconstructed. The work on the waterways, which in France are an important means of transportation, has been nearly completed. The operation of boats and barges from the Paris Valley to Belgium and to Eastern France is proceeding under practically normal conditions. Equipment for electric hauling is being installed on the Marne Canal to the Rhine and on the canal connecting with the coal fields of the Saar. The collieries of the districts of the North and of the East can now be reached by navigable waterways. As far as highways are concerned a large part of the damage has already been repaired. There are about 30,000 civilian and military workers engaged in repairing the roads at the present time.

The housing problem, which is one of tremendous importance, has been attacked with the same energetic spirit. According to Brown Brothers, 80,000 houses have been temporarily repaired, 16,225 shelters have been provided and 60,000 shelters are under construction. Out of 4,023 communes which were invaded, municipal administration has been resumed in 3,872.

According to the pamphlet the net amount of the foreign obligations of the French Republic in May, 1919, was only \$2,801,813,000. France's speedy recovery after previous wars is alluded to as follows:

In connection with the present debt of France there should be remembered the financial record of the nation after previous wars. In 1830, only fifteen years after the close of the Napoleonic Wars, practically all

\$30,307,422.88

On November 17, 1918, the Hibernia Bank and Trust Company of New Orleans had resources of \$39,446,469.75.

On November 17, 1919, the resources were \$69,753,892.63-- a gain of \$30,307,422.88 in twelve months.

The total deposits one year ago were \$27,353,828.23. On November 17, 1919, these deposits had increased to \$50,012,833.38 -- a gain of \$22,659,005.15.

These figures exhibit the largest annual increase in business ever enjoyed by the Hibernia Bank, and are indicative of the substantial commercial, financial and industrial development which New Orleans and the South are experiencing.

**Hibernia
Bank & Trust Co.
New Orleans**

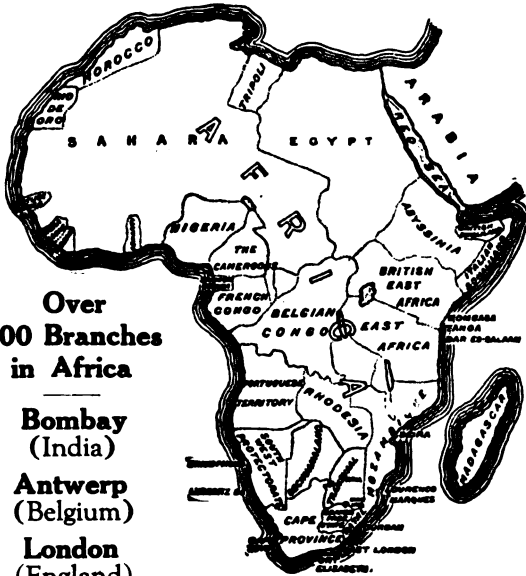
the war debt of France had been redeemed. The cost of the war with Germany in 1870-1871 amounted to \$1,792,424,600, not including the loss of the provinces of Alsace and Lorraine. In spite of the fact that the country had suffered from invasion the war indemnity exacted by Germany which, including the interest, amounted to 5,300,000,000 francs was paid in twenty-six months, or six months before the due date. To do this France raised two loans. The first loan of 2,000,000,000 francs was offered in June, 1871; to this loan 5,000,000,000 francs were subscribed and only 45 per cent. of the total subscriptions was allotted. To the loan of 3,000,000,000 francs of July, 1872, no less than 44,000,000,000 francs were subscribed and only 12 per cent. was allotted. The recovery from the War of 1870 as from the Napoleonic Wars was remarkable, and during the next forty-three years France went through a period of rapid territorial and industrial expansion. In 1914 the national wealth of France was conservatively estimated at \$50,000,000,000 and the annual income of the French people at \$6,000,000,000. After 1870 France made large additions to her colonial possessions, which in point of

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IT is particularly important that your banking connections be the most direct obtainable. Without direct representation shipments often arrive at their destination 15 to 20 days in advance of shipping documents at great inconvenience to the buyer who is unable to clear his goods quickly.

Our 400 branches throughout the Union offer superior facilities for the efficient transaction of your South African business and direct personal representation in all financial matters. May we confer with you on your South African banking problems?

National Bank of South Africa, Ltd.

New York Office, 10 Wall Street R. E. Saunders, Agent

Total Resources over \$287,000,000

Foreign Exchange Department

Letters of Credit Negotiated

Arrangements can be made for the importation of merchandise through the use of dollar acceptances

Capital \$3,000,000

Surplus \$1,000,000

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Brooklyn

350 Fulton St.
Brooklyn

Irving Trust Company

Frederic G. Lee, President

Woolworth Building, New York

size in 1914 were second only to those of the British Empire.

In conclusion, the pamphlet urges the necessity for American co-operation with France to "bridge the transition period and thereby to bring about in comparatively little time the complete restoration."

France has earned the confidence of her allies in the great war. There is no reason why this confidence should not be fully maintained. The military and economic vitality of the republic surmounted the trials of the critical moments of the world war and that same vitality is now surmounting the much smaller problems of reconstruction. Whatever the burdens are which the war has imposed on France in common with the other nations engaged, France has demonstrated that she is able and prepared to carry them. The record of her achievements in the war and, since the signing of the armistice, in peace is convincing evidence of the strength and the solidity of the nation. The people have recently given their answer to Bolshevism by returning an overwhelming majority of the supporters of the government in the national elections.

France will recover from this war as surely as she has recovered from previous

wars. With the present opportunity in the fields of industry and trade the new France should become greater even than before. America is deeply interested in the recovery of France and of Europe, if for no other reason than that she has made a national investment in Europe which in advances of money alone amounts to approximately ten billions of dollars. The restoration of normal conditions in France is only a matter of time and is a problem which France herself is capable of solving independently. However, the more rapidly this restoration can be accomplished the greater the advantage to America and to the world as a whole. To the people of the United States is given the opportunity of lending their help and resources to bridge the transition period and thereby to bring about in comparatively little time the complete restoration.



Protecting Canadian Customers

UNDER this title the New York Agency of the Union Bank of Canada has published a pamphlet which deals with the market fluctua-

National Bank of Greece

Head Office - ATHENS

Offers special facilities to manufacturers,
exporters, merchants and bankers hav-
ing business relations with the Near East

Capital fully paid £800,000
Reserve Fund, June 30, 1919 . . . 1,420,000

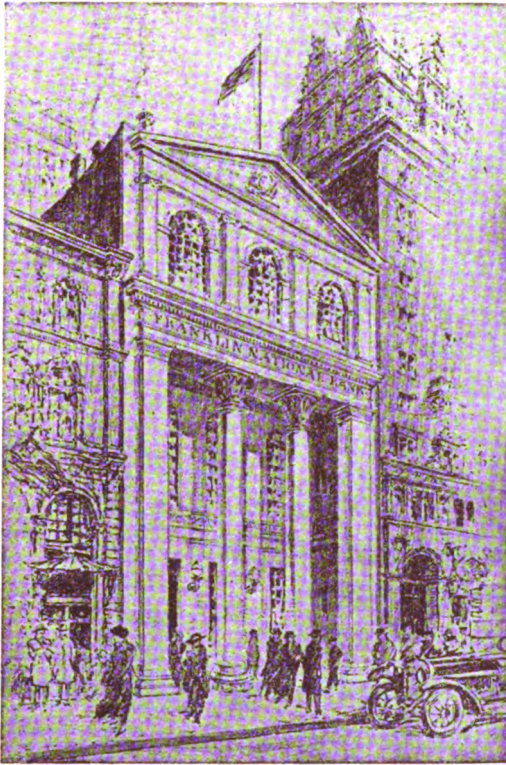
tions in Canadian exchange and proposes a remedy therefor. It is pointed out that fundamentally the fluctuations in the market rate for Canadian exchange like all other foreign exchanges, are affected to the greatest extent by the import and export of merchandise, exaggerated or modified by the flotation of loans. If both importers and exporters of merchandise could offset coincidentally their payments, fluctuations would be reduced to a minimum, and according to whether on balance, total imports (including capital) from all foreign countries were greater or less than total exports, so would the exchange value of the currency (rate of exchange) of any country depreciate or appreciate in the money markets of foreign countries.

Attention is called to the fact that the Canadian dollar is lowest in value in foreign countries in the spring and summer and highest during the fall, owing to the fact that the bulk of Canadian exports moves forward in the

fall, grain being the principal export commodity.

If Canadian importers could arrange to pay for their goods at the time when the exporters were receiving payment for theirs and if all Government and other borrowings abroad could be so arranged as to bridge over the interval, there would be no fluctuations whatsoever, but unfortunately each trade has its fixed customs concerning date of payment for goods sold and, worse still, does not concern itself in any way with the different dates of payment existing in other trades. Consequently, instead of pooling their interests in an effort to effect a more or less steady rate of exchange the Canadian exporting interests are pulling for a greater discount on the Canadian Dollar, while the importing interests are pulling for a smaller one.

In proposing a remedy the assumption is made that all uncertainty in exchange is a handicap to trade, and that the merchant should insure for



Chestnut Street west of Broad

ORGANIZED in 1900,
The Franklin National
Bank of Philadelphia has
capital of one million dollars,
surplus and profits of four
and three-quarter million
dollars, and total resources
of over seventy million dol-
lars,—a record of growth,
substantial and unequalled.

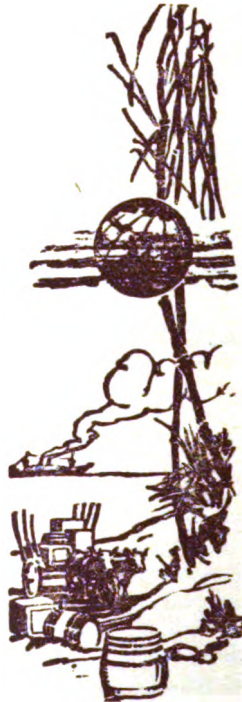
30 Years in Export Banking

*23 Branches in South America
8 Offices in Spain, France and England
Direct Connections with India*

INTIMATE KNOWLEDGE of the needs and habits of the people, acquired by years of experience and actual residence in the countries themselves, is essential when transacting business abroad.

*Many of our Foreign
Branches have been
established 30 years*

Our facilities are at your disposal through your own bank if desired.



ANGLO-SOUTH AMERICAN BANK, LIMITED

New York Agency, 49 Broadway

Head Office
London

F. C. Harding, Agent

W. M. Dawkin, Sub-Agent

Capital and Reserve
Over \$32,000,000

Efficient Export Banking

WHEN YOU place your import and export financial matters in our hands you obtain the services of a highly specialized organization whose personnel is thoroughly experienced in every phase of foreign banking business.

Whether your business with us is for financing shipments, or for effecting collections of items in any part of the world, it will be quickly and efficiently handled at minimum cost to you. Our own branches in Yokohama, Tokio and Shanghai, and the American offices at Seattle and San Francisco are strategically located to render maximum service to all parts of the Far East.

Direct connection with all parts of Europe is afforded by our office in Paris.

Our officers will be glad to consult with you on any matters pertaining to foreign banking.

OFFICERS

Charles A. Holder
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T. Fred Aspden
Vice-President

E. B. MacKenzie
*Secretary &
Treasurer*

PARK-UNION FOREIGN BANKING CORPORATION

56 Wall Street, New York

Paid Up Capital and Surplus, \$2,250,000

himself the full receipt of the amount of his invoice, while the buyer should insure himself against the risk of having to pay an amount greater than he expected at the time he purchased his goods.

While the American exporter who sells for cash to be paid in New York or Chicago runs no risk of loss in exchange—the risk being shouldered by the Canadian customer—there is nevertheless a very important risk involved—that of fewer renewed orders. This is illustrated by assuming (as used to be the case, and will be again) that goods can be manufactured equally well in England, France and the United States and laid down in Canada for \$100, U. S., or its equivalent on a given date, and that the price of \$100 U. S. in Canada is \$108 Canadian with the chance of its being \$105 or \$106 before the goods have been resold and the account falls due, while if the chance is that Sterling or Francs may only cost \$100 or \$97 Canadian, the

Canadian buyer would actually prefer to buy from England or France.

To meet this condition the American exporter must be prepared to guarantee to his Canadian buyer that United States dollars shall not cost him more than a certain number of Canadian dollars. This is possible only if he himself is guaranteed, nor can he be certain how many dollars U. S. he will receive per \$100 Canadian unless by some method or other he has contracted with a bank to buy his Canadian dollars at a certain price, delivery to be made at his option over a certain period. This period should be made broad enough to cover the times when the accounts fall due and funds in settlement should have been received. If the unforeseen should happen and the accounts still be unpaid, an extension of time of delivery could be made for a very nominal charge or even none at all.

With the American importer of Can-



BANCO MERCANTIL DE COSTA RICA

The Mercantile Bank of the Americas announces that it has acquired controlling interest in the Banco Mercantil de Costa Rica at San José.

Eleven years under the management of Costa Ricans has firmly established that bank in the commercial life of the country. To its knowledge of local conditions and customs have been added the banking methods of an American bank for foreign trade.

We will be glad to cooperate with American banks and exporters in further promoting trade relations with Costa Rica.

MERCANTILE BANK OF THE AMERICAS

An American Bank for Foreign Trade

44 PINE STREET
New Orleans
Paris

NEW YORK
Madrid
Barcelona

CAPITAL	\$5,000,000
SURPLUS & UNDIVIDED PROFITS - -	\$2,276,506

adian goods a reverse condition exists, to be met by an equally varied assortment of remedies.

While it is conceded to be beyond the power of any one institution to finance all the export and import trade between this country and Canada, neither as regards rates of exchange is it possible for any bank to satisfy completely both its export and import

customers if they match the orders of one against those of the other, but it is possible for a bank in actual contact with the foreign exchange markets of the world to provide all its customers with absolute protection against unforeseen loss in exchange by "bridging over" the period between date of acceptance of the order and that of payment for the goods.



Distinguished Dutch Banker Favors International Financial Conference

A PRACTICAL suggestion from a banker of wide experience is furnished in a proposal by W. Westerman, president of the Rotterdamsche Bankvereeniging, for holding an international financial conference whose object should be to devise methods for straightening out the present European financial and economic tangle. The bank over which Mr. Westerman presides is one of the largest in the Netherlands, and he is also chairman of the board of the Holland America Line. He has lately visited New York, Boston, Chicago and Philadelphia. His views in regard to an international financial conference were thus concisely stated to THE BANKERS MAGAZINE:

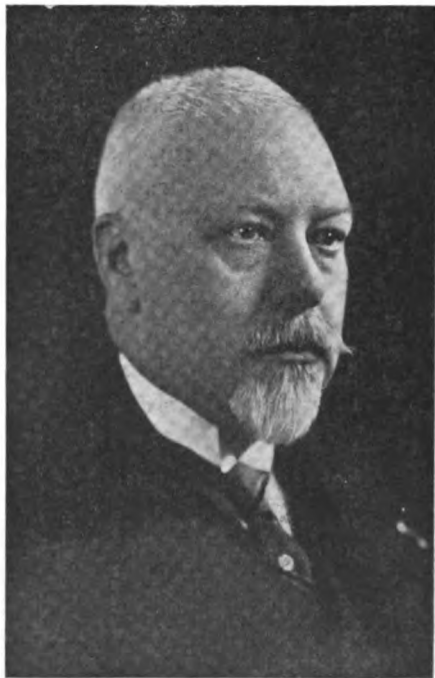
"I came to this country just now because I wanted to learn what was the attitude of American bankers as to the financing of some of the European countries, and had the pleasure of meeting quite a number of men of importance in the banking world, some of whom I already knew personally.

"It is my impression that although there are obstacles the question can be solved if only some of your representative bankers would come to our country to meet there some neutral bankers from Holland and other countries. Such a conference could certainly fix up a workable scheme, to be laid before the bankers of the borrowing countries.

"I feel this to be before all a bankers' job in which governments ought only to mix for the finishing touch and such

legal measures as would be necessary."

His views relating to the European financial and economic situation and the



W. WESTERMAN

President, Rotterdamsche Bankvereeniging,
Rotterdam, Holland

relation of America thereto were thus more fully expressed:

"We are witnessing the adoption of temporary expedients and hearing much

discussion concerning possible action, but there is no positive direct progress being made toward a coherent and consistent cleaning up of the various financial messes produced by the war. I wish to suggest that several prominent American bankers who have the confidence of their colleagues and of the American public should assemble a conference at some neutral place in Europe—preferably The Hague—where the entire question of after-the-war finance might be studied, and from which definite recommendations for action might be presented to the various governments. It is alone in such a way that I think the problem may be finally and satisfactorily solved.

"It is generally believed in Europe, and more especially in Holland, that the key to the international financial situation is held by the United States of America. From a borrowing country, as it was before the war, with few foreign investments, the United States has been metamorphosed into a crediting nation, which through great accumulation of wealth was able to loan huge amounts to the Governments of the Allies, and also, after having taken an active part in hostilities, to pay the tremendous costs of war without noticeable influence on the abundance of capital.

"America, in my opinion, has an unquestionable moral obligation towards Europe, and must therefore occupy itself with the political, economic and financial situation of the world in general. Furthermore, it is obviously to the best interests of the United States that Europe should not be allowed to go to pieces. Such a development would cast a curious reflection on America's position.

"These beliefs I still cherish after some weeks in the United States, although I cannot really see that much is being undertaken here to save Europe from ruin, and to help it regain its lost balance. I have, in fact, not met one banker or one bank manager who did not show evidences of very serious thought on these great questions. But although all were convinced that some-

thing must be done, there is nowhere a fixed opinion on the route to be taken, either by the banks or by the Government.

"America cannot sell the surplus of its commodities to a bankrupt or a fraud, but most surely it can sell to a striving community, kept under control of the creditor and against an adequate security.

"I do not believe that there will be difficulty in finding sufficient security for loans to be made to borrowing countries, if such countries are willing to pledge the stipulations demanded. The risk to be taken may be reduced to a minimum. The result, if the United States would join with neutral States in the provision of sufficient means to straighten out the present confusion, would naturally be that the general credit of the borrowing country and its inhabitants would gradually be restored, the exchange rates arrive at normal basis, and the inflation of paper money disappear.

"It is evident that of all European countries the situation, financially speaking, is worst in Germany, but on the other hand, the recuperative power of Germany is not to be despised.

"I do not at present regard the European situation so pessimistically as Mr. Vanderlip did in the early part of this year, but I quite agree with him that this situation must be treated as a whole. As far as I can see, there is no great chance that Mr. Vanderlip's proposed international loan will find its way to the stock exchanges of the world, although this would have been a solution, and one, moreover, very much in the interest of America, the largest seller of the commodities Europe is craving for.

"The influence of a strong competition between America and Europe for the world markets will lead to a reduction in the cost of living and may even help to solve some of our labor difficulties caused by ever-increasing wages and ever-reduced working hours.

"It would be absurd—and detrimental to healthy economic development—

to begin by aiding Europe to develop its industries, and then to put difficulties in the way of Europe selling its products.

"The immediate practical step to be taken might well be for several prominent American bankers of established position and prestige to invite to a conference in a neutral country the foremost bankers of such neutral countries as could afford reasonable assistance. This conference should be small—not more than two delegates from a country

—and readily workable. A preliminary scheme might be drawn up and, the delegations suitably divided, might personally visit and investigate those European countries that need financial support. When the American neutral commission has returned to its headquarters after these investigations, the needy countries might then send representatives to consult with the commission. Recommendations could then be put before the respective governments concerned."

Mr. Westerman's Career

Mr. Westerman was born in Amsterdam, November 14, 1864, when his father was a partner in the old and important firm of Blikman & Sartorius stationers and printers, he himself being a man of great intellect, a writer and poet, and doing considerable educational and philanthropic work. He established the first school for grown-up people in 1870, but died in 1872 in his thirty-sixth year, leaving the present Mr. Westerman's mother with four young children. She herself was a great worker and a very intelligent woman, in later years giving much time to philanthropic work.

Mr. Westerman went to school in Amsterdam until his sixteenth year, when he left school to become acquainted with his father's firm, in order to become a partner later on. Owing to some difficulties the relation between his family and the firm was severed shortly afterwards and he had to look for a job, the family being not wealthy, although in possession of sufficient means to give all the children a good education.

He then entered the service of Vermeer & Co., a well-known Amsterdam banking firm, doing a considerable arbitrage business, as an office-boy, and was in their employ for nearly nine years. He has always remembered that time with great pleasure because hardly a better opportunity could be obtained to get an all-round knowledge of banking, the partners being hard-working people who took an interest in their employees, then numbering only eight to ten people.

He left this firm to become active in the business of Everts & Schmidt, stock brokers at Amsterdam. He had to take the place of a retiring partner and was given power of attorney, signing for the firm.

Everts & Schmidt were a firm who working closely together with large banking firms, introduced on the Amsterdam exchange American railroad securities and stocks. Mr. Westerman particularly remembers that they introduced the Canadian Pacific and Norfolk and Western common stock, for the firm of Adolph Boissevain & Co., and were the largest dealers in this particular kind of securities and stocks.

Although quite well off for a bachelor in his twenty-fifth year, his income was not sufficient to marry upon, and so Mr. Westerman accepted, in 1892, the position of head bookkeeper for one of the largest then existing Dutch tobacco companies and went to the East coast of Sumatra (Netherlands Indies).

During his seven India years he was in the employ of three different companies, besides being for one year sub-editor of the "Deli-Courant," then the only newspaper on the East coast. Journalistic work always attracted him, it being probably in the

blood, as all his ancestors have been interested in literary work. All through these India years Mr. Westerman was correspondent for Dutch newspapers, and continued to act as Dutch correspondent for the Netherlands East India papers after his return to Holland.

Having made some money, Mr. Westerman returned to Holland in 1899 and became a member of the staff of the Incasso Bank, a very thriving institution in Amsterdam. Some years later he was offered the opportunity of joining in the management of the Rotterdamsche Bank, of Rotterdam, as secretary, and two years later, in 1904, became a managing director of that institution. At that time the Rotterdamsche Bank was a fifty-year-old, very conservative institution of high standing in the country, and was also internationally well known. The capital was held solely in Rotterdam, being then fr. 6,000,000. The other managing directors had been thirty and forty years at the head of the institution, and were quite contented to continue in the old way. Mr. Westerman had more progressive ideas, but had a hard fight to make them see that the bank could not continue to do so, and not before one of them had retired and the other died could he make any headway. From then on and with the assistance of two much younger colleagues, Messrs. Van Tienhoven and Van der Mandele, began the development of the bank to what it is now, an institution with capital and surplus of fr. 100,000,000, owning the largest provincial institutions of Holland, interested in and controlling the Banco Holandes de la America del Sud, and just lately establishing the Netherlands Bank for the Mediterranean.

Mr. Westerman and his colleagues devoted their activities to the development of international relations, he himself taking care especially of the relations in the United States, where certainly this is the best-known bank of Holland, no other bank in that country having so many important accounts in the United States. The managers also gave their endeavors toward developing Holland industrially, and took an active part in the shipping business and trade. The result is that the Rotterdamsche Bankvereniging, which took over various other institutions, both in Amsterdam and Rotterdam—and for that reason used the word "vereniging," which means "union," as a part of its name—is now the largest institution for issues of every kind, the managing director being on the board of over a hundred large concerns. Mr. Westerman himself is chairman of the board of the Holland-American Line and Wm. H. Muller & Co., the largest commercial house of Holland, and is also chairman or director in twenty to thirty other companies.

American Markets In British West Africa

AN ILLUSTRATION of the growing trade between the United States and the British West African Crown Colonies is shown in trade figures for the month of September.

The United States imported from the colonies goods valued at \$1,880,802, more than three times the total for the previous September, while American exports, \$1,429,115, exceeded by more than one hundred times those of the previous September.

THE BANK OF BRITISH WEST AFRICA offers complete and direct facilities to American business men who wish to enter West and North African markets. This institution maintains branches in the principal markets of Egypt, Morocco, Canary Islands, Gambia, Sierra Leone, Liberia, French Ivory Coast, Gold Coast and Ashanti, Togoland, Nigeria, and Fernando Po.

Our New York Office will be glad to supply trade or credit information about these colonies or to explain our service further.

Bank of British West Africa

Head Office, London

New York Office—100 Beaver Street.

R. R. Appleby and Rowland Smith, Agents

Subscribed Capital \$10,000,000

Paid Up \$4,000,000

Surplus and Undivided Profits \$2,000,000

Most Efficient Service

We are enabled through our thoroughly organized and equipped departments, and our close affiliations with prominent banking institutions throughout the world, to offer to merchants, manufacturers and bankers the most efficient service in all lines of banking, foreign and domestic.

THE FIRST NATIONAL BANK of Boston

Deposits \$179,000,000
Resources over 260,000,000

Branch at Buenos Aires, Argentina

Business Conditions in Argentina

ERNESTO TORNQUIST & COMPANY, LTD., of Buenos Aires in a recent trade report sums up the general situation in Argentina as follows:

"The pessimism and uncertainty prevailing here while important strike movements were in progress tend to disappear now that the readjustment of the labor market is practically over. There is no doubt that this unrest has to some extent retarded the progress of the country; it would, however, be erroneous to think that they ever touched the vital nerve of our economic organism. It was a serious temporary obstacle to the free development of trade and industry which had to be overcome and now seems to be passing.

"While it is a fact that Argentina's industries and trade have emerged from the war stronger than ever, it is generally believed that this country's ce-

reals, meat and live-stock will be insufficient to meet the European requirements, however great an impetus may be given to the labor of production, and it is therefore quite understandable that the conviction is growing that this country, with its enormous natural resources, may not only regard the future with absolute confidence, but is very likely on the eve of a period of enhanced prosperity.

"In spite of the high level already attained, all products of this country show a tendency to firmness in prices. Particularly since the signing of peace, the general feeling is still more optimistic, as all signs point to the probability that there will soon be plenty of shipping space on speedy vessels.

"Congress has not yet dealt with the approval of the financial agreement with the Allies and in view of the state of the foreign exchange market at the present moment, it seems problematic whether this will occur in the near future, notwithstanding the great ad-

vantages that would derive from said convention for the country.

"Money remains in fair demand and foreign exchanges, with the sole exceptions of the rates on the United States and Spain, continue in favor of this country.

"Climatic conditions have of late not been favorable. Heavy rains originated severe floods in the center of the Province of Buenos Aires and the National Territory of Formosa, causing some temporary damage to property."



South American Trade

AN extract from an address by John Barrett, who recently resigned from the Pan-American Union, given before the convention of the Associated Advertising Clubs at New Orleans portrays in an interesting way the recent rapprochement of the United States with her South American neighbors. Mr. Barrett said:

Fifteen years ago the annual commerce of the United States with Latin America was valued at approximately \$450,000,000; now it has reached the magnificent total of \$1,750,000,000, or an impressive and remarkable increase of nearly 300 per cent! Then Great Britain and Germany led the United States in their trade with fifteen of the twenty Latin American countries; even before the world war broke out the United States was leading Great Britain and Germany in trade with fifteen of the twenty countries a complete reversal of conditions! Then there was not sufficient travel between North and South America to fill one steamer a month; now there is more travel between them in a month than then in a whole year. Then not more than a few million dollars of United States capital were invested in Latin American properties, securities and Government bonds; now over a billion dollars of United States money are thus invested. Then there was not one powerful United States banking branch in all Latin America; now there are a score of them. Then Spanish was taught in only a few universities, colleges and other schools in the United States; now nearly every university and college and the principal academies, high and commercial schools, to the number of several thousand, give instruction in this language. Then no institution taught Portuguese, the language of Brazil; now

many high educational institutions are teaching it or preparing to do so.



U. S. Trade With Italy

DUE to changes brought about by the war the United States now occupies first place as an exporter to Italy having supplanted both Germany and Great Britain in this regard. By an intense cultivation of the market Germany became very successful in her Italian trade and seemed to have for her purpose the supplanting of Italian-made products with those made in Germany. With Germany eliminated as an exporter to Italy during the war some other nation naturally had to take her place. Although this fell to the lot of the United States, still it cannot be hoped that she will retain that place in the face of renewed competition unless she bends her efforts toward holding the trade.

Naturally Italian merchants are averse to buying American products under the existing exchange situation, but on the other hand the new importing policy adapted by the Italian Government by which, among other things, she allows free importation, subject only to the ordinary tariff regulations, of shoes, hardware, and machine tools has been rather advantageous to our exporters of these products.

According to the monthly circular of the Italian Discount and Trust Company one reason that our trade was so limited with Italy before the war was the fact that our goods received too many handlings abroad before reaching the consumer and hence resulting in increased costs to him. If an American manufacturer desires to do a big business in Italy it is advisable for him to have an agent there. Milan, the biggest industrial city of Italy is generally the best location for such a general agent. British, French and other manufacturers follow to a large extent the custom of having general agents abroad.

In order to keep down the price of certain commodities in Rome the mayor

Use a Canadian Bank for Canadian Business

The unusual conditions affecting Canadian exchange make the operation of financing American trade with Canada a task for specialists with unusual international banking connections.

The officers of the New York Agency of the Union Bank of Canada are specialists in Canadian exchange; behind them stands the whole organization of the Union Bank, with 390 branches in Canada and correspondents in all parts of the world. Their advice and assistance is always at the service of the American exporter, banker and importer doing business with Canada.

*Our booklet
"Protecting Your Canadian Customer"
on request*

Union Bank of Canada

Head Office
Winnipeg, Can.

New York Agency, 49 Wall St.
W. J. Dawson, F. L. Appleby, W. M. Forrest,
Agents

Capital & Surplus
\$13,600,000

of that city has issued an ordinance requiring that certain cotton goods, for instance, be sold on the basis of the cost price plus 15 per cent., that certain other materials be sold at cost plus 20 per cent., etc. Such an arrangement was naturally quite satisfactory to the consumers and it is asserted that the merchants also have entered willingly into the scheme. In connection with prices it is to be quoted that the highest prices in Italy were reached in July of last year while from that time until January 1919 there was a steady decline of prices.



Belgium's Economic Recovery

OFFICIAL figures received by the Guaranty Trust Company from its branch in Belgium indicate that the industries of the country are fast returning to a normal condition.

One thousand seven hundred railroad trains are being moved daily carrying 1,720,000 tons of freight. All main lines are in operation and the revenue from passenger and freight traffic for August, 1919, is even greater than for the corresponding month of 1918. Ninety-five per cent of the destroyed bridges and viaducts have been rebuilt as has all the trackage, which was removed by the Germans.

Industries are fast regaining their foothold and a considerable part of the articles manufactured is being exported. More than 3,700 tons of window pane glass, valued at 5,600,000 francs, were exported the first six months of 1919. This was 90 per cent. of the entire amount produced and the total production now is 40 per cent. of that which obtained in pre-war times. The production of plate glass too has amounted to over 40 per cent. of pre-war production. The spinning and weaving factories of Flanders are again in full operation.

Less than 1 per cent. of Belgium was devastated and a part of this is already under cultivation. The crops are in excellent condition and Belgium as a whole is fast regaining its prosperity.

The machinery received from Germany since April is valued at 2,900,000 francs.



Railroad Development in China

THE completion of railroad projects now under construction in China will do much to develop the resources of the country. A rudimentary system has been constructed in the north of China and it now remains to complete such a system in South China. The Mukden-Peking-Hankow line is now more than an experiment. Its success has been demonstrated and it now forms a spinal column for several other shorter lines leading into it. A similar spinal column is now partly constructed in South China. It is intended to connect Hankow with Canton and is being built from Hankow south and from Canton north. From Kankow the line now extends south to Chuchow and from Canton it extends north to Sui-chow leaving a space of 200 miles yet to be spanned by the railroad. As yet the two branches naturally are of a local nature but when they meet will immediately be strengthened owing to the possibilities of through Canton-Hankow business.

Another big railway project is a line into Szechuan. An American company has surveyed a line into this province. The construction of such a line would involve many such difficulties as formerly encountered by American engineers in building America's trans-continental routes. However, delay has been met in the construction of the line not only because of difficulties of construction, but also because of the fact that there is a British counter-claim to this line, as an extension to a

chord line whose construction has been started west from the region of Pukow.

Altogether approximately 12,000 miles of new lines have been contracted for involving an expenditure, it is said, of about \$600,000,000 gold.

A contract which is to be noted with interest is that of the construction of four 10,000 ton deadweight steamers by the Kiangnan Dock and Engineering Works, ordered by the United States Shipping Board. These vessels will be the product of Chinese workmanship and hence Chinese engineers are ambitious that the work be well done and that the possibilities of China's industrial resources may be recognized. As a compliment to the Chinese, the four steamers will be named the Mandarin, Celestial, Oriental, and Cathay.

The keels were laid early in the spring but owing to the delay in receiving materials for construction the completion of the ships has been delayed. Work is now progressing satisfactorily, however, and when these ships of Chinese construction begin carrying Chinese products into our harbors, a new feeling of interest will arise between us and the Chinese Republic.



Insurance of Foreign Credits

THE Insurance of Foreign Credit has become a fact in England through the establishment there of the Trade Indemnity Company, which has this for its object. It is not a new idea in England but this is the first time it has been actually put into operation.

In regard to trade insurance the London "Times" recently said:

"Insurance of credit seems promised an important place in both oversea and domestic commerce. The way in which it would facilitate oversea commerce may be illustrated by an example. An English manufacturer may be offered the business of selling merchandise to an exporter say, in Brazil, on the strength of six months credit. He him-

The Union Bank of Manchester, Limited

Head Office
17 York St., Manchester, Eng.

Liverpool Office
45 Castle St., Liverpool, Eng.

and branches covering the whole of the district tributary to these two cities, and also WEST YORKSHIRE; including LEEDS, SHEFFIELD, BRADFORD, SALFORD, BIRKENHEAD, OLDHAM, BOLTON, BURY, ROCHDALE, STOCKPORT, HALIFAX (ENG.), HUDDERSFIELD, etc., etc.

Nominal Capital	\$12,500,000
Paid-up Capital	3,750,000
Reserve Capital	3,750,000
Subscribed Capital	7,500,000
Reserves	2,825,000
Surplus over Liabilities	<u>10,325,000</u>

Bankers in the United States and Canada are invited to make use of the Bank's services for all kinds of banking business in the district where the Bank operates, and in Great Britain generally. Collections promptly dealt with, and proceeds remitted by draft or cable transfer on New York, or as desired. Favorable terms.

North American Mails are usually delivered in Manchester and Liverpool earlier than in London.

self knows nothing about the financial standing of the firm in Brazil. He would therefore go to an English insurance institution, which would be in communication with a similar institution in Brazil. The Brazilian institution would investigate the credit on the spot, and, if it found the credit satisfactory, the institution would be expected to retain part of the risk and receive a pro rata proportion of the premium. The English institution would complete the transaction by giving the English manufacturer indemnity to the extent of three-fourths of the sum insured. The Brazilian exporters could likewise insure their British credit.

"The development of such a scheme would relieve manufacturers of much of the worry they now experience in respect of the credit they may give, and it would allow them to devote themselves more freely to their principle business, which should be the improvement of their production. It would not relieve them altogether of thought re-

specting the financing of their business, since they would still be required to bear a proportion of the risk. But for this proviso they would obviously be encouraged to reckless trading."



National Bank of South Africa

THE National Bank of South Africa now has over 400 branches established in South Africa and, according to a report of the directors presented to the shareholders at the ordinary general meeting held at Pretoria on June 25, passed a prosperous year, ending March 31, 1919. After making full provision for bad and doubtful debts and applying £50,000 in the reduction of the bank premises account, the net profits of the year were £473,607 6s 4d inclusive of the balance of £35,736 1s 1d brought forward from March 31,

1918. It was recommended that the profit be apportioned as follows:

To dividend of 6 per cent (of which the interim dividend paid for the six months ended September 30, 1918, absorbed £85,800, 16s, 5d) plus a bonus of 1 per cent	£200,400	16	5
To reserve fund (raising it to £1,050,000)	200,000	0	0
To pension fund...	50,000	0	0
To balance carried forward	23,206	9	11
	<hr/>		
	£473,607	6	4

Dollar Understood Better Than Pound

THAT securities issued in dollar denominations are more easily salable in Canada, France, Holland, Scandinavia and other countries outside of the British Isles than securities issued in sterling, is the opinion of a group of British financiers, which recently incorporated the British Controlled Oilfields, Ltd., which was financed in London, under Canadian laws, with an authorized capitalization of \$40,000,000, although no issue of stock is being made outside the British Isles.

There was no public offering made in England the preferred shares being offered privately in England by friends of the promoters of the scheme. The fact that these shares were purchased in England would indicate that the idea of issuing the securities in terms of the dollar was to facilitate future transfers of the stock rather than to aid in the original flotation.

E. Mackay Edgar, head of Sperling & Company, of London, who handled the flotation explained that his financial experience has convinced him that the dollar was better understood throughout the world than the pound.

That "dollar exchange" will eventually supplant sterling exchange is the

belief of many of our financiers and the fact that this is also the idea of some of Britain's financiers goes far to strengthen this idea.

Condition of Skandinaviska Kreditaktiebolaget

THE statement of the condition of above bank on September 30, 1919 is set forth below:

ASSETS

Cash	Kr. 24,644,647:62
Loans on securities ...	519,545,568:42
Bills discounted	248,478,116:59
Securities	30,252,746:90
Current accounts	294,772,090:38
Due from other banks	148,865,251:57
Sundry accounts	79,693,016:—
Bank premises	9,630,531:25

Kr. 1,155,381,968:71

LIABILITIES.

Paid up capital	Kr. 73,840,000:—
Reserve fund	81,660,000:—
Deposits	439,285,512:40
Current accounts	285,269,820:44
Due to other banks ..	167,211,855:37
Sundry accounts	86,079,282:75
Bills in circulation ...	22,035,497:75

Kr. 1,155,381,968:71

Swiss Economic Mission

MUCH interest here was attached to the Swiss Mission of Economic Studies, numbering over two hundred members, which has been touring the country in an effort to learn more of the superior American industrial methods and to learn what features of American industry can be applied to Swiss industry. The commission included groups representing commercial, industrial, machine and automobile, electrical, gas and water, textile, welfare and other industries and hence was very comprehensive.

By reason of her geographical situation and her neutral attitude during the war Switzerland did a big business

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Paris Branch: 16 Rue Halevy.

Lisbon Branch: 32 Rua Aurea

Antwerp Branch: 22 Place de Meir

	(\$5-21.)
CAPITAL (Authorized) - - - - -	\$20,000,000
SUBSCRIBED CAPITAL - - - - -	15,000,000
PAID-UP CAPITAL - - - - -	9,000,000
RESERVE FUND - - - - -	10,500,000

DIRECTORS.

E. BOSS DUFFIELD, Esq.
 RICHARD FOSTER, Esq.
 FOLLETT HOLT, Esq., M. Inst. C.E.
 KENNETH MATHIESON, Esq.

J. W. BEAUMONT PEASE, Esq.
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ARGENTINA:—Buenos Aires, Rosario de Santa Fe, Mendoza, Bahia Blanca, Concordia, Tucuman, Cordoba, Parana. Also in Buenos Aires:—Barracas al Norte, Once, Boca, Calle Santa Fe 2122 and Calle B. de Irigoyen 1138. **CHILE**:—Valparaiso, Santiago.

Correspondents in all other places of importance in these South American Countries.

Documentary Bills Bought, Advanced Upon or Received for Collection,
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with all of the big belligerent nations. In the proposed channel route from London to Bagdad, Switzerland is also an important link. By reason of her position she is of great value to American manufactures as a distributing center for American trade with Central European countries.



Pan-American Financial Conference

BROADER and better trade arrangements with Latin American countries are expected to result from the Second Pan-American Financial Conference, which will convene in Washington, on January 12, 1920. The meeting will last one week, and the twenty-one Republics of America will be represented by from fifty to sixty delegates.

This will be the second international

financial conference called by the Secretary of the Treasury for the purpose of conferring with the financial authorities of the American Republics. The first was held in 1915. It will not deal with loans from one government to another, nor directly with loans obtained in the markets of the United States by the governments of Central and South America. The conference will be concerned solely with the establishing of a favorable basis for the coming together of financiers. It involves no official commitment for any of the governments represented.

The financial requirements of the Latin American Republics at the present time and during the next few years will constitute the chief subject for discussion.

The problem of improved banking facilities for the representatives of the United States in Latin America also will come up for detailed discussion. At the present one bank has, either directly or through affiliated institu-

tions, more than twenty branches in Latin America, while another is in control of at least six local financial institutions in Latin America. Other banks are opening branches or securing financial interest in existing institutions or establishing agencies suitable for the work which they carry on. An extension of United States facilities through a greater use of acceptances and other less widely known means of expanding credit without upsetting the equilibrium of exchange, will naturally come in for discussion.

The present exchange situation in Latin America, which requires careful examination, will be one of the topics of primary importance at the conference. Agreements, whether unofficial as between banks, or official as between governments in the form of guaranty of international clearings operation, will be studied and formulated or sanctioned by the conference before its adjournment. The hope is entertained that the conclusion of the International Gold Clearance Convention between the United States and a number of the other republics, will be brought to an advanced stage before the close of the conference. Exchange conditions have been improving rapidly during the past year, and it is not thought that much time would elapse before they will be entirely restored to normal, to the benefit of all concerned.



John H. Patterson's Impressions of European Trade Conditions

JOHAN H. PATTERSON, president of the National Cash Register Company, who recently returned from a trip through France, England, Belgium, and Germany, came back with a feeling of optimism in regard to the resumption of business activities in these countries. While there, he came in contact with some of Europe's leading business executives and found that

the general attitude was to get down to business again.

In France, excellent crops were being harvested and industries were being resumed to such an extent as to lead Mr. Patterson to believe that France will show even greater recuperative powers than she did after the Franco-Prussian war.

In regard to Belgium he says that agriculturally Belgium is almost on her feet again and although her industries are still in an unsettled condition, considerable progress is being made in rebuilding mills and factories and in recovering machinery appropriated by the Germans. Much more rapid progress will be made, he thinks, as soon as Belgium begins to receive her indemnity payments.

His party was one of the first groups of business men to reach the German capital. He noted that Germany had been hit hard by the war and that her railroad systems and rolling stock have greatly depreciated. She is striving hard to resume normal conditions but this, he thinks, will be extremely difficult until after the peace treaty has been definitely ratified. Germany still needs food, coal for her industries, and raw materials such as wool, cotton, copper, oils and hides.



The Jewish Bank of Palestine

THE Anglo-Palestine Company, or as it is called in Palestine, the Jewish Bank is displaying great activity. In spite of all the difficulties under which the bank labored in the days of the Turkish rulers, who finally decreed its liquidation, the confidence of the population in the bank has remained unshaken. Since the conquest of the land by the British, the head bank in Jaffa and its branches elsewhere in Palestine resumed their activities. The Anglo-Palestine Bank was founded by the Zionist Organization for the development of the future Jewish Homeland.

The large business houses as well as



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Capital

and

Surplus

\$3,000,000

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Oscar H. Swan - - -	Cashier	Chas. S. Macferran - -	Asst. Cashier
	Walter L. Johnson -		Asst. Cashier

numerous small traders were at once able to resume their commercial relations with Egypt, and for this purpose the bank accorded them a large credit. In this way the Jaffa and Jerusalem markets have been supplied with many Egyptian goods, according to a bulletin issued by the U. S. Bureau of Public Information. The colonies were granted various credits for the purpose of procuring the necessary materials, and the organization of Jewish colonies was consequently enabled to send a special buyer to Egypt. Many owners of orange plantations were able, thanks to the credit extended to them by the bank, to procure the necessary petroleum, oil and coal which were placed at their disposition by the British government. The owners of the other colonies have also received large credits. In all colonies groups are now being formed with the object of procuring the necessary materials for planting and sowing. With the credit given by the bank it will be possible speedily and successfully to carry out

these tasks. Each day large deposits are received by the bank from abroad on behalf of all kinds of institutions as well as private individuals."

The "Palestine Survey" adds the following data:

The Anglo-Palestine Bank has given short term loans to planters, thus materially aiding the development of orange growing, almond exporting, and vine planting. It has developed dairy farming and cattle raising. In the field of trade it has supplied capital to the Jewish colonist and consequently Jewish commerce has grown rapidly. If the combined import and export figures of Jaffa, for instance, have risen from Frs. 19,000,000 in 1903 to Frs. 51,000,000 in 1913, the Anglo-Palestine Bank may claim that this increase is to a very large degree if not mainly, due to its activity. It has persistently tried to introduce the coöperative idea in Palestine. Thus the Jewish Vine Growers Syndicate was formed with its assistance, and it has tried to have the idea accepted in the organization of coöperative stores, in the purchase of manure, in the common use of agricultural implements, etc. The A. P. C. has also, though to a more limited extent, granted long-term loans for agrarian and

urban enterprises. It was obliged to purchase land when there were no other companies so engaged; upon the establishment of such companies it confined itself to advancing loans for the furtherance of that work.



Philippine Foreign Commerce

FULL returns of Philippine foreign trade for the year ending June 30, 1919, now compiled and made available by the Bureau of Insular Affairs of the War Department, show still further increases in the value of both imports and exports over the already exceptional totals of the previous year. Soaring prices, however, have made values a less trustworthy guide than in normal times, and a detailed review of the figures shows in the closing months less favorable trade conditions than characterized the latter part of the war period, with the trade of the year as a whole, notably in the case of exports, made up of a blending of culminating war activities and of reaction following the armistice.

The import total reached the enormous sum of \$107,774,268, or about 480 per cent. more than that of the previous year, and about double the pre-war average, but advancing prices rather than increased volume of business was the leading factor in the larger figures. An important exception, however, is to be noted in the machinery trade, which more than doubled in value and was conspicuously made up of oil-extracting and sugar machinery, large imports of which for the development of leading export industries of the islands represent both a present and a future importance to Philippine trade. The important trade in cotton textiles, on the other hand, fell far below the phenomenal quantity of 1918, and at equally exceptional prices declined to very small proportions in the latter half of the year.

Imports of rice were somewhat smaller in quantity, but at an increase of over two million dollars in value, and these figures cover a condition of much gravity still pending in the islands. A

disastrous shortage in production in the great rice-exporting countries and generally throughout the East was early realized, and the Philippine government relieved the price situation by temporary suspension of import duties pending the harvesting of the reduced crop of last winter. Prices, however, continued to advance with the depletion of the inadequate stocks doled out under embargoes and trade limitations imposed by exporting countries, until at the end of the year under review rice was selling in Manila at nearly double the already high figure prevailing at the beginning, and with relief from the new crop harvest still some months distant, the islands and the Orient generally are confronted with a food problem the most acute in recent times.

The export total of \$122,729,288 somewhat exceeded that of 1918, but it is of interest to note that of this huge sum less than 40 per cent is credited to the latter half of the year, and in this fact is to be found some measure of the slowing down of the war-stimulated export trade and the reaction of the armistice period. Reduced quantities and declining prices of hemp and cocoanut oil, the two leading exports, virtually explain this reduced total of the latter part of the year. Of the reduced hemp shipments for the year as a whole, the unprecedented quantity of 96,880 long tons was exported during the first six months and only 86,268 long tons in the closing six months, with the price movement generally downward throughout, following the termination of government fixed prices. There was also a marked decline in production in the latter half of the year, attributable to a typhoon in the hemp-producing districts late in December and to unsatisfactory market conditions. A further element in reduced exports is to be found in exceptionally heavy accumulations of stocks in the islands, and the close of the year found this, the leading Philippine export industry, still under the depression of the armistice period, and awaiting the arrested world demand for

The Bank of the Philippine Islands

(ESTABLISHED 1851)

MANILA, P. I.

BRANCHES: ILOILO AND ZAMBOANGA

ELISEO SENDRES, President

RAFAEL MORENO, Secretary

D. GARCIA, Cashier

O. M. SHUMAN, Chief Foreign Dept.



(\$0.50 = 1 peso)

Authorized Capital	(pesos) 10,000,000.00
Capital fully paid-up	6,704,600.00
Reserve Funds	3,577,300.00

Transacts general banking business. Buys and sells exchange on all the principal cities of the world.

AGENTS

London: Nat'l Bank of Scotland, Ltd.
 Spain: Banco Hispano Americano
 Hongkong: Netherland India Com'l Bank
 San Francisco: Wells Fargo Nevada Nat'l Bank
 New York: National City Bank, The Guaranty Trust Company and The Equitable Trust Co.

Paris: Comptoir Nat'l d'Escompte
 Australia: Bank of New South Wales
 Shanghai: Bank of Canton, Ltd.
 Chicago: Continental & Commercial Nat'l Bank
 Japan: Yokohama Specie Bank, Ltd., Bank of Taiwan, Ltd., and Sumitomo Bank, Ltd.

raw materials and the resumption of normal trade with the final coming of peace.



Industrial Bank of Japan, Ltd.

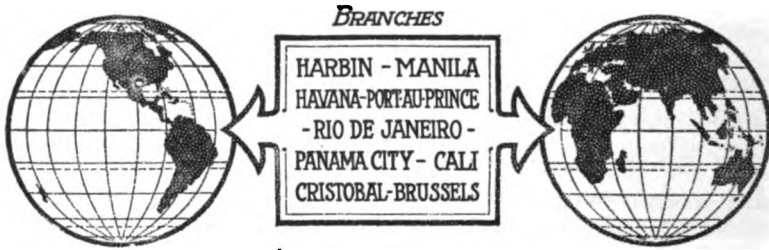
THE results of the first half year's operations of this bank, were summed up as follows by H. Hijikata, president of the bank, in an address to the shareholders:

With the growth of transactions and the comparatively higher rate for money loans which prevailed, the gross earnings of the bank during the half year under review exhibit a substantial increase. After continuing the projected readjustments of certain loan accounts of a doubtful nature and the depreciation in the property accounts, the bank's earnings still show satisfactory results. In figures, the gross earnings of the head office and branches of our bank for the half-year under review stood at 12,023,624 yen. Adding this to the balance of 82,236 yen brought forward from the preceding half-year, the total becomes 12,105,860 yen. On deducting the gross expenses, 10,862,076 yen, the

net profits amount to 1,243,784 yen of which a sum equal to 7 per cent. on the paid up capital was designated as the dividend which will be the same as that for the previous half-year. The balance is to be distributed among the reserves and other funds. For this proposed distribution of the profits, I now ask your approval. The present capital of the bank is 30,000,000 yen almost wholly paid up. The principal working funds of the bank, derived from the issue of debentures, reached 213,240,000 yen at the end of the half-year under review, leaving in reserve for the issue of further debentures only 67,560,000 yen. It is therefore manifestly desirable, in view of the steady growth of business throughout the Empire, that the bank's capital and consequently its power to issue debentures, should be increased. In this way the bank will be able still further to strengthen its foundations and expand its credit, both at home and abroad. Accordingly, I think the time has come when the bank should increase its capital, and for that purpose, I shall submit a proposal for your approval in the extraordinary meeting of the shareholders which will follow immediately after this ordinary meeting.

The increase in capital mentioned above was approved and the bank has

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applied to the Government to sanction an increase of its capital from 30,000,000 to 50,000,000 yen by permitting the necessary amendment to its by-laws.



New Foreign Finance Company Organized

THE organization has been announced in New York of the Foreign Finance Corporation with a capitalization of ten million dollars. This is regarded as one of the most important steps towards increasing American investment in foreign securities that has been taken. The new organization represents some of the strongest financial interests in New York. According to the formal statement which was issued by J. P. Morgan & Company the primary purpose of this concern will be "to invest funds in enterprises or securities which hold forth promise of safe and satisfactory return."

The directors of the corporation will include J. P. Morgan and H. P. Davison, of J. P. Morgan & Company, James S. Alexander, president of The National Bank of Commerce; George F. Baker, Jr., vice-president of the First National Bank; George W. Davidson, vice-president of the Central Union Trust Company; Harvey D. Gibson, president of the Liberty National Bank; Seward Prosser, president of the Bankers Trust Company; Charles H. Sabin, president of the Guaranty Trust Company; James Stillman, president of the National City Bank; Albert H. Wiggin, chairman of the Chase National Bank; and A. M. Anderson, of J. P. Morgan & Company. Mr. Anderson will be elected president. The headquarters of the corporation, until permanent offices can be established, will be at J. P. Morgan & Company.

The capital stock of the corporation will be divided into shares of \$100 par value. Not all of this will be called for immediately. Papers of incorporation have been filed in Albany.



SIR HENRY LUMLEY DRAYTON, K.C., K.B.
Canadian Minister of Finance

The charter of the corporation places no limit on the amount of its investments and should it be found necessary its capitalization could be increased to take care of growing business. Its scope is not limited to the foreign field as it also may engage in investments in this country, it was explained. It bears no similarity to the corporations proposed under the Edge Bill, in that it will not advance commercial credits in the interest of foreign trade, rather it will act along lines similar to those followed by the British investment trusts. While at present it contemplates no issue of debentures, it was asserted, such a procedure might be adopted should the corporation desire to extend its operations with borrowed money.

To the extent that it invests in foreign securities and in other foreign holdings, the bankers interested explained, its operation will have a favorable influence on the foreign exchange

situation and, in this way, tend to support export trade. But the financing of foreign commerce does not come within its intentions.



Increased Production in England

ENGLAND, as the other belligerent nations of Europe, is striving for increased production, because that, more than anything else would restore the foreign exchanges. It would provide a fund for the repayment of her foreign debts and also for the funding of her floating indebtedness. Relative to this Barclays Bank, Ltd., in its monthly review has to say: "If we restricted our note issue, then increased production would tend to bring the supply of money into a better relationship with the supply of goods and the cost of living would be reduced while the standard of living, i. e., real wages, would be increased. Indeed, with increased production most of our difficulties would either entirely disappear or be reduced to manageable proportions."

It is believed that the efficiency of the British laborer has decreased and that the high-paid American laborer and low-paid Japanese laborer are severely threatening Great Britain's industrial progress. One of the chief causes for small production, however, no doubt lies in the unrest in the labor world founded on distrust. The laborers will not put their best into their work if they feel that they are not getting the just products of their labor.

Many methods have been employed on the part of the employers to interest the men in their work and to prevail upon them to enter wholeheartedly into it. For instance, a typical case in the Birmingham district is that of a manufacturer who has the results of each department tabulated each week. The employer then addresses his workmen each week pointing out which are the lax departments and how laxity in some departments has a bad effect

on all as far as production is concerned. These talks produce coöperation on the part of the workers, the output is increased and higher remuneration results for the workers. In another case a minimum output has been settled on and employees receive a bonus on any output exceeding the minimum.



Savings Bank of South Australia

THE gross revenue for the year ending June 30 for this bank amounted to £526,629 6s 9d. Deposits amounted to £8,275,910 18s 11d, an increase of £1,609,477 9s 6d.

During the war 65 officers of this bank enlisted, of whom ten were killed in action, one died of illness and eight were decorated.



American Investors and Foreign Bonds

THE over-subscription of the \$250,000,000 British Government loan reflects the growing interest of American investors in the high-grade bond offerings of the belligerent governments, according to William A. Law, president of the First National Bank of Philadelphia. Mr. Law states in a recent trade letter:

Over-subscription of the \$250,000,000 British Government loan reflected the growing interest of American investors in the high-grade bond offerings of the belligerent governments. The marketing of this great loan will be of direct influence in stabilizing foreign exchange rates since nearly half of the proceeds of the loan will be utilized by the British Government for supplying dollar credits to British purchasers of American merchandise and foodstuffs. This flotation has opened the way for the offering of other foreign government loans in the United States, and the probability is that a large number of issues, other than those put out by French municipalities, will be placed in this country during the coming months.

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An extensive program of such foreign financing has been formulated and unless unforeseen obstacles should be encountered, or the markets here become otherwise congested, the probability is that several highly interesting foreign loan announcements will be made. The success of the foreign loans thus far placed here reflects the distinct progress that has been made within the last two or three years in the work of educating American investors to purchase the high-grade loans of other countries and municipalities.



**Queensland National Bank,
Limited**

THE ninety-fourth half-yearly report of the Queensland National Bank, Ltd., of Brisbane, Australia, was submitted July 10, 1919 at the half-yearly meeting of the shareholders. Net profits for the half-year ending June 30 were £54,394. This, added to the £6,515 brought forward from the last half-year, made a total of

£60,909. An interim dividend at the rate of 10 per cent. per annum, of £12,000 was paid for the quarter ending March 31, 1919. This left a balance of £48,909 which it was proposed to apply as follows:

Dividend for the quarter ending June 30 at the rate of 10 per cent. per annum free of state income tax £17,418; to be applied to the reserve fund, £25,000; balance to be carried forward, £6,766.



**The National Bank of India,
Limited**

NET profits for the half-year ending June 30, 1919, after providing for all bad and doubtful debts amounted to £185,258, according to the report of the directors submitted to the shareholders October 8, 1919. An ad-interim dividend at the rate of 20 per cent. per annum, free of income

tax, was declared amounting to £100,000. A balance of £208,722 was carried forward.



Banque Internationale de Commerce

ANNOUNCEMENT has been received from Paris of the organization of the above bank with a capital of 15,000,000 francs. The principal stockholder is the Banque Internationale de Commerce de Petrograd, and the personnel of the new institution will be largely identical with the Petrograd bank. The object of the new institution is to avoid any danger from events which are likely to occur in Russia before order is once more restored. The office of the bank is located at 26 Rue Laffitte, Paris.



Commonwealth Bank of Australia

THE aggregate balance sheet of this bank on June 30, 1919, shows total assets of £65,321,646 and "deposits, accrued interest and rebate" of £48,672,182. In the Savings Bank Department, depositors' balances (with interest accrued) were £17,789,422. Profits for the half-year ended June 30 were £388,672.

The bank holds in gold coin for the treasurer of the Commonwealth £12,048,848.



Canadian Bankers Association

THE annual meeting of the Canadian Bankers Association was held in Montreal last month. E. L. Pease, managing director of the Royal Bank of Canada, retired from the presidency after filling that position for the past three years. C. A. Bogert, Toronto, general manager of The Dominion Bank, was elected to the office in con-

formity with the usual rotation followed by the association in alternating its choice between Montreal and Toronto bankers. Mr. Pease was made an honorary president of the association.

The vice-presidents elected at the meeting were as follows: Sir Frederick Williams-Taylor, general manager of the Bank of Montreal; M. A. Richardson, general manager of the Bank of Nova Scotia; Sir John Aird, general manager of the Canadian Bank of Commerce, and C. E. Neill, general manager of the Royal Bank of Canada.

The president and vice-presidents, together with Edward C. Pratt, general manager of the Molsons Bank, and J. P. Bell, general manager of the Bank of Hamilton, constitute the executive committee of the association.

The ordinary routine business was transacted, it was stated after the meeting adjourned this afternoon.



Paris Office of Bankers Trust Company

NEGOTIATIONS that have been pending for the past six months have resulted in the Bankers Trust Company of New York acquiring the Hotel Bristol, in Paris, for a Paris office, according to a cable received by the company from Fred I. Kent, vice-president. Mr. Kent's cable stated that the Japanese Peace Commission which has been temporarily occupying this property had vacated it, and that the Bankers Trust Company would take possession on December 1.

The Hotel Bristol, which for years has been one of the most famous hotels in Paris, is located at 3 and 5 Place Vendome, with a frontage on Rue St. Honore. This site is within a few blocks of the Opera, Jardin des Tuileries and Champs-Elysees, and is centrally located for American tourists who visit Paris. The Hotel Bristol has been since the Third Empire one of the most famous hotels in Paris, and

BANKAKTIEBOLAGET SÖDRA SVERIGE

Head Office : HELSINGBORG, Sweden

Branches STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS and in 62 other
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Capital Paid Up . . . Kr. 30,000,000
Surplus About . . . Kr. 17,200,000
Resources About . . . Kr. 373,000,000

The organization and excellent relations of this Bank secure to its clients the most efficient handling of their business on moderate terms

Inquiries and applications for terms are cordially invited and will find prompt attention

Principal New York Correspondents { **The Mechanics & Metals National Bank**
The National City Bank of New York

for many years it was a favorite abode of visiting royalty. The exterior presents a fine appearance that is in keeping with the quality of the Bankers Trust Company's downtown and uptown offices in New York. There are four floors and a basement, with a total of 21,240 square feet, and work will be begun at once for an extensive reconstruction of the interior to fit the needs of the Bankers Trust Company.

Because of the fact that the Bankers Trust Company is trustee for the "A.B.A." travelers' cheques, issued by the American Bankers Association, special arrangements will be made in this Paris office for the convenience of tourists using these cheques.

It is hoped that the reconstruction work on the interior of this building may be completed so that it will be ready to handle all the Paris business of the Bankers Trust Company by spring. The Bankers Trust Company's present Paris office, which is in charge of Bertrom Lord, is at 5 Rue Scribe.



The Yokohama Specie Bank, Limited

THE report of the board of directors of the Yokohama Specie Bank, Ltd., to the shareholders at the seventy-ninth half-yearly ordinary general meeting held September 10, 1919, showed the subscribed capital of the bank to be Yen 100,000,000, the paid-up capital

Yen 61,000,000, and the reserve fund Yen 28,000,000.

The gross profits of the bank for the half year, including Yen 3,201,563



R. ICHINOMIYA

Agent. New York Office, Yokohama Specie Bank, Ltd.
Mr. Ichinomiya is also a director of the bank

brought forward from the last account, amounted to Yen 103,696,589, from which the sum of Yen 94,399,754 was deducted for interest, taxes, current expenses, rebate on bills current, bad and doubtful debts, bonus for officers,

clerks, etc., leaving a balance of Yen 9,296,835 for appropriation.

The directors proposed that Yen 3,000,000 be added to the reserve fund and recommended a dividend at the rate of twelve per cent. per annum, which absorbed Yen 2,520,000.

The balance of Yen 3,776,835 was carried forward to the credit of the next account.

The Yokohama Specie Bank, Ltd. has thirty-six branches throughout the world, and has maintained an office in New York since 1887. Mr. R. Ichinomiya is the agent of the New York office and has ably managed it for the past twelve years. Mr. Ichinomiya was elected a director of the bank about a year ago.



The Anglo-South American Bank, Limited

ACCORDING to a report of the board of directors presented to the shareholders at the thirty-first annual general meeting held at the Winchester House, Old Broad Street, London, on October 22, 1919, the Anglo-South American Bank has had an unusual period of prosperity during the war. The item of "current, deposit and other accounts" advanced from £7,182,224 in 1913 to £41,829,904 in 1919, showing a remarkable increase of business.

In view of the development of the bank's business, the board asked for authority to increase the capital from £5,000,000 to £10,000,000, but the extent of the new issue proposed to be made at present was 150,000 shares, which if effected would raise the subscribed capital to £6,000,000, of which £3,000,000 would be paid up. These shares, which will be in all respects similar to those already issued, will be offered to the existing shareholders in the proportion of one new share for every three old shares at a premium of £4 per share, payable by instalments, details of which will be announced in due course.

The net profit for the past year, after making allowance for rebate, etc., amounted to £520,082 10s. 2d., which, together with £188,887 7s. 2d. brought forward, made a total of £708,969 17s. 4d., of which £94,498 1s. 0d. was absorbed by the interim dividend paid on April 15 last, and £8,102 9s. 6d. is payable to the directors by way of additional remuneration as per the articles of association. There was then left an available balance of £606,369 6s. 10d., of which the directors recommended that:

£	s.	d.	
141,750	0	0	be applied to the payment of a final dividend of 9s. per share, less income tax, payable on October 28, making a total distribution for the year of fifteen per cent.
150,000	0	0	be added to the reserve fund, making the total amount thereof £1,750,000.
23,000	0	0	be added to the staff pension and guarantee fund.
50,000	0	0	be applied in payment of a bonus to the staff, and that the balance of
241,619	6	10	be carried forward.
<hr/>			
£606,369	6	10	

The balance sheet for the close of business June 30, 1919, is shown on the opposite page.

During the war one hundred and ninety-three members of the staff took part in the fighting forces of Great Britain and her allies, and of whom thirty-two lost their lives and two were prevented from resuming employment with the bank on account of permanent disabilities. As a recognition of the devotion of these men, the directors recommended that a special contribution of £8,000 be made to the staff pension and guaranty fund, that sum being the total amount necessary to reimburse the various grants which have been made to

those who are permanently disabled and the relatives of those who have fallen. The New York agency of the Anglo-South American Bank is located at 49 Broadway, F. C. Harding being the agent and W. M. Dawkin sub-agent.

		LIABILITIES					
		£	s. d.	£	s. d.		
Authorized Capital—							
500,000 Shares of £10 each.....		5,000,000	0 0				
Issued Capital—							
450,000 Shares of £10 each, on which £5 per Share has been called up and paid.....				2,250,000	0 0		
Reserve Fund				1,750,000	0 0		
Special Reserve on account of Depreciation of Capital in Chili				183,826	12 11		
Bills Payable—							
Drafts on Head Office Branches.....		7,213,170	19 5				
Drafts on London and Foreign Bankers.....		116,899	1 5				
				7,330,070	0 10		
Acceptances on Account of Customers.....				3,933,114	6 9		
Current, Deposit and other Accounts.....				41,929,904	7 8		
Bills for Collection.....				3,484,522	7 9		
Rebate of Interest on Bills, etc., not due.....				53,213	1 2		
Profit and Loss, as per Account below.....		708,969	17 4				
Less—Interim Dividend paid April 15,							
1919	£94,498	1 0					
Transfer to Reserve Fund.....	150,000	0 0					
				244,498	1 0		
						464,471	16 4
To Liability on Bills Rediscounted, on Uncalled Capital on Investments held, and Guarantees, £7,041,797 16s. 7d., of which £6,709,574 5s. 2d has run off.							
						£61,279,122	13 5
		ASSETS					
		£	s. d.	£	s. d.		
Cash in Hand at Bankers and at Call.....				16,673,140	15 1		
Bills Receivable				12,907,959	14 1		
Investments—							
English and Foreign Government, Railway and other Securities		4,811,166	5 0				
Holdings in Foreign Banks and kindred Companies..		892,328	1 7				
				5,703,484	6 7		
Less—Investments Reserve		310,000	0 0			5,393,484	6 7
Liability of Customers for Acceptances <i>per contra</i>				3,933,114	6 9		
Advances, etc.				18,553,760	14 3		
Bank Premises, Office Furniture, etc.....				333,140	8 11		
Bills for Collection <i>per contra</i>				3,484,522	7 9		
NOTES.—							
The difference between the Assets and Liabilities in Chili is taken at the rate of Exchange current at the date of the accounts, viz., 10 27/32d., with the exception of such portion as represents the Capital employed in Chili, which is now taken at 18d.							
The Special Reserve of £183,826 12s. 11d. is sufficient to write this Capital down to 10d. per dollar.							
Out of the above Assets £1,314,453 1s. 6d. have been lodged:							
As Guarantee to the Chilian Government for due payment of Drafts issued for Duties.....	£395,006	6 6					
For other purposes (amount of lien).	919,446	15 0					
				£1,314,453	1 6		

THE MERCANTILE BANK OF INDIA (LIMITED)

Head Office: 15 GRACECHURCH STREET, LONDON, E. C. 3.

Capital Authorized and Subscribed	\$7,500,000	(£1,500,000)
Capital Paid-up	3,750,000	(£ 750,000)
Reserve Fund and Undivided Profits	3,928,970	(£ 785,794)

BANKERS: Bank of England; London Joint City and Midland Bank (Limited)
Branches and Agencies in India, Ceylon, Straits Settlements, China, Japan and Mauritius

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes and transacts Banking and Agency Business in connection with the East on terms to be had on application. Fixed Deposit rates quoted on application. On current accounts interest is allowed at 2 per cent. per annum on daily balances.

NEW YORK AGENCY—Bank of Montreal

International Banking Notes

An announcement has been received that the title of Lloyds Bank (France) Limited has been changed to Lloyds & National Provincial Foreign Bank, Limited.

The American Colonial Bank of Porto Rico has announced a semi-annual dividend of 5 per cent., payable December 3, 1919 to stockholders of record on November 14, 1919.

At Changsha, China, the Asia Banking Corporation has opened its eighth branch in the Far East. Other branches are at Shanghai, Hankow, Peking, Tientsin, Hongkong, Canton, and Manila, P. I.

At the last meeting of the board of directors of the Mercantile Bank of the Americas, New York, Vicente Gonzales was appointed assistant manager.

The African Banking Corporation, Ltd., 64 Wall Street, New York, has received the following cable from their London office: "Board of directors have recommended final dividend for the year ended September 30 last, of 5 per cent, less income tax, being at the rate of 10 per cent per annum and 9 per cent for the year and payable January 16, 1920."

A grant of \$2,500 was recently made by three prominent banks of Halifax, through the Board of Trade, for the study of Spanish. The banks alone have about eighty young men who wish to take up the study of the language.

This desire for the study of Spanish is an indication of the commercial and financial interest in regard to South America, which is growing in Canada.

It has been announced from London that A. C. Willis has retired as manager of the Union Bank of Australia, Ltd., and that Wm. J. Essame has been appointed in his place. Mr. Essame formerly held the position of assistant manager. Wm. A. Laing, who formerly held a position of accountant, has been appointed assistant manager, and Guy S. Godden has been appointed accountant.

The Banco Internacional de Cuba now has eighty-two branches throughout the island. This bank, whose head office is in Havana, specializes in collections, credit information, commercial credits and foreign exchange.

The Mercantile Bank of the Americas announces the opening of a branch in Madrid, Spain. This is in addition to its present branch at Barcelona.

The sixth branch in the Far East of the Asia Banking Corporation has just been opened for business at Manila, Philippine Islands. The other Far Eastern branches are at Shanghai, Hankow, Peking, Tientsin and Hongkong, China.

The Mercantile Bank of the Americas, New York, has acquired controlling interest in the Banco Mercantil de Costa Rica, which has a paid-up capital of approximately \$700,000 and is located in San José, Costa Rica.

Banking and Financial Industry

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



THE LIBERTY NATIONAL BANK *of* NEW YORK

CAPITAL - - - - \$5,000,000.00
SURPLUS - - - - 5,000,000.00
UNDIVIDED PROFITS 2,080,000.00

OFFICERS

HARVEY D. GIBSON	President
DANIEL G. REID	Vice President
ALEXANDER V. OSTROM	Vice President
CHARLES W. RIECKS	Vice President
ERNEST STAUFFEN, Jr.	Vice President
JOSEPH A. BOWER	Vice President
BENJAMIN E. SMYTHE	Vice President
JAMES G. BLAINE, Jr.	Vice President
JOSEPH S. MAXWELL	Vice President
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MAURICE F. BAYARD	Vice President
FREDERICK W. WALZ	Cashier
FREDERICK P. McGLYNN	Assistant Cashier
THEODORE C. HOVEY	Assistant Cashier
LOUIS W. KNOWLES	Assistant Cashier
RAYMOND G. FORBES	Assistant Cashier
DANFORTH CARDOZO	Assistant Cashier
C. CARLTON KELLEY	Assistant Cashier
EDWARD J. WHALEN	Assistant Cashier

When You Build That New Home for Your Bank

You will require the services of a competent bank architect and equipment engineer who can provide you with a distinctively modern building, with first class equipment throughout and absolute security in vault work. Convincing evidence that we furnish complete service of this character is shown by the fact that we have been selected by the following banks among many others :

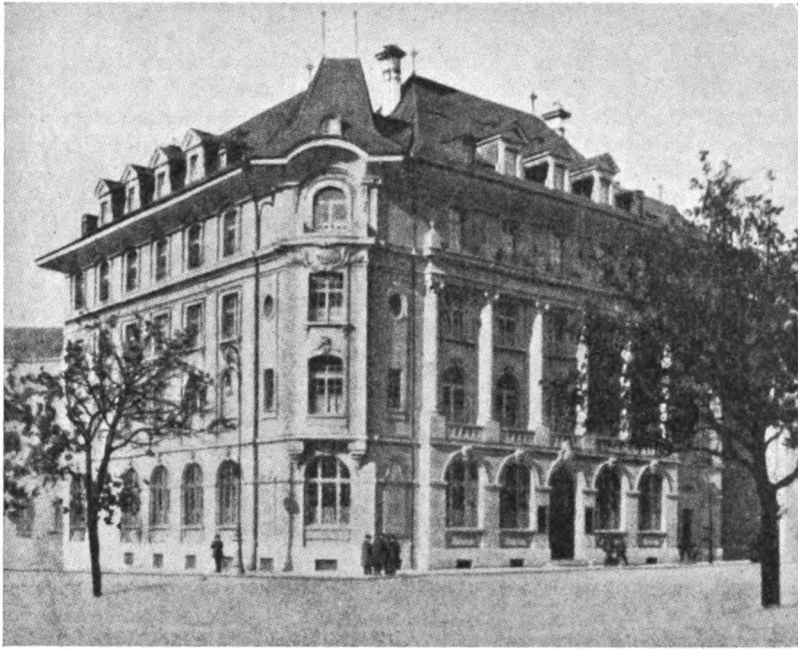
Seaboard National Bank, New York
National Bank of Commerce, New York
Asia Banking Corporation, New York
Mercantile Trust Company, New York
American Exchange National Bank, Dallas, Texas
Charlotte National Bank, Charlotte, N. C.
First National Bank, Jersey City, N. J.
Greenwich Trust Company, Greenwich, Conn.
Colonial Trust Company, Greenwich, Conn.
Colonial Trust Company, Titusville, Pa.
First National Bank, Richmond, Va.
Lynchburg National Bank, Lynchburg, Va.
Hibernia Bank & Trust Company, New Orleans, La.

We shall be pleased to make suggestions regarding the most efficient and economical methods of meeting your requirements without obligation on your part.

Alfred C. Bossom

Bank Architect and Equipment Engineer

680 Fifth Avenue, New York



Bank Building in Bern of the Swiss Popular Bank

The Swiss Popular Bank*

THE Swiss Popular Bank (*Schweizerische Volksbank*) in Bern has recently celebrated the fiftieth anniversary.* Established in 1869 as a bank of credit for the help of the working people along the lines inaugurated in Germany by Hermann Schulze in Delitzsch, the Swiss Popular Bank has taken an active part in the economic betterment of the labor class and other wage earners in Switzerland during the last fifty years. One of its fundamental rules was to give preference to small accounts and to give small credits to a large number of people of the middle class. For this reason the activities of the bank were directed to the financial uplifting of the people who could not find personal credit elsewhere. In spite of these modest operations, the financial activi-

ties of the bank grew quickly, so that as early as 1875 the members of its council of administration decided upon the establishment of branches in other cities. The branches were, however, independent as regards their financial resources, although they were in constant touch with the main institution in Bern as regards the adjustment of funds in times of emergency. Moreover, the highest authority was placed in the whole body of members belonging to the main office and branch banks. The assembly of members took place every year in Bern, where the president and the council of administration were elected by the representatives of all the

*We extract the accompanying facts and figures from the book issued by the bank, "*Denkschrift der Schweizerischen Volksbank zur Feier ihres 50 jährigen Bestandes*," Bern. 1919.

members of the institution. Furthermore, a higher body made up of the president, the vice-presidents, and several members, called the "general direction," was intrusted with the administration of all affairs which could not be handled by the assembly or by the



Geneva Branch of the Swiss Popular Bank

special boards of directors of the various branches. Through the establishment of this higher body in Bern, the Swiss Popular Bank achieved a more unified administration than had been possible hitherto.

INDIVIDUAL CHARACTER OF THE BANK

It is only in considering the individual character of the Swiss Popular Bank that one obtains a clear insight into the financial and social rôle played by this institution in Switzerland. In contradistinction to other financial institutions, in which the capital represented by shares forms the foundation of the bank, the Swiss Popular Bank is a credit association in which the members take a direct hand in the operations of the bank. The members of such a corporation possess not only rights, but also certain duties as regards the function of the bank. The

fact already mentioned that every member has the right to vote directly or through the mediation of a representative upon the decisions taken by the council of administration, gives the bank a democratic character. Moreover, the right to membership is open to everyone who is willing to undertake the responsibilities of the institution. The amount which entitles one to become a member was in the beginning only 100 francs, but it has gradually been advanced to 500 francs and 1,000 francs. In order to enable and encourage the largest number of people to practice thrift, these amounts are accepted also in yearly installments of twenty-five francs.

It has often been proposed to raise the amount or to allow members with more than one share. This proposal has, however, been rejected on the ground that it would destroy the individual character of the institution. For the main purpose of the Swiss Popular Bank is not to become a financial institution in the usual signification of the term, but to remain a social institution directed to the financial education of the people at large. Moreover, the admission of members with several shares would bring the other members into an inferior position, which fact would be inconsistent with the democratic character of the bank. When, however, the capital for membership will be raised, such a measure will be applied to all members, so that the fundamental rule of the bank will not be infringed.

RESERVE FUNDS OF THE BANK

The Swiss Popular Bank gives special attention to the reserve funds, for it has been from the outset the policy of its administration to build a fund upon which all members may rely in emergency. The statutes of 1877 determined that all profits of the bank, after deducting the five per cent. interest for the members, should flow into the reserve fund till this had reached an amount representing ten per cent. of the total capital of the company. The

reserve fund was designed not only to cover the eventual losses of the bank. but also to secure a five per cent. dividend.

In order to reduce the risk and the responsibility of the members, the administration of the bank decided in 1891 to raise the reserve fund from ten per cent. to twenty per cent. of the total capital. A special reserve fund was also created with the purpose of covering the losses before recurring to the general reserve fund. Finally, a third fund was created as an invalid fund, designed to help the officials of the bank in case of infirmity.

At the end of 1918 the general reserve fund amounted to 15,000,000 francs, the special fund to 3,200,000 francs, and the invalid fund to 1,200,000 francs, which total amount represents 27.38 per cent. of the capital of the institution.

Besides these constant reserves the bank possesses extra funds amounting to almost five million francs for other emergencies. In short, the reserve fund policy of the Swiss Popular Bank has been directed toward diminishing the risk of its members and thereby to give a better security to its operations.

BUSINESS ACTIVITIES OF THE BANK

The business activities of the Swiss Popular Bank were in the beginning confined to its members only. They consisted solely of the granting of personal credits to members. The funds for such credits were drawn from the capital and the savings deposits of the members. In spite of these limited operations the business of the bank grew rapidly, and as early as 1870 the administration decided upon a wider field of business. The bank was entitled to engage in all other bank operations with the exclusion of speculative business. One important clause was maintained, namely, that small amounts should be preferred to large amounts.

The savings receipts of the bank were encouraged from the beginning by the acceptance of amounts as small as one franc. The development of this cate-

gory of business is reflected in the following figures: The savings deposits were during the first year (1869) only 22,417 francs, while at the end of 1918 they amounted to 104,410,682 francs. There were 132,179 savings booklets last year, which represent an average saving of 789 francs per booklet. Out of the 132,179 savers there were 42,496 who held savings of less than fifty francs, and 14,850 who had between fifty-one and 100 francs. This fact shows the policy pursued by the bank in encouraging thrift among the poorest classes of people.

In 1870 the issue of bank papers was authorized by the council of administration for periods of three, four, and five years. The interest of such papers depended upon the conditions of the money market at their issue. At the end of the first year the capital which flowed into the bank through such papers amounted to 51,700 francs only, but on December 31, 1918, the capital derived from the same source reached the amount of 233,568,500 francs.

Bank accounts of non-members were accepted also in 1870. At the end of 1918 the money derived from this



Zurich Branch, Swiss Popular Bank

source amounted to 223,967,724 francs. Almost ninety-two per cent. of the owners of such deposits had bank accounts of less than 5,000 francs, which fact proves again the participation of small capitals in the financial operations of the institution.

THE CREDIT BUSINESS

Of the total balance of 880,919,587 francs for the year 1918, the amount of 884,593,964 francs represented the



Lausanne Branch Swiss Popular Bank

credit business of the bank. The rapid growth of this branch of business is reflected in the following figures:

Year	Number of Credits	Amount of Credit Francs
1870	18	77,000
1880	563	3,675,450
1890	1,530	18,409,321
1900	7,706	79,182,601
1910	19,558	253,203,902
1918	26,031	389,196,894

Up to the year 1905 the Swiss Popular Bank granted only personal credits. From that time on other kinds of credit were granted, especially the so-called "season-credits" with a maximum term of six months. The introduction of such a measure accounts for the development of the credit business during the last fourteen years.

Of the amount of 389,196,894 francs granted last year, 74,011,609 francs were given on guarantee, 154,865,403 francs on pledge of paper securities, 49,394,296 francs on mortgage (buildings and land), 87,770,930 francs on pledge strengthened by guarantee, 8,-

842,355 francs on personal credit, and 14,812,300 francs uncovered.

THE DISCOUNT BUSINESS

Although the discount business has been from the outset one of the most important operations of the Swiss Popular Bank, yet it covers now a more limited field than the credit business. At the end of 1869 there were 149 notes discounted in amount of 57,705 francs, while at the end of 1918 there were 131,543 notes discounted in amount of 604,804,103 francs. Of this last amount seventy-five per cent. represented amounts under 1,000 francs, which fact shows again the popular policy of the bank.

PARTICIPATION IN LOANS AND BUSINESS ENTERPRISES

The rapid inflow of funds has determined the Swiss Popular Bank to enlarge its financial operations by transmuting its liquid means into interest-bearing papers. The balance of December 31, 1872, shows the investment of 83,000 francs in shares and 110,000 francs in obligations. At the same time the bank undertook in conjunction with other financial institutions the placement of loans for several cities and corporations. This kind of activities has sometimes been criticized as incompatible with the character of a popular bank. The administration has, however, always deemed it necessary to engage in all kinds of business designed to promote and improve the economic welfare of the people at large.

Since 1911 the Swiss Popular Bank has been a member of the Cartel of the Swiss Banks, so that it now participates, in proportion to its means, in the business transacted by the Cartel. During the war the bank collected 41,118,582 francs for the loans issued by the federal Government of Switzerland.

Through the establishment of representative bodies on the stock exchanges in Zürich, Basel, and Geneva, the Swiss Popular Bank also takes part in the operations pertaining to foreign bonds. In 1918 the bank bought such

securities representing an amount of 98,750,875 francs, and it has sold foreign bonds amounting to 98,922,926 francs.

PRESENT SITUATION OF THE BANK

The present situation of the Swiss Popular Bank is the result of a natural development, determined by the economic and financial conditions of Switzerland during the last fifty years. In spite of the new measures introduced as regards the activities of the institution, the Swiss Popular Bank has managed to maintain the spirit of its old organization. It is true that its business activities have rapidly grown during the last twenty years and that its financial operations cover now a wider field than in the past. Nevertheless, the democratic character of the institution has not been affected by this change of fortune and conditions. Small savings and capitals are still preferred by the bank. The needy people find help and encouragement to-day as in the past.

Although the conduct of "small business" was often unprofitable, the Swiss Popular Bank has never shrunk from fulfilling its duties toward the people. It was merely for the purpose of meeting such obligations on a larger scale that its administration decided upon a policy of "large business." For the profits derived from such business enabled the bank to pursue the policy of financially educating the people. In this sense, what seemed irreconcilable with the character of a popular bank was in fact only a necessary measure for the upholding of its fundamental principles. This case is especially interesting for the student of economic and financial problems, for it shows distinctly the organic interdependence between small and big business.

The Swiss Popular Bank is to-day the third largest financial institution in Switzerland. On December 31, 1918, it consisted of 70,735 members with a capital of 70,855,901.45 francs. Almost half of its members are women. Besides the main establishment in Bern, the Swiss Popular Bank has twenty-one

branches situated in the most important cities of Switzerland.

The accompanying table shows the



Basel Branch of the Swiss Popular Bank

balance of the Swiss Popular Bank on December 31, 1918:

ASSETS.	Francs
Cash	10,851,562.96
Deposits at other banks.....	13,606,967.47
Bills discounted	83,622,509.34
Cash exchange	10,014,773.31
Securities	30,969,109.55
Current accounts	109,114,563.47
Credits	334,593,954.75
Loans	35,805,203.88
Mortgages first order	28,133,622.22
Other mortgages	81,175,850.10
Debtors on securities.....	18,119,502.30
Bank premises	12,987,361.60
Sundry accounts	360,424.70
Endowment of branch banks..	55,955,500.00
Main bank and branches.....	45,608,631.55
	880,919,537.20
LIABILITIES.	Francs
Securities	30,414.00
Current accounts	82,221,174.18
Other securities	18,119,502.30
Sundry accounts	12,595,009.16
Endowment of branch banks..	55,955,500.00
Main bank and branches.....	45,608,631.55
Creditors	223,967,724.24
Saving accounts	104,410,682.64
Obligations	233,568,500.00
Small deposits	7,824,500.00
Capital	70,855,901.45
Reserve funds	19,007,516.55
Rest from 1917.....	313,069.19
Profit and loss.....	6,441,391.94
	880,919,537.20

Alarming Increase in Bank Robberies

The "Northwestern National Bank Review," issued by the Northwestern National Bank of Minneapolis, contains in its November issue an interesting comment on the number of bank robberies which have recently been occurring throughout the country and particularly in the Middle West. The Review says:

Are we reverting in the Middle West to the hazardous days of Jesse James and the Younger Brothers when banks were kept in a state of continual fear of robbery? Those were the days when a whiskered desperado, in broad daylight, would level a navy revolver at the head of a bank cashier, who was doubtless a judge, a captain or an honorable, and "demand the keys of the safe." November, 1919, is a far cry from the time when safes were opened with keys; we are in a period of electric alarms, time locks and screw doors, the country is much more thickly settled and covered with a network of telephones, and we have the protection of police with a motorized equipment; but in spite of all this, to quote from the report of the executive council of the Illinois Bankers' Association, "there have been more bank robberies committed in the civilized and policed central states during the past year than were committed in the last five years of the Jesse James gang."

In the Middle West—the east is curiously immune from daylight bank robberies—both night burglaries and daylight holdups are increasing, and this both in the city and the country. In one rather sparsely settled state there has been an average of one burglary or holdup every other week during the year. In another state, thickly settled, there were, during the year ending in early September, 37 burglaries and 14 holdups, an average of one a week while during the year preceding there were 14 night burglaries and 5 holdups; showing the recent increase. In this same state from September 5 to October 14, this year, the rate was more than one every two days.

The situation is alarming. Furthermore, it is expected to be even more serious during the winter months. Emphatic warnings are being sent out by the bankers' associations, and preparations for offense and defense are being carried forward. During the past year insurance

companies twice raised the rate on daylight holdups, the last time increasing rates in Minnesota, Michigan and Ohio 50 per cent., and in several other states 100 per cent. Riot guns are being furnished to Minnesota and Wisconsin bankers at cost, and this despite the risk of incurring liabilities to banks distributing the weapons, due to accidental injury to innocent persons. This contingency is minimized if good judgment is used in placing the guns, and as for the risk of incurring damages, it is pointed out that by inadequacy of protection bankers are continuously inviting attack and risking their own and their employees' lives, and that banks in many states are responsible to their employees under the Workmen's Compensation Act.

Precautions are not being kept secret from the bandits. Placards are furnished by some of the associations with the caution not to post them in the banks but at the local depots or hand-car houses. These advertisements are addressed to the bad men themselves, and inform them tersely concerning the penalty that awaits if they are caught. Communities and individual banks also use this form of direct advertising on their own account. This is what a yegg entering a southern Minnesota city may read in bold display: "Crooks Take Note: \$300 Reward \$300: For Burglar Dead or Alive: Preferably Dead: Offered by the Northfield National Bank:—On three minutes notice, all roads leading from this city will be barricaded and guarded by armed men. Arrangements with surrounding towns have been made to have all roads leading from Northfield blocked and guarded. Four fast autos are held ready for a chase at a minute's notice; 22 business men have been armed with rifles and shotguns. Offices upstairs in buildings covering banks are supplied with rifles backed by men who will use them if needed; 32 vigilantes armed with rifles and shotguns are ready day or night. The vigilantes of Northfield are picked men, trained marksmen, of proven nerve, with orders to shoot to kill!—A Dead Crook Is the Only Kind Desired Here: If You Want to Pull Off Anything in Northfield, Try It!—Northfield Community Club Vigilance Committee."

State bank associations are active in meeting conditions. The Minnesota association was instrumental in having passed at the recent special session of the legislature a law increasing the punishment to life imprisonment for the robbery of

banks through violence or threats of violence. Reforms are being asked of several legislatures and in some cases granted. Leniency of laws, courts and executives in some states have noticeably encouraged crime. Through the influence of the bankers of Oklahoma, a bill has

been introduced in Congress by Senator Gore making robbery of Federal Reserve member banks a Federal crime. The Montana association is about to offer a reward of \$250 for capture alive, and \$300 for capture resulting in the death of this class of criminal.

Bank Advertising Exchange

Those listed herewith are willing to exchange booklets, folders and other advertising matter issued by them. Subscribers can get on this list free of charge

Watch for New Names and Other Changes

- A**
- Adams, F. R., Will County National Bank, Joliet, Ill.
 American National Bank, Pendleton, Oregon.
 American Savings Bank, Springfield, Mo.
 Ansley, D., Central Trust Co., San Antonio, Tex.
- B**
- Bader, A. F., assistant cashier, Old State National Bank, Evansville, Ind.
 Baker, I. W., Mgr., Advertising Dept., Guardian Savgs. and Tr. Co., Cleveland, Ohio.
 Bailey, C. W., cashier, First National Bank of Clarksville, Clarksville, Tenn.
 Banco Mercantil Americano Del Peru, Lima, Peru, S. A.
 Bankers Magazine, The, New York.
 Bauder, Ray E., manager new business department, National City Bank, Chicago, Ill.
 Baugher, E. M., president, The Home Building Association Co., Newark, Ohio.
 Bennett, H. D., assistant cashier, Capital National Bank, Lansing, Mich.
 Bernheim, E., Ph.D., Foreign Dept., The National Shawmut Bank of Boston, Mass.
 Billings, K., asst. advertising mgr., Scandinavian American Bank, Tacoma, Wash.
 Bize, L. A., president Citizens Bank and Trust Co., Tampa, Fla.
 Branham, D. R., director publicity, Hellman Commercial Trust and Savings Bank, Los Angeles, Cal.
 Brooks, T. J., vice-president, The Guaranty Trust and Savings Bank, Jacksonville, Fla.
 Brown, G. W. C., assistant secretary, Tidewater Bank & Trust Co., Norfolk, Va.
 Brown, R. A., assistant cashier, Citizens National Bank, Raleigh, N. C.
 Bunch, F. B., cashier, Merchants and Farmers Bank, Statesville, N. C.
 Burton, E. C., vice-president, Penn National Bank, Chester, Pa.
 Buzbee, Minnie A., manager Advertising Department, American Bank of Commerce & Trust Co., Little Rock, Ark.
- C**
- Conhalm, Herbert J., publicity manager, Fort Dearborn National Bank, Chicago, Ill.
 Cotton Belt Savings & Trust Co., Pine Bluff, Ark.
 Cox, Ray, cashier, American Savings Bank, Springfield, Mo.
 Crowson, M. Clarence, cashier, Home Banking Co., High Point, N. C.
 Cubreth, Eugene E., Commercial National Bank, Raleigh, N. C.
- D**
- Davis, Clark B., asst. secy., Franklin Tr. Co., 166 Montague St., Brooklyn, N. Y.
 Dayton, T. S., publicity manager, Guaranty Trust Co., New York City.
 Delly, H. E., Tradesmen's National Bank, Philadelphia, Pa.
- E**
- Delson, Louis E., publicity manager, Central Trust Co. of Illinois, Chicago, Ill.
 Dysart, W. R., assistant cashier, First National Bank, Ripon, Wis.
- F**
- Eberspacher, J. C., assistant cashier, First National Bank, Shelbyville, Ill.
 Ekirch, A. A., secretary, North Side Savings Bank, New York City.
 Ellsworth, F. W., vice-president, Hibernik Bank & Trust Co., New Orleans, La.
- G**
- Finch, E. W., assistant cashier, Birmingham Trust and Savings Co., Birmingham, Ala.
 Fisher, C. J. (Miss), Hoggson Bros., 485 Fifth Avenue, N. Y. C.
- H**
- Garner, Percy, publicity manager, Wachovia Bank & Trust Co., Winston-Salem, N. C.
 Gehle, Frederick W., manager advertising department, Mechanics & Metals National Bank, New York.
 Gehle, William A., Liberty National Bank, New York.
 Gehrken, George A., manager, New Business Dept., Seaboard National Bank, New York.
 Germe, Eleanor, manager publicity department, Los Angeles Trust & Savings Bank, Los Angeles, Cal.
 Grimm, H. B., director, Dept. of New Business, St. Joseph Valley Bank, Elkhart, Ind.
 Groves, J. W., advertising manager, Minnesota Loan and Trust Co., Minneapolis, Minn.
- I**
- Hall, J. Comly, Farmers and Mechanics Trust Co., West Chester, Pa.
 Hamsher, C. F., president First National Bank, Los Gatos, Cal.
 Haskell, E. G., Barnett National Bank, Jacksonville, Fla.
 Hatton, E. A., cashier, First National Bank, Del Rio, Tex.
 Higley, J. N., advertising department, First National Bank, Youngstown, Ohio.
 Hilliver, E. L., secretary, Union Trust Co. of D. C., Washington, D. C.
 Hodgins, J. H., Statistical Dept., Union Bk. of Canada, Toronto, Canada.
 Hoffman, A. C., manager, department of publicity, Security Trust & Savings Bank, Los Angeles, Cal.
 Hokanson, N. M., advertising manager, State Bank of Chicago, Chicago, Ill.
 Holdam, J. V., advertising manager, Chattanooga Savings Bank, Chattanooga, Tenn.
 Holderness, M. E., vice-president and adv. mgr., First National Bank in St. Louis, Mo.
 Hudson, Paul L., assistant cashier, First National Bank, Corona, Cal.
 Hunter, Harold G., Secy and Treas, Kansas City Terminal Trust Co., Kansas City, Mo.
 Hutchins, E. M., Seaboard National Bank, New York.

I

Imhoff, Charles H., vice-president, Union National Bank, Newark, N. J.

J

Jarvis, Charles D., publicity manager, Savings Bank of Utica, Utica, N. Y.
 Jessup, Theodore, assistant cashier, Woodlawn Trust and Savings Bank, Chicago, Ill.
 Johnson, E. W., Warren National Bank, Warren, Pa.
 Jones, Marshall H., asst. cashier First and Citizens National Bank, Elizabeth City, N. C.

K

Kahn, A. T., vice-president, Commercial National Bank, Shreveport, La.
 Keller, C. B., Jr., assistant cashier, Stroudsburg National Bank, Stroudsburg, Pa.
 Keeton, Monroe, manager Savings Department, Merchants & Farmers Bank, Meridian, Miss.
 Kittredge, E. H., publicity manager, Old Colony Trust Co., Boston, Mass.
 Kommers, W. J., vice-president, Union Trust Co., Spokane, Wash.

L

Lanier, B. W., asst. treas., United States Tr. Co., Jacksonville, Fla.
 Lanning, Edgar R., advertising manager, Hibernia Bank and Trust Company, New Orleans, La.
 Logan, John, cashier, Columbus State Bank, Columbus, Mont.
 Lovett, W. R., Atlantic National Bank of Jacksonville, Jacksonville, Fla.
 Lyons, Chas. S., Paget Sound Bank and Trust Co., Tacoma, Wash.

M

McCorkle, Josephine C., publicity manager, The City National Bank, Evansville, Ind.
 McDowell, J. H., American Trust and Banking Co., Chattanooga, Tenn.
 Mann, Ralph H., treasurer, Park Trust Co., Worcester, Mass.
 Marvel, Charles S., cashier, The First-Second Savings and Trust Co., Akron, Ohio.
 Matthews, Dave S., advertising manager, Farmers and Merchants Bank, Stockton, Cal.
 Matthews, H. B., advertising manager, S. W. Strauss & Co., 150 Broadway, New York City.
 Mead, Harold O., asst. cashier, The Bkg. Corporation of Montana, Helena, Mont.
 Merrill, Frank, advertising manager, Northwestern National Bank, Minneapolis, Minn.
 Meyer, A. J., publicity department, Union Trust Co., Rochester, N. Y.
 Mills, W. C., New Business Department, Metropolitan Trust Co., 60 Wall Street, New York.
 Moniteur des Interets Materiels, 27 Pl. de Louvain, Brussels, Belgium.
 Muralt, Henry de, secretary, Swiss Banking Association, Zurich, Switzerland.

N

Nye, Frank T., cashier, First National Bank, Northboro, Iowa.

O

Overton, J. A., cashier, National Bank of Smithtown Branch, Smithtown Branch, N. Y.

P

Pierce, Matthew G., publicity manager, Harris Trust and Savings Bank, Chicago, Ill.
 Pollock, Willits, manager commercial service department, First Wisconsin National Bank, Milwaukee, Wis.
 Poole, John, president, Federal National Bank, Washington, D. C.
 Potts, W. W., secretary and treasurer, The Federal Title and Trust Co., Beaver Falls, Pa.
 Powell, V. M., cashier, Home Savings Bank, Brooklyn, N. Y.

Pratt, Thomas B., Henry L. Doherty & Co., 69 Wall Street, New York City.

R

Raven, F. J., American Oriental Banking Corporation, Shanghai, China.
 Reid, Carol S., publicity manager, People's Bank, Ltd., Hilo, T. H.
 Rittenhouse, C. M., Farmers Loan and Trust Co., New York.
 Rouff, Melvin, assistant cashier, Houston National Exchange Bank, Houston, Tex.
 Ruff, William J., cashier, Luzerne County National Bank, Wilkes-Barre, Pa.

S

Sacramento Bank, Sacramento, Cal.
 Schlenker, Almot, cashier, First National Bank, Brenham, Tex.
 Sclater, A. G., Union Bank of Canada, 49 Wall St., New York.
 Scott, Walker, vice-president, Virginia Trust Co., Richmond, Va.
 Shepherd, George W., c/o International Trust Co., Boston, Mass.
 Shoven, A. M., cashier, Kankakee County Trust and Savings Bank, Kankakee, Ill.
 Smith, A. C., vice-president, City National Bank, Clinton, Iowa.
 Smith, Allen T., manager Special Service Department, Industrial Savings Bank, Flint, Mich.
 Staker, F. M., manager, safe deposit dept., Commerce Trust Co., Kansas City, Mo.
 Stejn, Rudolph, assistant cashier, John Nemeth State Bank, New York City.
 Stewart, F. E., 1505 Jefferson St., Toledo, Ohio.
 Stoner, T. H., cashier, The Peoples National Bank, Waynesboro, Pa.
 Stover, J. C., secretary-treasurer Indiana Savings and Loan Association, South Bend, Ind.
 Sutton, Frederick T., publicity mgr., Mercantile Bank of the Americas, New York.

T

Taylor, C. E., Jr., president, Wilmington Savings and Trust Co., Wilmington, N. C.
 Tidewater Bank and Trust Company, Norfolk, Va.

V

Van Blarcom, Wessels, assistant cashier, Second National Bank, Paterson, N. J.
 Van Name, Miss M. L., 515 Stephen Girard Building, Philadelphia, Pa.

W

Wadden, John W., president, Sioux Falls National Bank, Sioux Falls, S. D.
 Wadden, Thomas A., vice-president, Lake County Bank, Madison, S. D.
 Wells, Geo. T., assistant cashier, Denver National Bank, Denver, Colo.
 Wilkes, W. H., assistant to the president, National Bank of Commerce, St. Louis, Mo.
 Williams, F. H., treasurer, Albany City Savings Institution, Albany, N. Y.
 Williams, J. E., assistant cashier, Third National Bank, Scranton, Pa.
 Williams, Jno. L., vice-president, Farmers & Merchants Bank, Greenville, S. C.
 Winship, Addison L., vice-president and manager, New Business Department, National Shawmut Bank, Boston, Mass.
 Withers, C. K., trust officer and publicity manager, Mechanics National Bank, Trenton, N. J.

Z

Zimmerman, Frank A., treasurer, Chambersburg Trust Co., Chambersburg, Pa.
 Zimmerman, Paul E., cashier, Oak Park Trust and Savings Bank, Oak Park, Ill.

Keep us in touch with your publicity work. Each month current advertising is reviewed and commented upon, ads are reproduced and criticised in **BANKING PUBLICITY**

Banking and Financial Notes

SPECIAL

**THE BANKERS
MAGAZINE**

SECTION



UNION COMMERCE *National Bank* OF CLEVELAND

Capital, Surplus and Undivided
Profits \$7,500,000.00

THE Union Commerce National Bank is in constant and intimate touch with the leading banking houses of the world. It maintains correspondents in every trade center of the world.

Security and service are the characteristics on which it solicits business. If you require a Cleveland connection we will be glad to study your needs.

OFFICERS

WARREN S. HAYDEN	Chairman	HARRY E. HILLS	Asst. Cashier
GEORGE A. COLTON	President	CARL R. LEE	Asst. Cashier
GEORGE S. RUSSELL	Vice Pres.	FRANK A. WHITE	Asst. Cashier
WILLIAM E. WARD	Vice Pres.	FRED W. COOK	Asst. Cashier
CHARLES L. BRADLEY	Vice Pres.	GEORGE O. HALL	Asst. Cashier
ELMER E. CRESWELL	Vice Pres.	EZRA W. BOURNE	Asst. Cashier
WALTER C. SAUNDERS	Cashier	JAMES DUNN, Jr.	Mgr. Income Tax Dept.

UNDER JOINT OWNERSHIP WITH
THE CITIZENS SAVINGS AND TRUST CO.
COMBINED RESOURCES OVER \$145,000,000.00



A NEW BANKING-ROOM IN AN OLD BUILDING

THE remodeled quarters of the First National Bank, Haverhill, Mass., showing that modern up-to-date banking-rooms may be had without erecting a new building for the purpose. Since the occupancy of these new quarters the business of the Bank has doubled.

Thomas M. James, Architect

3 Park St., Boston, Mass.

Banking and Financial Notes

NEW SECURITIES CORPORATION

Another institution to establish a securities corporation for the purpose of entering the bond selling field is the American Exchange National Bank according to an announcement recently made to its stockholders. The corporation will be similar to those established by the First National Bank, the Chase National Bank and other New York institutions. The following statement has been issued:

The plan, if approved, will result in the organization of a corporation to be known as the American Exchange Securities Corporation, having 50,000 authorized shares of preferred stock of the par value of \$100, to be known as Class A stock, and 50,000 shares of common stock, which shall have no nominal or par value, to be known as Class B stock. Bank shareholders are to be given the privilege of subscribing pro rata at \$110 per share until the close of business December 1, 1919, for \$2,000,000 par value of Class A stock of the American Exchange Securities Corporation, payment for same to be made on or before the close of business January 2, 1920. Class A stock entitles the holders thereof to receive dividends at the rate of, but not exceeding, 3 per cent per annum, cumulative from January 1, 1920, and payable quarterly. Holders of the stock of the American Exchange National Bank who deposit same under this plan with the United States Mortgage & Trust Company (as depository, will receive without charge therefor a certificate representing the bank stock so deposited and an equal number of shares of Class B stock of the American Exchange Securities Corporation.

ST. LOUIS BANKS BIG FACTOR IN DEVELOPMENT OF SOUTHWEST

The "New York Commercial" recently published an interview with John G. Lonsdale, president of The National Bank of Commerce in St. Louis. The interview quotes Mr. Lonsdale as follows:

"Banks in the middle and southwest are in a remarkably strong and flour-

ishing condition. And not only that: Bankers, themselves, throughout this territory, have become thoroughly alive to their responsibilities in the new economic era which is upon us. The position of leadership which they accepted during the Liberty Loan campaigns has given them a new consciousness of the future power they can exert by directing the habits of their home people into paths of thrift and wise investment."

"What has been the experience of your bank in its dealings with the southwest bankers?" I asked.

Mr. Lonsdale replied: "The National Bank of Commerce in St. Louis, with which I have been connected for the

A Real Opportunity is Offered for

A Foreign Exchange
Accountant

A Bank Examiner

One of our clients

An Accounting Firm

has permanent positions for these men. They must be better than the kind who just do their work well—for the opportunity is most unusual.

Consideration will be given only to those who give complete information about themselves, salary expected, and when available.

If possible, send photograph.

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Evans & Barnhill, Inc.

Advertising Counsellors

33 West 42d Street, New York

past four years, has, throughout its existence of more than fifty years, made a specialty of serving banks and bankers. It is a wonderful tribute to the soundness of method which has characterized the transactions of such bankers to find that our losses from loans to them have been infinitesimal."

"Comment adverse to St. Louis is sometimes made by those who discover the fact that the deposits of Boston, a city of virtually the same size as St. Louis, are about double the aggregate shown by St. Louis banks," I remarked, "What is the cause of this disparity?"

"One important cause is plainly evident," replied Mr. Lonsdale, "upon even a superficial analysis of the economic conditions within and around the two cities. The older a community becomes, the more likely are the commercial and industrial enterprises to be conducted in corporation form. This means that stocks and bonds will be issued by such corporations, upon

which, in turn, commercial bank loans may be based, for such securities, even though issued against property of a fixed and permanent nature, will have that ready marketability which is necessary to make anything a desirable basis for bank loans. On the other hand, in a community teeming with natural resources still in process of development, the corporation form of enterprise is not so common, and the industries themselves, their real estate and plants, do not form the proper basis for commercial bank loans. Therefore, a great deal of financing is done through other channels. This explanation will be clear to anyone who understands the relations between bank loans and bank deposits, namely, that considering as a whole a community or a banking system, loans precede and create deposits. This truth may be made plainer by a concrete illustration: Suppose that Mr. Smith has in his safe deposit box a thousand shares of stock which he owns outright. He decides to make another investment, and therefore pledges a thousand shares to a bank to secure a loan of seventy-five thousand dollars. The bank making the loan gives Mr. Smith credit on his deposit account for the proceeds, and he thereupon draws a check to someone else to consummate his purpose. The payee of the check may deposit in the same bank or in some other bank; in either case the deposit total of the community has been swelled through the making of the loan, and will continue to be swollen to that extent until the loan is paid or the amount in actual cash is withdrawn from the bank. Of course, the sum of withdrawals of the latter kind is very small."

When I commented upon the present general prosperity in the southwest, Mr. Lonsdale remarked: "In the whole world there is not an equally large section so rich with natural resources as is the great Mississippi Valley. Development is going on at a prodigious rate, and the city of St. Louis, through its banks and other agencies, is doing everything within its power to assist in the forward movement: This spirit,



The Branch
Our first President

Merchants National Bank

RICHMOND, VA.

Capital \$400,000
Surplus and Profits over 1,700,000

The Gateway to and Collection
Center for Southeastern States

Send Us Your Items

"ON TO RICHMOND"

The Chemical National Bank

NEW YORK
FOUNDED 1824

TRUST DEPARTMENT

EXECUTOR ADMINISTRATOR TRUSTEE
GUARDIAN COMMITTEE
CUSTODIAN
TRANSFER AGENT REGISTRAR
TRUSTEE UNDER CORPORATE MORTGAGES

Inquiries invited as to service in
any of the foregoing capacities

We are seeking new business on our record

plus the geographical advantage we enjoy, will mean that we shall always share to a liberal degree in valley prosperity."

CELEBRATES ANNIVERSARY

The completion of its first year in business was celebrated last month by the Italian Discount and Trust Company with a dinner at the Hotel Pennsylvania, given by the Idatco Club, which is composed of the officers and staff of the company.

Addresses were made by Charles H. Sabin, president, and Eugene W. Stetson, and Francis H. Sisson, vice-presidents, of the Guaranty Trust Company of New York; Judge John J. Freschi; George P. Kennedy, and Gaetano Biasutti, president and vice-president respectively of the company.

The Italian Discount and Trust Company opened for business on November 11, 1918—the day the armistice was signed—and in the past twelve

months has accumulated deposits totaling more than \$20,000,000.

CHARLES H. SABIN DECORATED

Charles H. Sabin, president of the Guaranty Trust Company, has been decorated by King Albert of Belgium with the Cross of Officer of the Order of Leopold II. The presentation was made by Baron de Cartier, the Belgium ambassador to the United States. Mr. Sabin has also been decorated by the French government with the emblem of the Legion of Honor. These decorations were bestowed on Mr. Sabin in recognition of his services during the war in connection with the financial war problems of these nations.

BANKERS TRUST INCREASES CAPITAL

An increase of the capital stock of the Bankers Trust Company, New York, from \$15,000,000 to \$20,000,000 has been recommended by the board

Kings County Trust Company

City of New York, Borough of Brooklyn

Capital \$500,000 Surplus \$2,000,000 Undivided Profits \$950,000

OFFICERS

JULIAN P. FAIRCHILD, *Vice-President*
WILLIAM J. WASON, JR., *Vice-President*
THOMAS BLAKE, *Secretary*

JULIAN D. FAIRCHILD, *President*

HOWARD D. JOOST, *Assistant Secretary*
J. NORMAN CARPENTER, *Trust Officer*
GEORGE V. BROWER, *Counsel*

ACCOUNTS INVITED.

INTEREST ALLOWED ON DEPOSITS.

of directors, and a special meeting of the stockholders has been called for December 15 to vote upon it. A resolution was also adopted by the board of directors, subject to the increase of stock becoming effective after approval by the stockholders, offering the new stock for subscription at the price of \$100 per share pro rata to the stockholders, as their names appear on the books of the company at the close of business on December 4, 1919. This represents a right to subscribe for the new stock on the basis of one share of new stock for every three shares of old stock.

Since the Bankers Trust Company was organized in 1903 with a capital of \$1,000,000, it has increased its capital stock five times as follows: August 3, 1909, to \$3,000,000; August 7, 1911, to \$5,000,000; March 18, 1912, to \$10,000,000; April 23, 1917, to \$11,250,000 and December 27, 1918 to \$15,000,000.

The last published statement of the Bankers Trust Company showing its condition as of September 12, 1919, shows capital of \$15,000,000, surplus fund of \$11,250,000, and undivided profits of \$7,586,520.09, with total resources of \$417,578,754.16.

NEW TRUST OFFICER FOR SEABOARD

At a recent meeting of the board of directors of the Seaboard National Bank, New York, Egbert V. Nelson, formerly assistant trust officer of the South Side Trust Company of Pittsburgh, was appointed trust officer. Mr. Nelson was born in Cold Spring on

Hudson, New York. He is a graduate of Cornell University and a member of the New York and Pennsylvania bar.



EGBERT V. NELSON

Trust Officer, Seaboard National Bank, New York

He was engaged in the practice of law in New York City until 1910, when he became associated with the South Side Trust Company of Pittsburgh, Pa., as assistant trust officer. Mr. Nelson will have charge of the trust department of

Where Service Counts—

Seaboard service is backed by thirty-seven years of experience in handling accounts of banks and bankers, corporations, firms and individuals throughout the United States.

It is the kind of service that gives personal, individual attention to every account—large or small—and will satisfy every particular requirement and financial need that your business may demand.

We offer you this distinctly personalized financial service and the complete facilities of our well equipped departments, with the assurance that any business entrusted to our care, will be handled with accuracy, promptness and unfailing courtesy at all times.

The Seaboard National Bank of the City of New York

Resources more than	\$80,000,000
Deposits	71,000,000

the bank and will enter upon his duties immediately.

NEW GUARANTY APPOINTMENTS

At a recent meeting of the committee of the Guaranty Trust Company of New York, the following appointments were made:

Kenneth War-Smith, assistant treasurer, and as such to be manager, securities department; William M. Falion, Jr., assistant secretary, and as such to be assistant manager, securities department; Joseph D. Herr, and Charles M. Schmidt, assistant secretaries.

The company has also appointed William C. Mansfield, auditor; Charles S. France, assistant auditor, and Walter Everett Hitchcock and J. P. Earnshaw, assistant secretaries, London office.

STANDARD BANK OF NEW YORK

The Standard Bank of New York has announced the election of the following officers: Richard M. Lederer,

president; David Kahn, vice president; Max Lederer, vice-president and cashier; Alvin A. Seldner and Harry I. Marmor, assistant cashiers, and Ralph James M. Fullowa, counsel.

CENTRAL UNION TRUST COMPANY OF ILLINOIS

The Central Union Trust Company of Illinois has appointed William G. Edens, vice-president for the department of new business; Constantine Mannon, manager of the Greek-Italian department; James G. Alexander, manager of the bond department, and Edward W. Jaeger, assistant manager.

CHANGES IN U. S. MORTGAGE & TRUST COMPANY

At a meeting of the board of directors of the United States Mortgage & Trust Company, New York, the following officers were recently elected: treasurer, George C. Hoffman; assistant treasurers, Charles S. Andrews, Jr., Thomas F. Bennett; assistant secretary, Robert F. Brown.

**THE
CHATHAM
AND
PHENIX
NATIONAL
BANK
OF THE
CITY OF NEW YORK**



100 YEARS OF COMMERCIAL BANKING

	LOUIS G. KAUFMAN, President
	GEORGE M. HARD, Chairman
FRANK J. HEANEY	RICHARD H. HIGGINS
Vice-President	Vice-President
WILLIAM H. STRAWN	BERT L. HASKINS
Vice-President	Vice-Pres. and Cashier
NORBORNE P. GATLING	C. STANLEY MITCHELL
Vice-President	Vice-President
H. A. CLINKUNBROOMER	ROLFE E. BOLLING
Vice-President	Vice-President
MAX MARKELL	GEORGE R. BAKER
Vice-President	Vice-President
WILLIAM MILNE	WALLACE T. PERKI
Vice-President	Vice-President
JOHN B. FORSYTH	HENRY L. CADMUS
Vice-President	Asst. Cashier
WALTER B. BOICE	HENRY C. HOOLEY
Asst. Cashier	Asst. Cashier
VINTON M. NORRIS	JOSEPH BROWN
Asst. Cashier	Asst. Cashier
	HARVEY H. ROBERTSON
	Asst. Cashier

**ACCOUNTS INVITED
RESOURCES 160 MILLION DOLLARS**

FOREIGN GOVERNMENT BONDS

C. F. Childs & Company, New York, have recently issued a very useful

pamphlet which gives a complete record of all foreign government bonds issued and sold in the United States.

N. Y. BANK OPENS FOREIGN DEPARTMENT

The Cosmopolitan Bank, New York, has announced the opening of a foreign department under the management of Paul Schleisner.

**ENLARGEMENT OF MERCHANTS BANK,
BOSTON**

Work will begin shortly on an important enlargement of the building of the Merchants National Bank, Boston. The present large and imposing building will be extended by a five-story addition that will give much needed space for the new departments and future growth of the bank. When the present building was erected the bank's deposits were about \$15,000,000. At the present time they are about \$55,000,000 and in addition to this growth many activities such as the foreign department, industrial service department, etc., have been inaugurated, and a thoroughly equipped safe deposit department will also be a feature to be added during the present alterations.

RHODE ISLAND HOSPITAL TRUST COMPANY

In its statement issued October 31, the Rhode Island Hospital Trust Com-



GUY E. BOWERMAN

Who will take up his duties as Secretary of the American Bankers Association on January 1, 1920

IN NEW YORK

Approximately 10 percent of the total value of goods manufactured in the United States are produced in New York City.

Because wholesalers and manufacturers are our principal clients, our correspondent service largely eliminates lost motion.

ATLANTIC
National Bank
Broadway—Opposite City Hall



Phineas C. Lounsbury,
Chairman
Herman D. Konntze,
President
Edward K. Cherrill,
Vice-President
Gilbert H. Johnson,
Vice-President
Kimball C. Atwood,
Vice-President
Charles F. Junod,
Vice-President
Frank E. Andrus,
Cashier
John P. Laird,
Asst. Cashier
John H. Brennan,
Asst. Cashier
John H. Trowbridge,
Asst. Cashier

pany, Providence, shows total resources of \$66,981,605.42. Total deposits were \$54,285,921.45, divided as follows: sight deposits \$28,594,983.95; United States deposits, \$1,034,713.05; certificates of deposit \$4,035,963.28; participation deposits \$20,620,811.17.

ST. LOUIS GIRL TRUST OFFICER

That women are taking a more and more conspicuous part in banking is evidenced by the increasing number of announcements of the appointment of women to important bank posts. Miss Mary J. Scherrer's appointment as trust officer of the National Bank of Commerce in St. Louis was announced in a recent number of the *Bankers Magazine*. An exchange makes the following comment on this appointment:

If a girl has industry and tact and remembers always to smile, smile, there is a sure place for her in the business world."

This is the success recipe compounded by the only woman trust officer in the United States—perhaps in the world—

Miss Mary J. Scherrer of the National Bank of Commerce, who was elevated last week to the position of assistant trust officer in that institution.

Millions of dollars pass through Miss Scherrer's hands yearly, for in the capacity of trust officer she has the making of wills and the disposal of vast estates in her control.

Twelve years ago she started as a stenographer with the Mercantile Trust Company. Soon she was promoted to be secretary to Virgil M. Harris, trust officer of the company, and when he became connected with the Bank of Commerce a year ago, she followed him as private secretary. Her ability soon won recognition and in a year's time she has attained an office never before held by a woman.

Although her title is new, her duties are familiar routine to Miss Scherrer. She can write a will as well as the most astute lawyer. She can point out a flaw in a seemingly flawless "last will and testament." She knows the procedure of the probate court having plowed through huge tomes on legal processes. The technicalities of law have no terrors for her. Words like "curator," assignee," "dower rights," fiduciary" sprinkle her conversation. She is on as familiar terms with Lord Coke and Blackstone as the stenog-

The Chase National Bank

OF THE CITY OF NEW YORK

57 BROADWAY

Capital	-	\$10,000,000
Surplus and Profits	-	20,479,000
Deposits (Sept. 12, 1919)	-	405,569,000

A. BARTON HEPBURN, Chairman of the Advisory Board
ALBERT H. WIGGIN, Chairman of the Board of Directors

EUGENE V. R. THAYER, President	CHARLES D. SMITH, Asst. Cashier
EAMUEL H. MILLER, Vice-President	WILLIAM P. HOLLY, Asst. Cashier
EDWARD R. TINKER, Vice-President	GEORGE H. SAYLOR, Asst. Cashier
CARL J. SCHMIDLAPP, Vice-President	M. HADDEN HOWELL, Asst. Cashier
GERHARD M. DAHL, Vice-President	S. FREDERICK TELLEEN, Asst. Cashier
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ALFRED C. ANDREWS, Cashier	SEWALL S. SHAW, Asst. Cashier
CHARLES C. SLADE, Asst. Cashier	LEON H. JOHNSTON, Asst. Cashier
EDWIN A. LEE, Asst. Cashier	OTIS EVERETT, Asst. Cashier
WILLIAM E. PURDY, Asst. Cashier	GEORGE E. SCHOEPFS, Asst. Cashier

DIRECTORS

H. W. CANNON	J. N. HILL	E. R. TINKER	E. V. R. THAYER
A. B. HEPBURN	D. C. JACKLING	H. B. ENDICOTT	C. J. SCHMIDLAPP
A. H. WIGGIN	F. A. SAYLES	E. T. NICHOLS	G. M. DAHL
J. J. MITCHELL	C. M. SCHWAB	N. CARLTON	A. FLETCHER
G. E. TRIPP	S. H. MILLER	F. H. ECKER	

WE RECEIVE ACCOUNTS OF Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet or correspond with those who contemplate making changes or opening new accounts.

FOREIGN EXCHANGE DEPARTMENT

rapher is with Beatrice Fairfax and Laura Jean Libby.

"A trust officer combines the function of the family doctor and the priest," Miss Scherrer explained in an interview with The Star. "We hear the woes and the grievances, the hopes and the ambitions of whole families. We are called upon to sympathize with the aged man who cuts off his graceless son with a dollar and later with the son for having been denied his inheritance. We must compose the family wrangles which follow the funeral. Oh, it takes tact, and good humor and sympathy—in large orders."

One realized that it is the possession of just those qualities which has made the success of this young woman. She is interested in one. Her blue eyes smile with understanding and she is attentive to one's slightest word or expression. Alert and interested, she is just the sort of person to win confidence and keep it.

In her job as adviser to people of "sound and disposing minds" she comes in touch with human nature in the raw. There are some very funny wills, which she can tell about now because they have become a matter of legal record.

One is that of the late Mrs. Phoebe Nye, who died three or four years ago. Miss Scherrer drew her will, in which she

left half of her estate for the building of drinking fountains for cats and dogs. These were to be placed in various parts of the city in congested neighborhoods and built so that they would be accessible to man and beast, with especial provision for the canine and feline population.

"A funny old man in a sugar-loaf hat and a big circular cape came into our office one day to have his will made out in favor of his little dog. He wanted his entire estate of some three or four thousand left in trust, the income to go to the care of Fido. We always try to avoid freak wills like this, and so we advised him to find some trustworthy friend whom he could rely upon to shelter Fido in his declining years," she said.

"Then there are some people who want to leave all they have to charity and some millionaires who won't give away anything. Frequently people desire all their property to be used in paying for masses for their souls. One woman recently left everything to one of the vestrymen of her church. We certainly see human nature stripped naked, as it were."

Some of the famous estates which Miss Scherrer has had a part in are the Campbell estate, valued at \$16,000,000, and the Milliken estate, valued at \$20,000,000.

COMPLETE FACILITIES and PERSONAL SERVICE

THE Northern Trust Company-Bank has this to offer in representing the interests of out-of-town banks and business men generally:

The services of a complete banking institution, embracing departments of Banking, Bonds, Trusts and Savings.

This bank preserves a real personal interest in the financial affairs of its customers, thereby rendering a more helpful service.

THE NORTHERN TRUST CO.-BANK

N. W. CORNER LA SALLE & MONROE STS.

Capital and Surplus \$5,000,000

That there is a great field for women in the business world, Miss Scherrer is sure. There is not always equal pay for equal work nor equal opportunity for women, she has found, but that day is passing, she believes. Women must have the "show me" spirit, and if they are well prepared for their work, love it, and have grit and determination, they will arrive.

She is the daughter of Mr. and Mrs. John J. Scherrer, 3640 Shaw avenue. She graduated from Central High School and from a business school, and is between 25 and 30 years old.

NEW KANSAS CITY BANK

The recently organized Columbia National Bank of Kansas City has opened its doors to the public. Deposits of \$1,800,000 were made the opening day, which is said to be larger by \$500,000 than any Kansas City Bank of equal capital. The Kansas City Journal thus described the opening day:

The bouquets, from their points of origin, spelled out a lively interest on the part of out-of-town business men, and Thornton Cooke, president, expressed

pleasure over the nice distribution shown between rural accounts and the various city industries and interests. The all-day string of visitors and depositors included a gratifying number of women, the bankers found, the presence of the wives of the directors emphasizing the women's department.

A good many out-of-town visitors called personally on F. F. Todd, cashier, who has just resigned as one of Missouri's bank examiners, and prior to that was in banking business at Nevada and Carthage, Mo.

Most welcome of all the banker visitors was Col. Sidney G. Cooke, governor of the Leavenworth, Kas., Soldiers' National Home, and father of President Cooke, and his brother, Sidney K. Cooke, active vice president. Thornton Cooke was Col. Cooke's first office boy, when the latter launched the Bank of Herington, out in Kansas, in 1886. The colonel was introduced yesterday as "the best banker of us all."

Declaring that the incomparable resources of the country tributary to Kansas City become more apparent every day, Thornton Cooke pointed out that the growth of deposits in Kansas City banks far exceeds their growth in number and



GARFIELD NATIONAL BANK

23RD STREET, WHERE
FIFTH AVENUE
CROSSES BROADWAY

Member of Federal Reserve System and
N. Y. Clearing House Association.

Statement, December 31st, 1919

RESOURCES	
Cash and Exchanges.....	\$2,571,780.02
Due from Federal Reserve Bank.....	2,222,155.50
Due from Banks and Bankers.....	1,258,226.15
U. S. Bonds and Certificates of Indebtedness.....	1,245,224.12
	\$ 7,297,385.79
Loans and Discounts.....	11,284,169.38
U. S. Bonds to Secure Circulation.....	400,000.00
Other Securities.....	1,565,824.86
Customers' Liability under Letters of Credit and Acceptances.....	436,079.07
Due from U. S. Treasury.....	42,000.00
Total.....	\$21,025,459.10
LIABILITIES	
Capital.....	\$ 1,000,000.00
Surplus.....	1,000,000.00
Undivided Profits.....	407,601.50
Circulating Notes.....	396,000.00
Letters of Credit and Acceptances.....	436,079.07
Deposits.....	17,785,788.53
Total.....	\$21,025,459.10

RUEL W. POOR, President
 HORACE F. POOR, Vice-President JOHN W. PEDDIE, Vice-President
 ARTHUR W. SNOW, 2nd Vice-Pres. & Cash. RALPH T. THORN, Asst. Cashier

capital, which assures abundant field for new banking enterprises.

The board of directors of the Columbia National includes George H. Buecking, Calvin H. Newman and Sidney K. Cooke, vice presidents; Samuel J. Brown, building contractor; W. Burr Chapman, lumber; N. W. Dible, builder; W. C. Helmers, furniture manufacturer; A. A. Kramer, Columbia Steel Tank Company; J. B. Lower, Washington, Kas., banker; P. H. Meehan, Tampa, Kas., banker and landowner; Walter H. Negbaur, wholesale carpets and rugs; J. T. Opie, Opie Brush Company; A. M. Ott, banker, Independence, Mo.; Solomon Stoddard, manager Kansas City Bolt and Nut Works; L. T. Sunderland, Ash Grove Lime and Portland Cement Co.; F. E. Tyler, Dewey Portland Cement Co.

TRAYLOR HEADS BANKERS CLUB

At the 146th meeting of the Bankers Club of Chicago, Melvin A. Traylor, president of the First Trust and Savings Bank, was elected president. Mr. Traylor has the rather unique distinction of having served as vice-president of the club while at the head of one bank and promoted to the higher

office while president of another. His only comment on the honor was to the effect that the duties would be less exacting than directing the sale of certificates of indebtedness in war-time.

COMMUNITY TRUSTS

The Cleveland Trust Company has published in pamphlet form the address of F. H. Goff, president of the company, which was delivered at the recent convention of the American Bankers Association, of St. Louis. The subject of the pamphlet is "Community Trusts." The company has announced that it will be glad to send a copy of this pamphlet to anyone interested.

OPEN BRANCH OFFICE IN DETROIT

Mann & MacNeille, architects and construction engineers, New York, have announced the opening of a branch office in the Book Building, Detroit, Michigan. The Detroit office has been opened to facilitate the work of this organization in industrial housing, city

planning, municipal expansion, general architectural design and construction throughout the Middle West.

NEW OFFICERS OF THE BANK OF BUFFALO

At a recent meeting of the board of directors of the Bank of Buffalo Frank M. Hickok was appointed secretary and trust officer, assigned to duty at the City Trust Company branch.

Mr. Hickok came to Buffalo well recommended by the banking and commercial interests of Chicago. He was born at Albany, N. Y., is a graduate of the Union University Law School, and was admitted to practice in the New York, Illinois and Federal courts. Mr. Hickok has acted for the past six years as executive secretary for the Chicago Jewelers' Association. He was also western manager for the National Jewelers' Board of Trade, one of the strongest trade organizations in the United States. Before his appointment as western manager, he was in charge of the commercial department of the Board of Trade at its New York headquarters.

Mr. Hickok has devoted himself in recent years largely to executive work in the organization and reorganization of business enterprises and the adjustment of the financial difficulties of merchants in various lines. He has also had a wide experience in the analysis and granting of commercial credits.

At the same meeting Arthur J. Hall was appointed assistant cashier, and James T. Gunning and Hugh McRae were appointed assistant secretaries.

THE HIBERNIA BANK CLUB

The Hibernia Bank Club, an organization composed of the entire official and clerical force of the Hibernia Bank and Trust Company, New Orleans, was founded at a recent meeting held in the bank's dining room on the top floor of the Hibernia Bank building. Frank J. Swain, chief clerk of the bank, was unanimously elected president of the new club.

The club was organized for the purpose of bringing closer together through its various activities the members of the Hibernia Bank "family," so that

Resources

\$17,000,000.00

If intelligent handling of items and low rates appeal to you send us your Buffalo business



Try our Service
and you will be entirely satisfied

A. D. BISSELL, President
C. R. HUNTLEY, Vice-Pres.
E. H. HUTCHINSON, Vice-Pres.
E. J. NEWELL, Vice-Pres.
HOWARD BISSELL, Vice-Pres.
C. G. FEIL, Cashier
A. J. ALLARD, Asst. Cashier
G. H. BANGERT, Asst. Cashier

Member Federal Reserve System



DIRECTORS

WALTER H. BENNETT,
Vice-President American Exchange Nat. Bank

EDWARD M. BURGHARD,
Attorney

OBION H. CHENEY,
President Pacific Bank

BAYARD DOMINICK,
Dominick & Dominick

STEPHEN B. FLEMING,
President International Agricultural Corp.

FREDERICK B. FRANCIS
N. Y. Agent Canadian Bank of Commerce

STANLEY P. JADWIN
O. H. Jadwin & Sons

HARRY A. KAHLER,
President

FREDERICK D. MAOKAY,
Vice-President E. W. Bliss Co.

GEORGE T. MORTIMER,
President Equitable Office Building Corporation

CHARLES J. OBERMAYER,
President Greater New York Savings Bank

MORGAN J. O'BRIEN,
O'Brien, Boardman, Parker & Fox

JAMES A. O'GORMAN,
O'Gorman, Butt & Vandiver

WILLIAM R. ROSE,
Rose & Backus

LOUIS F. ROTHSCHILD,
L. F. Rothschild & Co.

ELBRIDGE GERRY SNOW,
President, The Home Insurance Co.

DANIEL G. TENNEY,
C. H. Tenney & Co.

GEORGE ZABRISKIE,
Zabriskie, Sage, Kerr & Gray

HEAD OFFICE

135 Broadway
New York

OTHER OFFICES

203 Montague St.,
Brooklyn

375 Fulton St.,
Jamaica

Bridge Plaza North
Long Island City

American Trust Company

Broadway at Cedar St., New York

Resources over \$12,000,000

Capital and Surplus, \$1,200,000

Transacts a General Trust and Banking Business
Interest Allowed on Daily Balances

Statement of Condition at Close of Business, Dec. 31, 1919

(Opened for business January 27th, 1919)

RESOURCES

Cash—on Hand and in Banks . .	\$1,982,776.92
Demand Loans (Secured by Collateral)	4,044,921.29
U. S. Government Bonds and Certificates	1,017,509.54
Other Stocks and Bonds	1,343,812.79
Time Loans (Secured by Collateral)	873,853.48
Bonds and Mortgages	1,642,741.00
Bills Purchased	1,230,093.52
Vaults, Furniture and Fixtures . .	39,682.37
Accrued Interest Receivable	109,548.93
	<hr/>
	\$12,284,939.84

LIABILITIES

Capital	\$1,000,000.00
Surplus and Undivided Profits . .	292,835.93
Reserve for Taxes	25,789.54
Other Reserves	141,084.24
Accrued Interest Payable	9,112.79
Deposits	10,816,117.34
	<hr/>
	\$12,284,939.84

DEPOSITS

March 31, 1919	\$2,622,520.03
June 30, 1919	4,446,553.73
September 30, 1919	8,514,035.29
December 31, 1919	10,816,117.34

OFFICERS

HARRY A. KAHLER , President	HARRY V. HOYT , Assistant Treasurer
CYRIL H. BURDETT , Vice-President	ORIE R. KELLY , Assistant Secretary
HENRY S. ACKEN , Vice-President	HUBERT F. BREITWIESER , Assistant Secretary
HARRY H. FIEDLER , Vice-President	ERNEST J. HABIGHORST , Assistant Secretary
DANIEL W. QUINN, Jr. , Vice-President	FRANK L. STILES , Assistant Secretary
U. CONDOT VARICK , Vice-President	W. E. STECHER , Assistant Secretary
GERHARD KUEHNE , Secretary	MORGAN J. O'BRIEN , General Counsel
JOSEPH L. OBERMAYER , Treasurer	

INVESTMENT SECURITIES

We specialize in Government bonds and other investment securities. This firm was founded in 1865 and we have always endeavored to recommend to our clients conservative investments. As members of the New York and Boston Stock Exchanges we are prepared to execute orders for the purchase or sale of securities on a cash basis in large or small amounts.

A circular describing several issues of desirable investment securities will be sent on request

Kidder, Peabody & Co.

**115 Devonshire St.
Boston**

**17 Wall Street
New York**

the recent rapid growth of the bank will in no way interfere with the old cooperative spirit which long has characterized the institution.

One year ago, the entire force of the bank numbered a little more than 100. To-day it numbers 226, and some of the clerical departments which do not necessarily come in touch with the public are on different floors of the building, thus making it difficult for the staff to get and keep acquainted. By means of the various activities of the club this difficulty will be overcome.

An indication of what the club proposes to do, may be gathered from the title of the various committees. These are: Athletic, Editorial, Library, Forum, Educational Entertainment, Publicity, House and Outings.

The club will be governed by an executive committee consisting of twelve members which includes the officers of the club. The various principal de-

partments and branches of the bank are represented on the executive committee. For the first year this governing body, as elected at a recent meeting, consists of the following: Frank J. Swain, J. Albert Baudean, Ernest W. Walt, Ben E. Hanna, Mrs. E. C. Erwin, James Chalaron, Irving S. Edell, Ban Roach, Miss Thelma Branson, Howard H. Prados, Miss Mae Lebeuf, P. B. Ruello.

MIDWEST NATIONAL BANK & TRUST COMPANY

The Midwest National Bank & Trust Company of Kansas City, Mo., has announced the election of two new assistant cashiers, J. H. Noland and D. K. Grimes.

Mr. Noland resigned the management of the transit department of the Louisville branch Federal Reserve Bank to take charge of the transit division of the Midwest National. Mr. Grimes

has had many years' experience in Kansas City banking.

The Bank, having outgrown its quarters, has arranged to add two large rooms that fully double the present floor space occupied by the institution, securing a part of the basement in the Rialto Building, directly beneath the Bank.

The persistent demand for the stock of this Bank, at \$190 per share, while the institution is only three years of age, continues to attract wide attention. It now requires 90 employees to handle the bank's business. The daily average volume of business reaches two million dollars. The Deposits continue around 8½ million dollars.

In keeping with the growth of the bank, two new directors have been added, Emory J. Sweeney and Edward J. Corrigan, and the staff has been enlarged by the advancement to the grade of assistant cashier of H. H. Woodring, auditor, and Harry J. Murphy and Daniel Cox, who have been tellers with the bank almost since its opening day.

THOUSAND NEW ACCOUNTS IN TWO MONTHS

Within two months the National Bank of the Republic, of Chicago, gained over a thousand new savings customers with initial deposits averaging nearly \$100 each, simply by displaying in the lobby a "home" savings bank which is furnished to those opening an account with one dollar or more.

Often a savings campaign means elaborate planning and considerable expense. The experience of this bank indicates that accounts may be obtained inexpensively in large numbers by a proper method of appeal to the people regularly visiting the bank. The officers of the Republic first decided that an attractive gift bank was essential to the success of their savings campaign. They therefore chose a unique and handsome book-like bank suitable for the mantel or library table, as shown on the desk in illustration. A young woman then was selected to explain the plan to inquirers and to give out the

banks to new customers. A card in the entranceway called their attention to the display.

The response was far in excess of expectations and demonstrated the possibilities to be realized from simple plans



Signing Up New Savings Depositors in the lobby of the National Bank of the Republic, Chicago

for obtaining new savings accounts. The photograph pictures the idea in operation.

"We have been surprised over the way these accounts have flowed in," said W. T. Fenton, first vice-president and manager. "We are continuing the plan and have arranged to furnish the banks in special Christmas boxes during the holidays."

HONORS TO A BANKER

Rollin P. Grant, vice-chairman of the board of the Irving National Bank, New York, has been invested with the officers' cross of the order of King George the First for his efforts toward the relief of Greek residents in Asia Minor during and since the war. He was one of the relief committee for that purpose. The presentation was made to him in the board room of the bank by the Greek minister to the United States, Roussos, in person.

Helping Solve Your Problems

It is a part of the ordinary business of the official staff of this Bank to help solve out-of-the-ordinary problems for correspondents.

We solicit your Chicago account solely upon our ability to give you *individual* service.

The NATIONAL CITY BANK of CHICAGO

DAVID R. FORGAN, President

BANKS AND BANKERS DEPARTMENT

F. A. CRANDALL, Vice-President

S. P. JOHNSON, Assistant Cashier

HENRY MEYER, Assistant Cashier

R. V. KELLEY, Assistant Cashier

LIBERTY NATIONAL BONUS

The directors of the Liberty National Bank, New York, have voted as additional compensation to the bank's employees a bonus of 50 per cent of their salary for the quarter ending December 31. This is a 100 per cent increase over the bonus for the third quarter. The board also voted at the same time to give the employees 10 per cent of their salaries as a Christmas gift.

A NEW YORK CONSOLIDATION

The directors of the Bank of the Manhattan Company and of the Merchants National Bank of New York have approved a plan for the consolidation of the two and have served notice of it on their depositors and correspondents.

The Bank of the Manhattan Company was organized in 1799 under a charter drawn by Aaron Burr. The Merchants Bank, original of the Mer-

chants National, was organized in 1803 under a charter drawn by Alexander Hamilton.

These two founders were rivals, enemies politically, professionally and in business. They were of opposite types and their enmity was implacable. It ended in the death of Hamilton on the "field of honor" (then so called) under the Jersey Palisades and in the practical social outlawry of Burr. It is one of the moving passages in the pages of American history. So that now, a hundred years after, in a new day and generation, it seems altogether fitting that the institutions which they planted, flourishing so long side by side and sharers both in the growth and upbuilding of the great city, at last should come together.

From 1803 to 1882 these two institutions were next door neighbors.

They erected the Manhattan-Merchants Bank Building in 1882 for their joint occupancy. It is therefore a natural development along lines of nat-

Our twenty-nine years of specialized experience in the industrial and financial development of the Mississippi Valley and the Southwest is at your disposal.

As your St. Louis correspondent we can render you prompt and efficient service.

Seven Complete Departments

Mississippi Valley Trust Company

Member Federal Reserve System

Capital, Surplus and Profits over \$8,000,000

SAINT LOUIS

ern banking that they should form a union.

The policies and purposes of the Bank of the Manhattan Company and of the Merchants National Bank have always been very similar. The class and character of business which both engaged in has been almost identical. Both have pursued methods of sound and conservative banking and their resources have always been employed to further trade and commerce and for the development of their customers' business. The consolidation will make a bank with greatly increased facilities in every department. It will have a capital and surplus of about \$20,000,000. Its total resources will be more than \$200,000,000.

The home of these two banks at 40-42 Wall Street will be greatly enlarged and improved. Customers will also have the facilities provided by an uptown office on Union Square and as well additional offices at Long Island City, Jamaica and ten other important cen-

ters in the rapidly growing industrial sections of Queens county, Long Island.

TEXTILE BANK, NEW YORK

The directors of the new Textile Banking Company have elected Frederick H. Wandelt, its former treasurer, to the office of vice-president of the company. Mr. Howard J. Stieb, former assistant cashier of the American Exchange National Bank, New York, succeeds Mr. Wandelt as treasurer.

BANK OF CHARLESTON, S. C., TO INCREASE CAPITAL

December 2, 1919, the board of directors of the Bank of Charleston, N. B. A., of Charleston, S. C., E. H. Pringle, president, C. W. Walker, cashier, adopted a resolution recommending to the stockholders that the capital stock of that bank be increased from \$500,000 to \$1,000,000, this to give increased power of service both in

the granting and obtaining of credit so as to meet the increased responsibility thrown on America by the war.

This increase of capital it was proposed to make by selling 5,000 shares of a par value of \$100 to the present stockholders, giving each the right to subscribe to as many new shares as the number held by him already.

DALLAS BANK TO HAVE NEW HOME

In order to provide for its rapidly expanding volume of business, the Security National Bank of Dallas, Texas, has purchased the Southland Hotel



D. E. WAGGONER
President Security National Bank, Dallas, Texas

property. It is the purpose of the bank to convert the seven upper floors into offices, which will supply a much needed demand in the city for office space, and to remodel the ground floor and basement for the bank's own use, giving a total floor space of 30,000 square feet.

These changes will not be made immediately and in the meanwhile the hotel will continue as usual.



Developed through the growth and experience of more than half a century

The First National Bank of Chicago

James B. Forgan, Chairman of the Board
Frank O. Wetmore, President

and the

First Trust and Savings Bank

James B. Forgan, Chairman of the Board
Melvin A. Traylor, President

offer a complete financial service, organized and maintained at a marked degree of efficiency. Calls and correspondence are invited relative to the application of this service to local, national and to international requirements.

**Combined resources over
\$380,000,000**

Equipped for Service



LOCATED in a modern building with every facility for the efficient handling of its business, this bank is in a position to offer you prompt and adequate service in your Philadelphia banking transactions.

Union National Bank

PHILADELPHIA

Resources over . . . \$19,500,000

INCREASES CAPITAL STOCK

The trustees of the Equitable Trust Co. of New York have recommended an increase of the capital stock of the company from \$6,000,000 to \$12,000,000, the new stock to consist of 60,000 shares at \$100 each, present shareholders to have the right to subscribe at par.

ASIA BANKING CORPORATION PAYS BONUS

The Asia Banking Corporation has paid to its employees in the head office, 35 Broadway, New York, as well as those in its eight branches in the Far East, a Christmas bonus of 10 per cent, based on the salary they have received during the year.

ADDING MACHINE CHAMPION

The annual adding machine contest of the National Bank of Commerce in New York for the cup given by James S. Alexander, president of the bank, has been won by C. M. O'Grady, of the

bond department. He is holder of the New York Chapter record of the American Institute of Banking. This he established in 1915 when he listed 200 checks correctly in two minutes fifty-five and three-fifths seconds. In the present contest he listed 200 checks in two minutes fifty-eight and one-fifth seconds, four-fifths of a second better than this year's chapter record.

MINNEAPOLIS BANK ORGANIZES TRUST DEPARTMENT

The Midland National Bank of Minneapolis has organized a trust department under authority of the Federal Reserve Board. E. L. Mattson, vice-president and trust officer, will have supervision of it.

GROWTH OF NEW ORLEANS BANK

The Hibernia Bank and Trust Company of New Orleans reports, November 17, deposits of \$50,000,000. This was an increase of \$22,000,000 over the same day of the preceding year and

Resources over
\$200,000,000

Capital and Surplus
\$10,000,000

The
Philadelphia National Bank

Established 115 Years

A Bank of Character, Strength and Service

LEVI L. RUE, President

CHARLES P. BLINN, Vice-President

HOWARD W. LEWIS, Vice-President

WILLIAM S. MADDOX, Vice-President

HORACE FORTESCUE, Vice-President

O. HOWARD WOLFE, Cashier

the largest gain of any twelve months' period in the history of the company. Total resources of this bank at this same date were \$69,000,000 as compared with \$39,000,000 the same date in 1918.

CHEMICAL NATIONAL CHANGES

John Clausen has resigned from the board of directors of the Chemical National Bank, New York. At the same time Clifford P. Hunt, formerly vice-president of the Bank of New York, has been chosen vice-president of the Chemical. He will manage the bank's foreign department.

WOMAN TO ACT AS BANK'S FIELD AGENT

The Merchants & Planters Trust & Savings Bank of Warren, Arkansas, of which H. L. Turner is president and Carl Hollis cashier, has engaged Miss Roxy Hobbs as the bank's field agent. She was formerly home demonstration agent for White County, Arkansas, and distinguished herself in that line by taking first prize in home economics and

demonstration work at the Tri-State fair in Memphis last October.

Her duty with the bank will be to improve farm life in Bradley county (where the bank is) generally, with special effort toward three things, viz.: boys' pig clubs, girls' poultry clubs, and canning clubs for women and girls, thus cooperating with the Federal department furnishing farm bulletins, in taking the drudgery and monotony out of farm routine. This is perhaps the first bank to employ a woman her full time in this capacity.

DEATH OF A BUFFALO BANKER

Advices from London of December 12 give an account of the fall from an aeroplane near Caterham, Surrey, England, of Geo. F. Rand, chairman of the board of the Marine National Bank of Buffalo, New York. Mr. Rand was instantly killed.

He had been in Europe several weeks on business. One day recently he flew from London to Paris, on that occasion

postponing his flight for a day because of unfavorable weather. He said then he didn't intend to take any chances.

Lieutenant Bradley, who was piloting the machine, fell with him. His injuries were serious and may prove fatal.

Mr. Rand was 53 years old. He went to Buffalo practically unknown in 1901 and rose to a high position in the world of business and banking.

His trip abroad was chiefly for recreation. He had been visiting the European battle fields. While there he had been much impressed by a trench at Verdun where a battalion of French soldiers were overwhelmed and had offered 500,000 francs through United States Minister Wallace, to Premier Clemenceau, to mark it with a suitable monument or memorial.

NEW OHIO SUPERINTENDENT OF BANKS

Ira R. Pontius, well-known Upper Sandusky banker, selected by Governor James M. Cox to become superintendent of banks for the State of Ohio, has en-



IRA R. PONTIUS

New Superintendent of Banks for the State of Ohio

tered upon the duties of the office. He fills a vacancy created by the resignation of Philip C. Berg, who left the service of the State to take the vice-presidency of a large Cleveland bank. Mr. Pontius has been engaged in the banking business for many years and is one of the founders of the Citizens Savings Bank of Upper Sandusky, which institution he has long served as cashier and director. Mr. Pontius was one of the organizers of two other banks, the Sycamore State Bank of Sycamore and the State Bank of Bowling Green. For many years he has been actively interested in banking affairs, and recently was elected secretary-treasurer of Group No. 6, Ohio Bankers Association, which takes in some of the important banking counties of the State. His interest in civic affairs is evidenced by the fact that he has served as president of the Chamber of Commerce and of the Board of Education of his home city.

N. Y. ASSOCIATION URGES THRIFT

The Executive Committee of the Savings Bank Association of the State of New York, in a resolution in regard to the subject of thrift, urges that the thrift idea be brought close to the hearts and thoughts of the people through the following three avenues of approach:

1. Get thrift to the children in schools. Establish school savings banks in every school in America and let the children run their own banks. Give them responsibility in handling money. This has been done most effectively in the past, in 300 schools in the City of New York. The Boards of Education should be urged to take a vital interest in the development of this system. Literature may be distributed and read in the class-rooms, bearing on the desirability of thrift as a habit in success-making and happiness. Through the child the lesson will be carried home and if any influence can be brought upon the adult the child can do it.

2. Get savings facilities into industrial establishments. If War Savings Stamps are to be sold in such a way, discard all semblance of war in the stamps. The unfortunate part of government savings stamps is that they are to liquidate war debts and the buying industrial worker knows that there are more adequate ways of financing



**On the Earth there are
1,750,000,000 People**

**And no one person is
an exact duplicate, men-
tally or physically, of
any other.**

We certainly don't expect, then, in serving our 2000 bank correspondents, to find any two alike in their desires and requirements. So our service is adjusted accordingly — *individual* service for *individual* bankers.

The National Bank of Commerce

IN ST. LOUIS

Capital, Surplus and Profits over \$14,000,000.00

war debts of the government, and as a consequence does not attach the importance to the campaign being urged by the Treasury Department that possibly he should. But it is up to the savings banks to establish these facilities and it should be done immediately.

3. Get thrift to the housewife through women's organizations, savings banks, community councils, parents' associations and teach household efficiency, better buying, more consistent saving and life insurance. Approximately 65 per cent. of depositors in the savings banks of New York State are women and there are about 3,600,000 depositors.

TO REPRESENT A. B. A. ON EUROPEAN FINANCE COMMITTEE

At the International Trade Conference, recently held at Atlantic City, it was recommended by the Committee on Credit and Finance that a National Committee on European Finance be appointed to formulate plans to meet Europe's present situation with respect to credits.

Richard S. Hawes, president of the American Bankers Association, has appointed the following bankers to represent the association on this committee:

FEDERAL RESERVE DISTRICT, NO. 1, BOSTON:

Alfred L. Aiken, president, National Shawmut Bank of Boston.

Charles Hayden, Hayden, Stone & Company, Boston.

George C. Lee, Lee, Higginson & Company, Boston.

Philip Stockton, president, Old Colony Trust Company, Boston.

Daniel G. Wing, president, First National Bank, Boston.

Robert Winsor, Kidder, Peabody & Company, Boston.

FEDERAL RESERVE DISTRICT, NO. 2, NEW YORK:

James S. Alexander, president, National Bank of Commerce in New York.

George F. Baker, Jr., vice-president, First National Bank of New York.

William H. Booth, vice-president, Guaranty Trust Company of New York.

William P. Bonbright, Bonbright & Co., Inc., New York.

James Brown, Brown Brothers & Company, New York.

Waddill Catchings, Goldman, Sachs & Company, New York.

H. P. Davison, J. P. Morgan & Company, New York.

Clarence Dillon, William A. Reed & Company, New York.

Guy Emerson, vice-president, National Bank of Commerce in New York.

Your Business In The Twin Cities

And throughout the Northwest—A network of 1900 Direct Correspondents means time saved in collecting your items on points in this prosperous agricultural community.



FIRST & SECURITY NATIONAL BANK

Capital and Surplus Ten Million Dollars

MINNEAPOLIS

Allen B. Forbes, Harris, Forbes & Company, New York.

A. Barton Hepburn, chairman, advisory board, Chase National Bank, New York.

George W. Hodges, president, Investment Bankers Association, New York.

Otto H. Kahn, Kuhn, Loeb & Company, New York.

Fred I. Kent, vice-president, Bankers Trust Company, New York.

Alvin W. Krech, president, Equitable Trust Company, New York.

Thomas W. Lamont, J. P. Morgan & Company, New York.

John McHugh, vice-president, Mechanics & Metals National Bank, New York.

Samuel McRoberts, executive manager, National City Bank, New York.

Lewis E. Pierson, chairman of board, Irving National Bank, New York.

Seward Prosser, president, Bankers Trust Company, New York.

Harry T. Ramsdell, president, Manufacturers & Traders National Bank, Buffalo.

Charles H. Sabin, president, Guaranty Trust Company of New York.

Mortimer I. Schiff, Kuhn, Loeb & Company, New York.

James A. Stillman, president, National City Bank, New York.

S. Fred Strong, president, Savings Bank Section, American Bankers Association, New York.

Frederick Strauss, J. & W. Seligman & Company, New York.

Frank A. Vanderlip, American International Corporation, New York.

FEDERAL RESERVE DIST., NO. 3, PHILADELPHIA:

Charles S. Calwell, president, Corn Exchange National Bank, Philadelphia.

E. Walter Clark, E. W. Clark & Co., Philadelphia.

Thomas DeWitt Cuyler, Commercial Trust Building, Philadelphia.

William A. Law, president First National Bank, Philadelphia.

E. M. Morris, president, Girard Trust Co., Philadelphia.

Levi L. Rue, president, Philadelphia National Bank, Philadelphia.

FEDERAL RESERVE DISTRICT, NO. 4, CLEVELAND:

Charles A. Hinsch, president, Fifth-Third National Bank, Cincinnati.

H. C. McEldowney, president, Union Trust Company, Pittsburgh.

A. W. Mellon, president, Mellon National Bank, Pittsburgh.

W. S. Rowe, president, First National Bank, Cincinnati.

John Sherwin, First National Bank, Cleveland.

FEDERAL RESERVE DISTRICT, NO. 5, RICHMOND:

Albert D. Graham, president, Citizens National Bank, Baltimore.

Thomas B. McAdams, vice-president, Merchants National Bank, Richmond.

Waldo Newcomer, president, the National Exchange Bank, Baltimore.

R. Goodwyn Rhett, president, People's National Bank, Charleston.

FEDERAL RESERVE DISTRICT, NO. 6, ATLANTA:

J. E. Bouden, Jr., president, Whitney-Central National Bank, New Orleans.

Mills B. Lane, president, Citizens & Southern Bank, Savannah.

Robert F. Maddox, president, Atlanta National Bank, Atlanta.

FEDERAL RESERVE DISTRICT, NO. 7, CHICAGO:

Emory W. Clark, president, First & Old Detroit National Bank, Detroit.

E. D. Hulbert, president, Merchants Loan & Trust Co., Chicago.

George M. Reynolds, chairman, Continental and Commercial National Bank, Chicago.

H. L. Stuart, Halsey, Stuart & Company, Chicago.

F. O. Wetmore, president, First National Bank, Chicago.

Harry A. Wheeler, vice-president, Union Trust Company, Chicago.

FEDERAL RESERVE DISTRICT, NO. 8, ST. LOUIS:

Richard S. Hawes, president, American Bankers Association, St. Louis.

Festus J. Wade, president, Mercantile Trust Company, St. Louis.

F. O. Watts, president, First National Bank in St. Louis, St. Louis.

The Omaha National Bank

OMAHA, NEBRASKA

Established 1866

Capital	\$1,000,000
Surplus (Earned)	\$1,000,000
Total Resources	\$33,000,000

J. H. Millard, President

Walter W. Head	Vice-President
Ward M. Burgess	Vice-President
B. A. Wilcox	Vice-President
Frank Boyd	Vice-President
Ezra Millard	Cashier
O. T. Alvison	Assistant Cashier
J. A. Changstrom	Assistant Cashier
W. Dale Clark	Assistant Cashier
Edward Neale	Assistant Cashier

Direct Transit Facilities

The result of years of effort to improve service to correspondent banks

FEDERAL RESERVE DISTRICT, NO. 9, MINNEAPOLIS:

C. T. Jaffray, president, First and Security National Bank, Minneapolis.

FEDERAL RESERVE DIST., NO. 10, KANSAS CITY:

P. W. Goebel, president, Commercial National Bank, Kansas City, Kan.

E. F. Swinney, president, First National Bank, Kansas City, Mo.

FEDERAL RESERVE DISTRICT, NO. 11, DALLAS:

John T. Scott, president, First National Bank, Houston.

FEDERAL RESERVE DIST., NO. 12, SAN FRANCISCO:

Frank B. Anderson, president, Bank of California National Association, San Francisco.

James J. Fagan, vice-president, Crocker National Bank, San Francisco.

THE INDUSTRIAL BANK OF NEW YORK

The Industrial Bank of New York opened for business at Twenty-fourth Street and Fourth Avenue December 22. It has \$1,000,000 capital and \$500,000 surplus. Staughton B. Lynd has been elected president, Ralph A. Stevenson, vice-president. Mr. Lynd was formerly vice-president of the Citizens-Union National Bank of Louisville, Ky. Junius B. Close will be

cashier of the new bank. He was formerly with the Guaranty Trust Company and the Bankers Trust Company, New York.

The directors are men identified with the larger commercial interests of the city and with banking, as follows: Bertram H. Borden, president, American Printing Company; Frank N. B. Close, vice-president, Bankers Trust Company; Williams Cochran, Luke, Banks & Weeks; Philip DeRonde, president, Oriental Navigation Company; J. Fletcher Farrell, vice-president and treasurer, Sinclair Cons. Oil Corporation; Donald G. Geddes, Clark, Dodge & Co.; Thomas Hildt, vice-president, Bankers Trust Company; Arthur Iselin, William Iselin & Company; Percy H. Johnston, vice-president, Chemical National Bank; Frederic A. Julliard, A. D. Julliard & Company; Darwin P. Kingsley, president, New York Life Insurance Co.; Staughton B. Lynd, president; Chas. M. Macfarlane, Morris & Company, Chicago; Paul Moore. Tav-

The Canadian Bank of Commerce

Statement of the result of the business of the Bank for the year ending 29th November, 1919

Balance at credit of Profit and Loss Account brought forward from last year.....	\$ 1,444,842 68
Net Profits for the year ending 29th November, after providing for all bad and doubtful debts	3,074,892 72
	<u>\$ 4,519,735 40</u>

This has been appropriated as follows:

Dividends Nos. 128, 129, 130 and 131, at twelve per cent. per annum.....	\$ 1,800,000 00
War tax on bank-note circulation to 29th November.....	150,000 00
Written off Bank Premises.....	250,000 00
Transferred to Pension Fund.....	120,000 00
To adjust British and Foreign investments on existing exchange rates, not otherwise provided	750,000 00
Subscriptions:	
Salvation Army	\$ 5,000 00
University of Toronto Memorial Fund.....	2,500 00
Soldiers' Emergency Fund, Repatriation Campaign.....	10,000 00
Navy League of Canada.....	2,500 00
Sundry Subscriptions	2,000 00
	22,000 00
Balance carried forward.....	1,427,735 40
	<u>\$ 4,519,735 40</u>

GENERAL STATEMENT

29th NOVEMBER, 1919

TO THE PUBLIC—

Notes of the Bank in circulation.....	\$ 30,047,659 68
Deposits not bearing interest.....	\$151,688,481 72
Deposits bearing interest, including interest accrued to date.....	241,916,674 20
	393,605,156 01
Balances due to other Banks in Canada.....	74,816 06
Balances due to Banks and Banking Correspondents elsewhere than in Canada....	8,727,208 45
Bills Payable.....	441,180 99
Acceptances under Letters of Credit.....	14,866,446 19
	\$ 447,702,467 38

TO THE SHAREHOLDERS—

Dividends Unpaid.....	4,002 86
Dividend No. 131, payable 1st December.....	450,000 00
Capital Paid up.....	\$ 15,000,000 00
Rest Account.....	15,000,000 00
Balance of Profits as per Profit and Loss Account.....	1,427,735 40
	31,427,735 40
	<u>\$ 479,644,205 64</u>

ASSETS

Gold and Silver Coin Current on hand.....	\$ 15,425,252 93
Gold deposited in Central Gold Reserves.....	6,500,000 00
	\$ 21,925,252 93
Dominion Notes on hand.....	\$ 31,436,346 25
Dominion Notes deposited in Central Gold Reserves	10,000,000 00
	41,436,346 25
	\$ 63,361,602 18
Notes of other Banks.....	\$ 2,433,211 00
Cheques on other Banks.....	14,372,830 21
Balances due by other Banks in Canada.....	476 59
Balances due by Banks and Banking Correspondents elsewhere than in Canada	10,589,390 95
	27,395,908 75
Dominion and Provincial Government Securities, not exceeding market value....	46,865,379 16
British, Foreign and Colonial Public Securities and Canadian Municipal Securities, not exceeding market value.....	29,847,537 20
Railway and other Bonds, Debentures and Stocks, not exceeding market value....	5,963,791 41
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks	20,750,828 04
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada.....	24,854,885 75
Deposit with the Minister of Finance for the purposes of the Circulation Fund....	881,791 81
	\$ 219,911,724 30
Other Current Loans and Discounts in Canada (less rebate of interest).....	213,189,170 54
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	24,938,269 89
Liabilities of Customers under Letters of Credit, as per contra.....	14,866,446 19
Overdue Debts (estimated loss provided for).....	137,120 45
Real Estate other than Bank Premises.....	407,650 60
Mortgages on Real Estate sold by the Bank.....	203,381 18
Bank Premises at cost, less amounts written off.....	5,859,008 22
Other Assets not included in the foregoing.....	71,434 27
	<u>\$ 479,644,205 64</u>

B. E. WALKER, PRESIDENT

JOHN AIRD, GENERAL MANAGER

In The Great Northwest

Our new sixteen story building is now under construction, and will, upon completion in 1920, be one of the finest banking institutions on the Pacific Coast. We recently increased our capital to One Million Dollars and our surplus to \$250,000.

Our increase in deposits during the last two years is nearly \$4,000,000.00.

Banking institutions, corporations or individuals having business transactions in the Northwest, will find this bank equipped to render the most efficient service.

Scandinavian American Bank

Pacific Avenue at Eleventh Street. Tacoma

lor, Bates & Company; Perley H. Noyes, White & Case; Richard E. Reeves, president, Hunter Mfg. & Commission Co.; Samuel W. Reyburn, president, Lord & Taylor; Frank Morse Smith, H. J. Baker & Brother; Paul Sturtevant, Harris, Forbes & Company; Everett B. Sweezy, vice-president, First National Bank of New York; Melvin A. Traylor, president, First Trust & Savings Bank, Chicago; Stephen H. Tyng, president, Stephen H. Tyng & Co.; Royall Victor, Sullivan & Cromwell; John J. Watson, Jr., vice-president, International Agricultural Corporation; Ridley Watts, Watts, Stebins & Company; Malcolm D. Whitman, vice-president, William Whitman Company, Inc.; George Whitney; Thomas B. Yuille, president, Universal Leaf Tobacco Company.

CENTRAL MANUFACTURING DISTRICT BANK, CHICAGO

Directors of the Central Manufacturing District Bank, Chicago, have voted an increase of the capital stock of the bank from \$400,000 to \$500,000. This follows an increase from \$250,000 to \$400,000 only last year. The deposits of this bank are now upwards of \$5,000,000 and the market price of the stock is \$260 a share.

BANK CLERKS IN BASKETBALL LEAGUE

Ten of the largest banks in New York City are represented in a new basketball league formed by their employees as the Bank Clerks' Basketball League of New York. This league is

composed of men from the Bankers' Trust Company, Columbia Trust Company, Equitable Trust Company, Farmers' Loan & Trust Company, Federal Reserve Bank, Guaranty Trust Company, Irving National Bank, Mechanics & Metals National Bank, the National Bank of Commerce in New York and the National City Bank. Contests will be held at Arcadia Hall, Halsey Street near Broadway, Brooklyn.

The officers of the club are: W. T. Sheehan, National Bank of Commerce in New York, president; T. W. Amstey, Guaranty Trust Company, vice-president; J. Farrell, Federal Reserve Bank, secretary; F. Stemple, National Bank of Commerce in New York, treasurer. The league plans to combine athletics with social activity. There will be dancing before and after the games.

JUBILEE WEEK OF THE MERCANTILE TRUST CO., ST. LOUIS

The week ending November 22 was jubilee week for the Mercantile Trust Co. of St. Louis. The officials and staff kept open house all that week in celebration of the twentieth anniversary of the founding of the bank in 1899. One of the features of that celebration was the opening of a coupon room in the new safe deposit department.

Festus J. Wade was its first president. He still holds the position. The deposits November 15 last were \$50,249,000; total resources, \$63,541,000. The company has twice outgrown its quarters. An addition was made a year ago, and now another is to be com-

Is It Not Sound Policy

to send your Baltimore business to the bank whose half century of experience gives assurance of efficiency and strength?

For the handling of collections and all other banking business, this institution is admirably equipped.

Large capital, surplus and resources enable this bank to offer you complete banking facilities and services which are real and not visionary.

The National Exchange Bank Baltimore, Md.

Capital & Surplus, \$2,500,000 Resources, \$22,380,000

WALDO NEWCOMER, President

SUMMERFIELD BALDWIN, Vice-President

PAUL A. SEEGER, Vice-Pres.

CLINTON G. MORGAN, Vice-Pres.

JOSEPH W. LEFFLER, Cashier

WILLIAM R. WEBB, Asst. Cash.

menced immediately, so that the bank will have then more than half a city block of floor space.

GUARANTY TRUST CO., NEW YORK

George W. Taylor, Jr., John Watts and Benjamin V. Norton have been appointed assistant secretaries of the Guaranty Trust Company of New York. Morris F. Frey has been appointed assistant treasurer and Benjamin Fairbanks, Peter Solari and Louis P. Imer assistant managers of the foreign department.

At a subsequent meeting of the executive committee Ernest Graham Humphreys was appointed treasurer of the London office of the company.

A VIRGINIA TRUST CO. TAKES OVER BRITISH MORTGAGE CORPORATION

The Old Dominion Trust Co. of Richmond, Va., has acquired the good-will and assets of the British and American Mortgage Company, Limited, of Lon-

don. This company has mortgages of \$7,500,000, and principal offices in New York and Dallas, Texas. Richmond is to be made its headquarters as soon as practicable. Most of its business is in the South. It is explained that, as the money was invested before the war when exchange rates were high, a profit of something like 16 per cent is made by selling out for American money at this time.

The United States is now the only nation to which Britain owes money. All others owe it. The British pound has so declined in this market as to make a practical tariff on purchases by British in America of nearly 20 per cent as compared with purchases made in countries which owe money to England.

Government regulations in Britain forbid, therefore, further investment for the present of English money in this country, so that the mortgage business would have been limited to mere renewals. No new capital could have been put then into American business.

The transfer to the Old Dominion Company dates from December 1, but loans and renewals have been made under it by the Old Dominion Company since November 1. According to President Habliston, of the Old Dominion, nearly 70,000 signatures will be required to transfer some 4,500 mortgages. He added that his company would need now larger quarters.

The transaction is said to be one of the largest purchases of mortgages ever made and would never have been made but for the after-the-war exchange conditions which gave an opportunity for it to be done.

The British company had been doing business in this country for forty-two years. It had paid regular dividends to its stockholders ever since. Its net profits last year were over \$200,000.

The Old Dominion will take over such of the staff in Dallas and Richmond as it may need to supplement its own force. The consolidation gives it the largest mortgage business in the South. The British and American company had about 125 correspondents and representatives in that field.

Clark, Dodge & Co., New York brokers, are said to be jointly interested with the Old Dominion in the mortgage loans acquired under contract, but the business and good-will become the sole property of the Old Dominion company.

MARINE TRUST CO., BUFFALO

The November 12 statement of this company shows a capital, surplus and undivided profits of \$17,329,000, deposits of \$67,852,000 and resources of \$99,758,000—approximately 100 millions.

NEW SECURITIES COMPANY, CHICAGO

The Continental and Commercial Securities Company has been organized in Chicago. The capital stock is owned by the stockholders of the Continental and Commercial National Bank of that city.

The purpose is to assist in all kinds of legitimate financing; to underwrite issues of preferred stocks and other se-

Audits and Systems for Banks

Our specialty is conducting efficient and thorough bank and commercial audits, and the installation of accounting systems for banks, trust companies, and foreign exchange departments.

**McArdle,
Djorup & McArdle**
42 Broadway, New York

curities and wholesale them, and to cooperate in originating issues.

George M. Reynolds is chairman of the board; Arthur Reynolds, president; Roy H. Goddard, secretary and treasurer.

BANK HONORS COLORED PORTER

Upon the occasion of the twentieth anniversary of the American National Bank in Richmond, Va., recently, it developed that Oliver J. Sands, the president, and Charles Jackson, the colored janitor, were the oldest employees. Both have been with the bank from its foundation. In recognition of that fact President Sands presented the janitor with a silver service.

CROCKER NATIONAL'S NEW BUILDING

Plans for the new building of the Crocker National Bank, San Francisco, on its present site, Post, Montgomery



What kind of investments are you interested in?

THE National City Company is constantly studying the investment situation as it applies to the requirements of Banks throughout the United States.

In our wide range of bonds and short term notes you can readily select the kind to meet your individual needs. A proportion of your reserves would find ample interest returns if invested in high character

bonds, widely distributed and having a good market. For very short term investments we can supply acceptances rediscountable with your Federal Reserve Bank.

We have Correspondent offices in 50 leading cities —conveniently reached by the telephone at your elbow. Our trained bond men will be glad to analyze your investment problems, and if you wish, make recommendations.

The National City Company
National City Bank Building New York

BONDS

SHORT TERM NOTES

PREFERRED STOCKS

W. J. WOLLMAN & CO.

120 Broadway, New York

Members New York Stock Exchange

Investment Securities

Bankers and Trade Acceptances

Our Review of Financial, Commercial, Industrial and Economic
Conditions Issued Every Two Weeks Sent Upon Request

and Market streets, have been approved by William H. Crocker, president. The new building will be twenty-five stories. It will be the tallest in that city and is to cost between \$2,500,000 and \$3,000,000.

CLEVELAND MAN TO THE PHILIPPINES

Francis Coates, Jr., bank examiner of the Cleveland, Ohio, Clearing House Association, has been named by Secretary Baker of the War Department to proceed to the Philippines and head a commission to assist the Philippine National Bank to establish a modern banking system.

This bank is under the patronage of the Philippine government. The commission will act for that government and incidentally the Washington administration. It will visit also China, Japan and the Far East.

Mr. Coates was selected for this position because as an officer of the American Bankers Association he has developed a uniform system for clearing houses in the United States.

CLEARING HOUSE, HUNTINGTON, W. VA.

A Clearing House Association has been organized at Huntington, West Virginia. The members are the Huntington National, the First National, the Union Bank & Trust Co., the American Bank & Trust Co., the Huntington Banking & Trust Co., the Ohio Valley Bank, the Twentieth Street Bank and the Cabell County Bank. R. L. Archer is president; C. M. Gohen, vice-president, and H. G. Proctor, secretary and manager.

FAITHFUL EMPLOYEE HONORED

An interesting double anniversary was marked at the Irving National Bank, New York, on November 26 by the presentation of a purse of one thousand dollars in gold to A. C. Hardy, who arrived that day at his seventieth milestone and completed his fifty-fifth year as an Irving employee. Mr. Hardy was only fifteen when he joined the Irving's forces as a messenger in 1864, and he has been continuously in its service since.

UNION COMMERCE NATIONAL, CLEVELAND

The board of directors of the Union Commerce National Bank of Cleveland, Ohio, have elected Eugene R. Grasselli a director to fill the vacancy caused by the death of Alvah S. Chisholm.

They have also named Ralph H. Sharpe and Michael B. Koelliker assistant cashiers, and appointed William F. Lynch, auditor.

PROSPEROUS CHICAGO

The deposits of the Liberty Trust & Savings Bank, Chicago, increased during the year ending November 17, 1919, in round numbers nearly \$2,000,000.

AMERICAN STATE BANK, DETROIT

W. E. Moss, president of the American State Bank, Detroit, has resigned to give greater attention to his private affairs. W. J. Hayes, who was the organizer of the bank in 1906, succeeds him. Gordon Fearnley, formerly in charge of the mortgage department of the bank, becomes vice-president, and G. W. J. Linton, who came to the bank

Union Bank of Canada

Head Office, Winnipeg

390 Branches
in Canada

New York Agency, 49 Wall St.

W. J. Dawson, F. L. Appleby, W. M. Forrest
Agents

Surplus & Capital
\$13,568,150

Comparative Statement of Affairs of the Bank as of Nov. 30, 1918, and Nov. 30, 1919

Liabilities

	1918	1919
Capital Stock	\$ 5,000,000.00	\$ 7,968,150.00
Rest Account	3,600,000.00	5,600,000.00
Balance of Profit and Loss Account carried forward.....	126,298.90	198,222.87
Unclaimed Dividends	10,261.43	10,951.73
Dividend payable December 2.....	112,500.00	167,799.32
Notes of the Bank in circulation.....	12,134,649.00	13,945,123.92
Deposits not bearing interest.....	58,805,207.86	51,119,804.54
Deposits bearing interest.....	68,437,490.47	84,376,709.79
Balances due to other Banks in Canada.....	424,601.94	572,355.79
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	1,751,177.75	5,058,941.92
Acceptances under Letters of Credit.....	2,706,467.06	7,186,940.91
Liabilities not included in the foregoing.....	72,797.11	220,361.60
	\$153,181,451.52	\$174,989,057.47

Assets

Gold and Silver Coin.....	\$ 940,446.58	\$ 953,902.93
Dominion Government Notes	15,113,307.00	13,724,823.00
Deposits with the Minister of Finance for the purposes of the Circulation Fund.....	260,000.00	260,000.00
Deposits in the Central Gold Reserved.....	7,800,000.00	5,500,000.00
Notes of other Banks.....	763,793.00	1,576,481.00
Cheques on other Banks.....	3,817,392.16	7,509,201.41
Balances due by other Banks in Canada.....	92,051.67	102,287.30
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	2,933,356.72	3,569,800.66
Dominion and Provincial Government Securities not exceeding market value.....	12,527,937.82	13,048,913.69
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	2,501,824.71	2,602,740.30
Call and Short (not exceeding 30 days) Loans in Can- ada, on Bonds, Debentures and Stocks.....	6,508,728.64	3,439,410.79
Call and Short (not exceeding 30 days) Loans else- where than in Canada.....	3,389,150.00	7,956,854.74
Other Current Loans and Discounts in Canada (less rebate of interest)	74,021,028.40	86,529,156.17
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	1,944,112.28	3,672,372.29
Real Estate other than Bank Premises.....	268,152.80	268,476.29
Mortgages on Real Estate sold by the Bank.....	141,656.39	150,645.10
Overdue Debts, estimated loss provided for.....	327,941.58	248,532.51
Bank Premises, at not more than cost, less amounts written off	1,237,606.70	532,740.61
Liabilities of Customers under Letters of Credit, as per contra	2,706,467.06	7,186,940.91
Other Assets not included in the foregoing.....	166,159.25	337,760.98
	\$153,181,451.52	\$174,989,057.47

from Saginaw three years ago, becomes cashier.

DIVIDEND BY GUARANTY TRUST CO., N. Y.

The board of directors of the Guaranty Trust Company of New York, at a meeting held December 3, declared a quarterly dividend of five per cent on the capital stock of the company for the quarter ending December 31, 1919, payable on that date to stockholders of record December 19, 1919.

LIBERTY NATIONAL INCOME TAX TABLE

The Liberty National Bank, New York, has issued a Federal income tax table which is now ready for distribution.

NEW SERVICE MAN IN THE NATIONAL BANK OF COMMERCE, NEW YORK

The National Bank of Commerce in New York announces the appointment of Gurden Edwards as assistant manager of its service department. Mr. Edwards came to the Bank of Commerce in July, 1918. He was formerly connected with the Associated Press.

CANADIAN BONUS TO EMPLOYEES AND STOCKHOLDERS

Employees of the Royal Bank of Canada to the number of 5,000 will receive a bonus of 20 per cent on their salaries, in commemoration of the fiftieth anniversary of the foundation of the bank. It is announced that the shareholders also receive a bonus of two per cent, in commemoration of this anniversary.

NEW SECURITIES CO., NEW ORLEANS

The directors of the Hibernia Bank & Trust Company of New Orleans have declared an extra dividend of 10 per cent to all stockholders of record December 15. This addition to the regular dividend of 24 per cent per annum declared by the bank will make a total distribution of 34 per cent for the year 1919.

The bank recommended its stockholders that they invest this extra divi-

National Thrift Day January 17th

The birthday of Benjamin Franklin will this year be celebrated as National Thrift Day. Are you holding a celebration in your community? The day is one to be celebrated by the opening of bank accounts and it presents an opportunity for stimulating the immediate acquisition of new banking business.



**THE
COLLINS
SERVICE**
Philadelphia, Pa.

dend, which amounts to \$200,000, in the common stock of the Hibernia Securities Company, Incorporated, the formation of which was announced several weeks ago. About 98 per cent of the stockholders have already agreed to this plan. The new securities company will be ready for business January 1, 1920.

In addition to the \$200,000 of common stock to be owned entirely by the stockholders of the bank, the Hibernia Securities Company, Incorporated, offered an issue of \$300,000 of its 7 per cent preferred stock. It actually received applications for more than \$1,200,000, so that all subscriptions had to be reduced to about one-fourth of the amount asked for.

President Hecht of the Hibernia Bank, speaking of the Securities Company, said:

"The new company will do an en-



The Bank Grows

Along with the Factory

Each upward trend in a manufacturer's production curve is reflected in the bank that handles his business. The correspondence in both factory and bank increases tremendously and must be dictated and written faster. That means *The Dictaphone*.

Phone or write for 15-minute demonstration. Branches in all principal cities—see your telephone book.



THE DICTAPHONE



Registered in the U. S. and Foreign Countries

Dept. 126-L, Woolworth Building, New York City
Branches Everywhere Write for Booklet, "The Man at the Desk"

There is but one Dictaphone, trade-marked "The Dictaphone,"
made and merchandised by the Columbia Graphophone Company

"The Shortest Route to the Mail-Clute"

tirely different business from that done by the bank. It will in no way interfere with the activities of our well-established bond department.

"The company will be equipped to assist in financing our ever-increasing foreign business, to deal in various forms of commercial credits, to participate in the underwriting of preferred stocks and other investments, and to engage in syndicate participations of various kinds.

"We believe it can do much to assist in the industrial and financial development of the South in general, and New Orleans in particular."

**United States
Corporation Company**

**65 CEDAR STREET
NEW YORK CITY**

ACTS AS

Transfer Agent and Registrar

FURNISHES

Principal Offices for Corporations in all
States and the Canadian Provinces



WILLIAM N. ENSTROM

Vice-President Irving National Bank, New York

**NEW MEN IN THE IRVING NATIONAL'S
FOREIGN SERVICE**

A measure of the recent expansion of the foreign business of the Irving National Bank is afforded by the appointment by the board of directors of two vice-presidents, an assistant cashier and four assistant managers, all for service

in the enlarged foreign department of the bank. William N. Enstrom and George D. Graves are the new vice-presidents and Northrop Holbrook the assistant cashier; the added assist-



GEORGE D. GRAVES

Vice-President Irving National Bank, New York

ant managers are Robert W. Kuebl, James C. Bradshaw, George Helfrich and Fritz Hartman.

All these new officers have been

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Irving men for some time; their promotions have been earned. Mr. Enstrom was born in New York. He entered the Irving's employ on finishing school and except during the war has served continuously in its foreign department. He was a naval lieutenant in the war and for nearly two years was attached to the American Embassy at Rio de Janeiro, Brazil, as assistant to the naval attache.

Mr. Graves returned to New York in September after six years spent in Porto Rico, first as a resident director and attorney for various sugar companies and banking interests and during the last two years as the Irving's representative in the island. He was born in Canada of American parentage. He graduated from Yale in 1899, and followed this with a degree from Yale Law School in 1903. He was admitted to the New York bar the same year. In his ten years of practice in this city before settling in Porto Rico, he traveled much in Europe and the West Indies in the interest of clients. He will give particular attention to the development of relations with the Irving's Latin American correspondents and customers.

Mr. Holbrook has been chief clerk of the foreign department and the others mentioned have also been connected with the department for several years.

WILLIAM GANSON ROSE ADDRESSES BUSINESS ORGANIZATIONS IN AKRON

William Ganson Rose of Cleveland, editor of the American Bank Service Association, has been making a special study of developments in all lines of business during the last few months, and upon invitation spoke before the Real Estate Board, Rotary Club, Kiwanis Club, the sales organization of the International Harvester Co., the First-Second National Bank and the Peoples Savings & Trust Co., all of Akron, Ohio, on a thoughtful analysis of the present-day situation between capital and labor.

Mr. Rose has been particularly active among many large banking institutions



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of Ohio and neighboring States, because the many readjustments in trade and civic activities are felt by the banker first of all. His appraisal of trade tendencies is sure to be sound, as he is one of the most vitally interested units in the industrial life of the community. In the course of Mr. Rose's address he made a specific recommendation to each organization as to what it could do to put the business of the future upon a sounder basis through the practice of economic principles.

BANKERS-COMMERCIAL SECURITY CO., INC.

F. A. Weber, Jr., has been elected assistant secretary of the Bankers-Commercial Security Co., Inc. Mr. Weber will retain supervision of the credit department.

After graduating from the National Bank was



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IS as wide as the world itself. Throughout the ages, master minds have sought her instruction. Why? Because Nature gladly unfolds her wonders and mysteries to any one. She doesn't hold anything back. It is the nature lover among your acquaintances who really gets the most out of life. Through his knowledge of the birds, butterflies, wild-flowers and trees, he interprets Nature's message. This brings him true happiness and contentment.

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colors—brilliant birds and flowers, butterflies and even the trees in natural colors. Make friends with Nature's Wonders. Use this little set. You'll learn to recognize the fascinating subjects quickly with the plates in colors. Decide now to get more from the time spent in the open air. Read our approval plan and remember Wordsworth's good counsel: "Come forth into the light of things, let Nature be your teacher."

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High School, Brooklyn, Weber was employed by the American Express Company in the treasurer's office, in various capacities. When he resigned from this company he joined the Liberty National Bank as a credit investigator, where he established a reputation and was highly regarded by the officers and his fellow employees. He enjoys the confidence, good-will and friendship of practically all credit men in banking circles.

A little over two years ago he went with the Bankers-Commercial Security Company, Inc., as credit manager, and recently was appointed assistant secretary. The Bankers-Commercial Security Co., Inc., was incorporated under the banking laws of the State of New York in 1917. The company specializes in the purchase from piano and automobile dealers and manufacturers, notes, contracts, mortgages and leases given by the purchasers of automobile trucks and pianos. Its authorized and outstanding capital stock is \$2,000,000. E. C. Converse is chairman of the board of directors; George G. Foster, president; Roland A. Crandall, first vice-president and treasurer; J. H. Shale and J. A. Bower, vice-presidents.

CENTRAL-UNION TRUST COMPANY

A statement of the condition of the Central-Union Trust Company, New York, as of Dec. 31, 1919, reveals total assets of \$284,019,143.24. The capital, surplus and undivided profits item

is nearly thirty millions, while the deposits exceed \$238,000,000.

AMERICAN TRUST COMPANY

In its statement of condition at the close of business December 31, 1919, the American Trust Company of New York shows total assets of \$12,284,939.84 and deposits of \$10,816,117.34. Growth of deposits since last March is shown in the following table:

March	31, 1919	.....	\$ 2,622,520.03
June	30, 1919	.....	4,446,553.73
September	30, 1919	.....	8,514,035.29
December	31, 1919	.....	10,816,117.34

GROWTH OF THE GARFIELD NATIONAL

Earnings of the Garfield National Bank of New York during the past year permitted the declaration of regular dividends at the rate of twelve per cent., an extra dividend of three per cent., and left \$50,000 to be carried forward to undivided profits account, which item was \$107,601.50 on December 31, 1919, compared with \$355,472.48 on December 31, 1918.

Comparison of the balance-sheets on the above dates shows that deposits have increased from \$13,309,036.66 to \$17,785,788.53, and total resources from \$16,963,109.14 to \$21,025,459.19, while the item of "bills payable," appearing in the earlier statement at \$900,000, has entirely disappeared, there being at the close of 1919 no bills payable or rediscounts.

The Garfield National Bank was

1865



1919

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Latest Fashions

Embracing the very latest foreign models, together with many beautiful and original styles by our own designers, may now be seen in our showrooms.

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Richest and Choicest Furs

such as Russian Sable, Alaska Seal, Silver Fox, Chinchilla, Black Fox, etc., are represented in our Coats, Wraps, Neckpieces and Muffs.

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established in 1881, and is located on "23d street where Fifth avenue crosses Broadway." Its officers are: President, Ruel W. Poor; vice-presidents, Horace F. Poor, John W. Peddie; second vice-president and cashier, Arthur W. Snow; assistant cashier, Ralph T. Thorn.

UNION BANK OF CANADA

Net profits for the year ending November 30, 1919 (after deducting the expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate for bills under discount) were \$932,256.80 as compared with last year's total of \$824,174.56. Premium on new stock amounted to \$1,781,170.00. This together with \$126,298.90 carried forward from last year made a total of \$2,839,725.70 as compared with \$930,798.90 last year.

This sum was appropriated as follows:

Dividends	\$ 568,330.42
Transferred to Rest Account..	2,000,000.00
Written off Bank Premises Account .....	.....
Contribution to Officers' Pension Fund	10,000.00
Contributions (Patriotic and Charitable)	5,000.00
War Tax on Bank Note Circulation to November 30.....	58,172.41
Balance of Profits carried forward	198,222.87

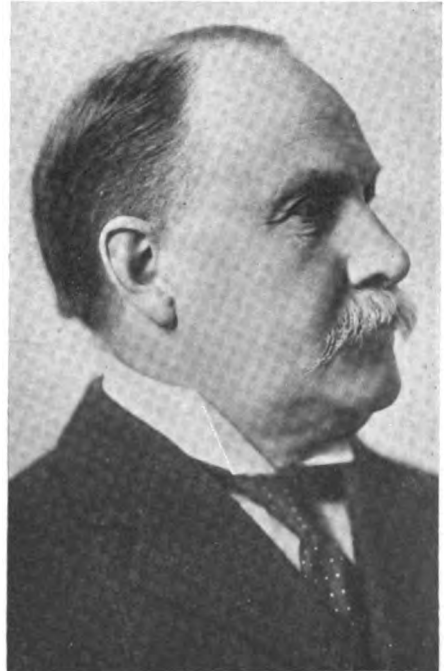
\$2,839,725.70

The head office of the Union Bank of Canada is at Winnipeg. The New

York agency is at 49 Wall Street. W. G. Dawson, F. L. Appleby and W. M. Forrest are the agents. The bank has 390 branches in Canada.

ANNUAL REPORT CANADIAN BANK OF COMMERCE

Net profits for the year ending November 29, 1919, of the Canadian Bank of Commerce were \$3,074,892.72. A balance of \$1,444,842.68 was carried forward from the profit and loss ac-



SIR JOHN AIRD

General Manager, Canadian Bank of Commerce

Why Pay A Salesman Money To Sell You Something You Have To Buy?

SELLING costs are paid out of the consumer's pocket, for they must be added to the cost of manufacture—a bigger item than most people realize. The buyer foots the bill.

For instance: You know when you need another adding machine. The cost of selling you direct is negligible. No expensive sales organization or elaborate showrooms are needed to induce you to buy staple equipment of this sort, yet you have helped to maintain them in the past.

Our market survey experts believe that American business today demands elimination of waste in selling methods, just as truly as in factory methods.

This is why we are offering to the regular buyers of adding machines, subject to ten days' approval, 1,000 standard \$300 *Federal Adding Machines* at the

unusual price of \$222.50—a saving of \$77.50.

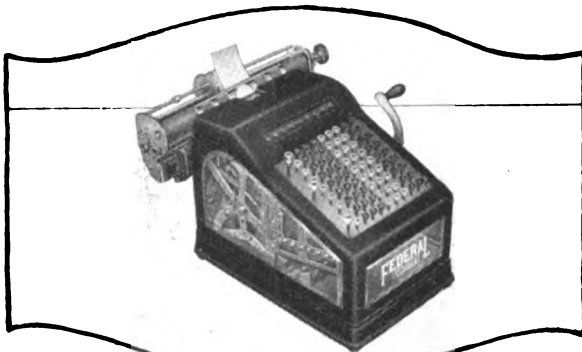
Did you receive a notice of our offer? If not, write for particulars before all of these machines are allotted.

The Federal is the last word in adding machine construction, designed by the ablest veteran in the field, and manufactured in the splendid plant of the Colt's Patent Fire Arms Manufacturing Co.

Yet we are morally certain that unnecessary selling expense can be eliminated through direct-by-mail selling, and the saving turned to the buyer's own advantage in the lower market price, especially where he does not have to be induced to buy. This is the idea behind our unusual offer.

Further information about the Federal—its absolute guarantee, service following the sale, and the responsible co-operation behind it, cheerfully supplied on inquiry.

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count of last year, making a total of \$4,519,735.40 which was appropriated as follows:

Dividends Nos. 128, 129, 130 and 131, at 12 per cent per annum	\$1,800,000.00
War tax on bank-note circulation to November 29.....	150,000.00
Written off Bank Premises.....	250,000.00
Transferred to Pension Fund.....	120,000.00
To adjust British and Foreign investments on existing exchange rates, not otherwise provided..	750,000.00
Subscriptions:	
Salvation Army	5,000.00
University of Toronto Memorial Fund	2,500.00
Soldiers' Emergency Fund, Repatriation Campaign	10,000.00
Navy League of Canada.....	2,500.00
Sundry Subscriptions	2,000.00

The New York Agency of the Canadian Bank of Commerce is located at 16 Exchange Place. The agents are F. B. Francis, C. L. Foster and C. J. Stephenson.

BANK OF TORONTO

A branch of this bank has been opened at Graytown, Sask., under the management of P. A. Moodie.

UNION BANK'S BIRTHDAY

Last month the Union Bank of Canada celebrated its fifty-fourth anniversary. The bank was first incorporated in October, 1865, under the name of the Union Bank of Lower Canada, with an authorized capital of \$2,000,000. The head office was in Quebec City and remained there until the expanding western interests of the institution made advisable the transfer of the head office to Winnipeg. This was logical

in view of the fact that the Union was one of the first banks in the west, and to-day 270 of its 380 branches are in Western Canada. Of the 270 western branches, 112 are in Saskatchewan.

The latest development of the Union Bank's activities, the Park-Union Foreign Banking Corporation, is rapidly extending its connections in the great

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Thrift means increased production, decreased consumption, sensible spending and wise saving.

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Your example and influence are needed.

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DIGEST

By JOHN E. BRADY, of the New York Bar

A Digest of all the Decisions published in the Banking Law Journal, the only publication in the United States devoted exclusively to Banking Law, from its foundation in 1889 to March, 1919—thirty years.

The book is now ready for delivery and contains over 400 pages. All decisions correctly classified and indexed for easy and ready reference. It is easily the


most useful and most valuable book ever produced for Banks. Every Banker in the United States can use it and get many times its cost from its pages

An Encyclopedia of Banking Law

The book contains more than 5,000 digests of banking decisions, placed under 125 main headings, alphabetically arranged, beginning with "Acceptances" and ending with "Warehouse Receipts"

If you have it, you have all the law down to date, and the Banking Law Journal, with its Index Digest, will supply your future wants

Price, \$5.00 postpaid

 This book is not to be confused with the Digest of the Opinions of the General Counsel to be issued by the American Bankers Association, or with Harrison's Bank Law and Taxation Digest, which is a digest of the state banking laws relating to negotiable instruments, holidays, days of grace, reserves, capitalization, organization of banks, etc.

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Date..... By.....

ENDURANCE

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market centers of the world. Since the first of the year, branches have been opened at Seattle, San Francisco, Yokohama, Shanghai and Paris. Branches are about to be opened at Kobe, Tokio, Hankow, Hong-Kong, Tien-Tsin, and Singapore.

INCREASE IN CAPITAL

It is announced that the new issue of \$3,000,000 capital stock of the Union Bank of Canada, H. B. Shaw, general manager, has been oversubscribed. The bank's paid-up capital consequently will be brought up to \$8,000,000.

The Union Bank commenced a new fiscal year at the beginning of the month. The annual report for the year ended November 30 will not be available until the end of December, but there is every indication that the general manager, H. B. Shaw, will present to the shareholders the most satisfactory return in the bank's fifty-four years of service.

A year ago the Union showed total assets of \$153,000,000. This was the largest total ever recorded, but the Government returns of September and October, which are the latest available, show that previous high records have been surpassed. The bank's assets at the end of September totaled \$155,000,000 and at the end of October the total had further increased to \$165,000,000.

At October 30 the Union's position had been considerably strengthened. The paid-up capital stood at \$6,634,960

against \$5,000,000, and the surplus was \$4,581,256 compared with \$3,600,000 a year ago.

The Paris branch of the Union is the Park-Union Foreign Banking Corporation, owned and controlled jointly by the National Park Bank of New York and the Union Bank of Canada.

ROYAL BANK OF CANADA ANNUAL REPORT SHOWS ASSETS EXCEEDING HALF BILLION

The Royal Bank of Canada through its New York branch, 68 William street, has issued its annual report for 1919, showing a gain in assets during the twelve months of more than one hundred million dollars. The bank also reported to its stockholders that assets now far exceed a half billion dollars.

The general statement of assets and liabilities shows that total assets are

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Foreign Exchange Explained—Escher	1.33 "
Primer of Foreign Exchange—Spalding	1.43 "
THE SET, \$5.00 postpaid	

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. 41 Liberty St., New York
Business Book Specialists

now \$533,647,084 as compared with \$427,512,982 for 1918; of this amount, liquid assets total \$273,908,862 against last year's total of \$224,982,088. Loans and discounts also show an increase from \$119,184,715 in 1918 to \$143,250,518.

The branch system, established some years ago and since extended to many cities, has been responsible for establishing a close relationship with the public. This is reflected in the large gain made in deposits which total \$419,121,399 for this year as compared with \$332,591,717 for 1918, a gain of over eighty million dollars. Of the 1919 total, deposits bearing interest amount to \$259,465,169 against \$197,348,439 for last year. Deposits not bearing interest total \$159,656,229 contrasted with \$135,243,278 for 1918.

Liquid assets show a gain over the previous year of \$50,000,000, principally in the following items: Balance due by banks and banking correspondents elsewhere than in Canada, \$18,101,373, as against \$10,391,516; Dominion and provincial Government securities, \$45,323,598, as against \$36,579,976 for 1918; Canadian municipal securities and British foreign and colonial public securities, other than Canadian, \$33,400,542, as against \$29,620,885; call loans in Canada, \$16,435,614, compared with \$10,067,481; call loans outside Canada, \$33,812,751, against \$24,374,191.

The profit and loss account, following the issue of new capital made, stands at \$17,000,000 and the reserve fund totals \$17,000,000. With the larger resources at its disposal there

has been a considerable gain in net profits and for the twelve months' period these amounted to \$3,423,264, equal to 10.87 per cent. on the average capital and reserve for the year. This shows a gain of approximately \$600,000 as compared with the previous year, when total profits were reported at \$2,809,846.

With the total profits added to the balance of profit and loss brought forward, the amount available for distribution this year is \$3,959,021. Of this amount \$1,866,196 was paid in regular dividends, \$340,000 as a bonus of two per cent. to shareholders to mark the fiftieth anniversary of the bank, \$100,000 transferred to officers' pension fund, \$400,000 written off bank premises account and \$156,406 war tax on bank-note circulation, leaving to be carried forward to profit and loss \$1,096,418, as compared with \$535,757 at the end of the previous year.

An indication of the bank's growth is afforded by a comparison of some of the principal accounts for 1919 with those of 1918.

	1918	1919
Total assets	\$533,647,084	\$427,512,982
Liquid assets	273,908,862	224,982,088
Loans and discounts	143,250,518	119,184,715
Total deposits	419,121,399	332,591,717
Deposits bearing interest	259,465,169	197,346,439
Deposits not bearing interest	159,656,229	135,243,278
Capital	17,000,000	14,000,000
Reserve fund	17,000,000	15,000,000
Profit for year	3,423,264	2,809,345
Balance carried forward	1,096,418	535,757



Banking Publicity

Special Section of The Bankers Magazine

JULY 1919

A BANK THAT REALLY MEANS "SERVICE" TALK

By CHARLES ABBOTT GODDARD

ABOUT as good an example of what a bank can do with a four-inch double-column advertisement is furnished by the Home State Bank of Montrose, Colo. And the merits of the example are not confined to the wording of the advertisement, although that is forceful, but in the fact that the bank means just what it says when it promises service.

There are three banks in Montrose, an agricultural city of about 4,000, and the Home State Bank is the youngest. And Mr. C. O. Earnest, its president, is a young man. It is through the sincerity of the bank's service promises, Mr. Earnest believes, that the bank has gotten in three years one-third of the patronage of the business element of the city. A year and a half ago the deposits were \$120,000. When the writer called in April they amounted to \$350,000.

"It has been our policy to encourage and foster the development of the natural resources of this district," said Mr. Earnest. "There are at least 42,000 acres of land in this district that are idle. While these acres are now covered by sagebrush and look anything but inviting to the inexperienced, this land properly handled will yield from \$50 to \$500 per acre. We have started to loan money each year to turn 2,000 of these idle acres into crop-producing farms. You can figure out that this will add to our local wealth about two or three million dollars in ten years. And our bank will have that much greater field."

Mr. Earnest was raised on a farm; for six years he farmed

for himself. It is his idea that a banker cannot stop at his one line, or rather that the banking business is composed of many lines. He should know a great deal about the fundamentals of the different lines that are represented by the bank's customer list. He has a good following among the stock and farming men. This is a result of his policy of service. He goes into the field for personal work, visiting the farmers to learn the facts about their farms, their stock and, most important of all, their methods.

"A man may make a statement of his assets, and still he may not really be worth as much as one would suppose," said Mr. Earnest. This field of work done intelligently by the banker who knows what he is doing is a guide in the granting of credit. By this he means that intelligent field work is not always to enable the banker to steer clear of the risk, but to make the risk better. And here is how the Home State Bank service is translated by its president:

In my visit to Smith I may see that he has a fine field of potatoes. They may be so far ahead of those I have seen that Smith will be getting a far better income. Of course, I compliment him. And that helps. But that isn't getting the most of it. So I spend time with him getting him to tell me to the last detail just how he got the crop and the cost—for it is evident that Smith is using some wrinkles that his neighbors are not.

Right along we advise our farmers by advertising and by word of mouth to come to our bank for this "borrowed" information. And they come. Then it is that what we learned from Smith comes in handy for our customers and for men not customers; for even those who bank elsewhere consult us. We mention that this bank gets many ideas along this line and invite others to share in them. The county agent and some of our stockmen tell us that this plan of service is showing results out on the ranches. We know it has in our business.

One day, but a few days be-

fore the writer called, a letter came to the bank from a woman on a ranch 120 miles away—for distances are distances out in Colorado. This woman wished to get information or advice from the bank as to the advisability of her putting more cows on her ranch. The banker asked her some questions before advising her. If she had grass and market facilities for cream it was bound to be profitable for her to add the cows. But if she had to feed hay and was too far from a market for her cream, she would find it unprofitable. That woman thus got a problem solved; and when she comes in she is going to drop into the bank to discuss the matter. This is typical of many such inquiries in letter or person that come to the bank.

Sometimes a man will drive Mr. Earnest out to his farm to get the benefit of his observations. It may be that the farmer needs cattle to use up certain products to make money, or it may be that his cattle are eating up the profits. When these men are shown they fall in line with the prescribed methods and begin to make good. They are then not only better friends of the bank, but more profitable accounts as their affairs prosper. However, the latter phase is not the first thought of Mr. Earnest. He is interested more in the getting of the most out of the soil and doing things in better ways, as well as furthering the spirit of cooperation in the community, than in the cold dollars and cents results. But in looking at things this way, and through the real service it means, the dollars and cents returns are inevitable. The Home State Bank service and cooperation is gladly offered to those

(Continued on page 7)

Banking Publicity

Monthly Publicity Section
 THE BANKERS MAGAZINE
 253 Broadway, New York

JULY 1919

ECONOMISTS say that the people of the United States must now provide \$15,000,000,000 of savings every year if the demand for capital is to be met. That means that more savings advertising than ever before will have to be done by the banks and by the Government.

SOME BANKS prefer to call their new business department the "Business Development Department" on the ground that much of the business developed is from old customers. That may be true, but still it is new business. However, the name doesn't matter if the end is attained.

A BANK ARCHITECT, chafing under the so-called ethical restrictions which have prevented men of his profession from advertising, does advertise in the banking journals and in his advertisement says:

"Only a few years ago bankers considered it unethical to announce they were in business, and yet to-day almost any banking magazine carries the advertisements of some of my clients."

It does seem the day has arrived when the bank archi-

tect and equipment engineer can with similar dignity invite bankers to consult him regarding their needs.

He is right and we believe the day will soon come when that "ethical fetish" as regards advertising will be thrown into the discard.

DIRECT ADVERTISING is the personal message in print going precisely where it is sent. It reaches the home or the office direct, penetrating all barriers. But, to prove resultful, direct advertising must be thoughtfully planned, skilfully prepared and intelligently employed. Bankers should consider well the advantages of house organs, booklets, folders, circulars, form letters, mailing cards, blotters and specialties to supplement newspaper and banking journal advertising.

PUBLIC INDORSEMENT of a bank or any business enterprise is an asset of considerable value. This then is the *raison d'etre* of "policy" advertising by a bank. It is often just as important to advertise the character, personality and purposes of an institution as to advertise its service.

THERE IS such a thing as "sales plus" in bank advertising, just as in other fields. Our meaning is best explained by illustrations. In one of the branch houses of

ELKHART— AND THIS BANK

Building

Without the building industry there would be no cities, no homes, no stores, no office buildings, no factories or mills or foundries.

Elkhart's success, Elkhart's buildings of every sort and kind are the result of people by the thousand exercising

THRIFT

Manufacturing

Elkhart's manufacturing industries are the backbone of her prosperity.

But there would not be a single factory or mill or foundry here in Elkhart if the men who built up Elkhart had not practiced

THRIFT

Transportation

The great arteries of trade, railroads, inter-urban lines, motor cars—have had a value that cannot be measured in making Elkhart what it is.

But there would be no railroads, inter-urban, motor cars, etc., if success had not practiced

THRIFT

Banking

This institution is recognized throughout this section as a leader in finance. It has been a vital factor in every phase of progress of Elkhart and the surrounding territory. This strong institution was built on

THRIFT

ST. JOSEPH VALLEY BANK

DEPOSITORY FOR THE FUNDS OF
10,000 THRIFTY PEOPLE

LARGEST BANK IN ELKHART COUNTY

All signs point to Thrift

a tire concern is a rack largely filled with small folders showing how to avoid common tire trouble. The many recipe books given away with food products are other examples of pluses of this kind. They mean increased sales of the goods. So let the bank or trust company get up booklets and folders describing its various services and put them into the hands of customers in various ways—with monthly statements, by way of the lobby check stands, etc. It is casting bread upon the waters which will return, after many days perhaps.

IF INQUIRIES received from advertisements are not properly followed up it is not

giving the advertising a square deal. Do not forget that every inquiry coming in that way costs the bank money, and that every inquirer is a potential depositor or customer who should not be neglected.



HOW BANKS ARE ADVERTISING

THE CONTINENTAL AND COMMERCIAL BANKS of Chicago enlist the interest of employees in developing the savings department by paying any employee a dollar for each savings account he brings in. The plan works very well.

THE FIDELITY TRUST Co. of Baltimore strikes a new note in advertising by asking business men if they can apply the trust company's methods to their business, using as an example the fact that the company has worked out an efficient but simple system for storing supplies and records. Although this company has a very large number of forms and blanks, its system is so simple that any one of its eighty-three employees and officers can immediately put his hands on any article, and can at once turn to the record of every business transaction back to the institution's beginning twelve years ago. This record system has been perfected after studying the methods in many scores of other banking and commercial houses.

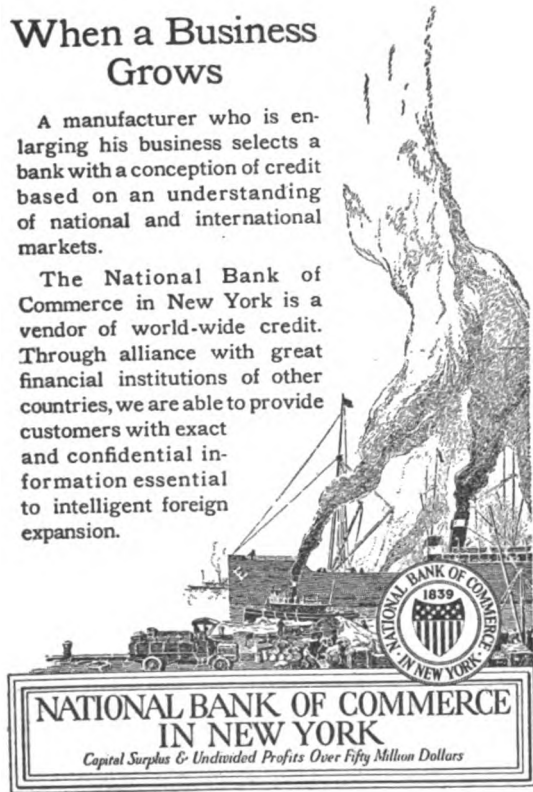
THERE ARE TWO places you will always find it: 1. In the dictionary; 2. At the Beloit State Bank. So reads a blotter advertisement of the Beloit State Bank, Beloit, Wis. By the courteous treatment of all its customers, this bank has made courtesy one of its big assets.

ONE of the most valuable forms of advertising is that which is done by the conversation of satisfied customers and visitors.

When a Business Grows

A manufacturer who is enlarging his business selects a bank with a conception of credit based on an understanding of national and international markets.

The National Bank of Commerce in New York is a vendor of world-wide credit. Through alliance with great financial institutions of other countries, we are able to provide customers with exact and confidential information essential to intelligent foreign expansion.



One of a new series by one of New York's great banks

And this word-of-mouth advertising may spring from things other than ordinary routine banking service. For example, the Washington (Pa.) Trust Co. has a very harmonious and beautifully furnished banking room. In the front part of the lobby there are comfortable library chairs upholstered in blue leather. These are used by customers waiting for street cars, by women waiting for their husbands while they transact banking business, etc. This "home atmosphere" is a goodwill producer for the institution.

AN EMPLOYEES' house organ is really an advertising proposition. Even if it does not go far beyond the bank itself, it advertises the institution to the employees themselves. "The C. & C. News" is a daily bulletin issued by the Continental and

Commercial Banks, Chicago, which serves just that purpose. It helps city movements, too, as witness the cartoon of Chicago's "Clean-Up Week," drawn by one of the bank's own artists.

THE NATIONAL SHAWMUT BANK, Boston, has placed a New Accounts and Information booth in its lobby in a conspicuous and convenient place, so that a stranger need waste no time in getting the proper directions or such information as he may desire.

THE CITY TRUST Co., Buffalo, N. Y., sends out some good human interest follow-up letters. Here is one of them:

When I was a little boy, there was a corner grocer whose name was August Droge, and I remember that one day he placed a barrel of red apples in the rear part of his store, and put a card on top which said: "Take one."
It was not long before my young friends and myself were apprised

of this generosity on the part of Mr. Droge. We organized a band of about fifteen and called on Mr. Droge and each took one.

In turn, the grocer, in a spirit of fair play, took one.

He took me.

I remember very well, almost as if it were yesterday, what Mr. Droge said:

"Young man, why don't your ma trade with me?"

We traded at Delury's, another grocery store across the way.

Sometimes a depositor who carries a small and very active account comes in and tells us that he keeps his money elsewhere, and maintains a small amount with us for the checking privilege, because we are so well inclined to be accommodating.

Whenever such an incident occurs, my thoughts go back to the day when Mr. Droge set up that card on his barrel of red apples.

THE ROYAL BANK OF CANADA is sending out with its compliments a pamphlet called "Italy as a Field for International Imports and Exports," compiled by Credito Italiano, Milan. The pamphlet clearly shows how "Italian industries have been extended and also financially strengthened during the war and new ones have been started."

THE FOURTH VOLUME issued in the Irving National Bank's Foreign Trade Series is "Trading with the Far East." It is designed "to further America's import and export relations with the countries of the Orient," and is heartily in the spirit of these post-war times.

THE AMERICAN NATIONAL BANK, Richmond, issues the "Covenant of the League of Nations" in attractive booklet form, as an advertising feature.

THE AMERICAN INDUSTRIAL BANK & TRUST CO., Hartford, offered a prize of \$100 recently for the best slogan to be used for advertising purposes. The winners were Paul H. Elsdon of Hartford and M. W. Kerrissay of Miami, who both sent in the same slogan—"Home of Safety and Service."

AS AN ADVERTISING feature the American National Bank, Nashville, published a daily list of registrations at the convention of the Tennessee Bankers Association in Knoxville.

1889 THIRTIETH ANNIVERSARY OF THE NATIONAL EXCHANGE BANK 1919

DEPOSITS

<p>OFFICERS</p> <p>J. F. FERRISS, Chairman of Board J. A. FERRISS, President LEONARD H. GOSSET, Cashier W. M. FAYLOR, Vice-President EDWARD L. STONE, Treasurer H. C. STONE, Secretary</p>	<p>May 7, 1889, \$10,000.00 May 7, 1890, \$10,000.00 May 7, 1891, \$11,000.00 May 7, 1892, \$12,000.00 May 7, 1893, \$13,000.00 May 7, 1894, \$14,000.00 May 7, 1895, \$15,000.00 May 7, 1896, \$16,000.00 May 7, 1897, \$17,000.00 May 7, 1898, \$18,000.00 May 7, 1899, \$19,000.00 May 7, 1900, \$20,000.00 May 7, 1901, \$21,000.00 May 7, 1902, \$22,000.00 May 7, 1903, \$23,000.00 May 7, 1904, \$24,000.00 May 7, 1905, \$25,000.00 May 7, 1906, \$26,000.00 May 7, 1907, \$27,000.00 May 7, 1908, \$28,000.00 May 7, 1909, \$29,000.00 May 7, 1910, \$30,000.00 May 8, 1911, \$31,000.00 May 7, 1912, \$32,000.00 May 7, 1913, \$33,000.00 May 7, 1914, \$34,000.00 May 7, 1915, \$35,000.00 May 6, 1916, \$36,000.00 May 7, 1917, \$37,000.00 May 7, 1918, \$38,000.00 May 7, 1919, \$39,000.00</p>	<p>OFFICERS</p> <p>J. A. FERRISS, Chairman J. F. FERRISS, President LEONARD H. GOSSET, Cashier W. M. FAYLOR, Vice-President EDWARD L. STONE, Treasurer H. C. STONE, Secretary</p>
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The Above Figures Tell the Story CAPITAL—SURPLUS—PROFITS—RESERVE FUNDS OVER ONE MILLION, TWO HUNDRED THOUSAND DOLLARS

1889 NATIONAL EXCHANGE BANK OF ROANOKE, VA. 1919

Effective use of pyramid showing growth in deposits, displayed in full page newspaper space

UNDER THE TITLE of "Getting Together," the Old Colony Trust Co., Boston, publishes extracts from some recent addresses of Mayor Peters and Henry B. Endicott of Boston and ex-President Taft, the subject being the need of team work to combat the menace of Bolshevism.

AS A MEANS of advertising its foreign department, the Hibernia Bank & Trust Co., New Orleans, issues a series of cards showing views of foreign scenes, with appropriate comment.

THE OLD NATIONAL BANK, Grand Rapids, is one of the banks offering to receive Liberty Bonds on deposit at par in its savings department, with

certain restrictions as to withdrawing the funds, 3 per cent interest being paid. The bank frankly says: "We hope to make a small profit on this transaction and we hope to hold your patronage and give you the kind of service which will make you remain a satisfied customer of this bank."

THE BANCO INTERNACIONAL of Havana, Cuba, is well showing its progressive tendencies, in keeping up-to-date among other things with modern forms of publicity. A booklet recently issued by this bank encouraging thrift is most impressive and suggestive. Its twenty-six pages of reading matter, profusely illustrated, are most appealing, and besides adding to a well-

rected campaign for a public benefit, they are typically interesting as a business-getter. The bank is only a year old, but it has already twenty-five branches and over 8,000 accounts. A good indication of what the people of Cuba think of it.



TENANCY IN A BANK BUILDING

THAT there is a special value in having an office in the building of a prominent bank goes without saying. To emphasize this value to those who are tenants of the Old National Bank Building, Spokane, a handsomely printed and illustrated booklet has been issued by the Old National Bank and Union Trust Co., owners of the building.

Mr. M. J. Kommers, vice-president of the latter institution, favors the Publicity Department with a copy of this booklet and writes that its aim is to assist in coordinating the service standards of the bank and trust company with that of the building in which they are housed, and with that end in view to devote attention to the significance of a tenancy in a building of this character.

Mr. Kommers states that this booklet has been prepared as a nucleus of a unique publicity campaign for the three allied institutions. It measures up to the high standard which the publicity of the Old National Bank has long maintained.



ADVERTISING BIG CREATIVE FORCE

"Like every other great basic element in our existence, advertising has undergone changes and has caught the spirit of the dawning era of a new peace. It has been quickened into a new life; it has acquired new potentialities. Never before has it exerted such influence over the minds and hearts of mankind. It has

Money for Mortgages on Boston Real Estate
Applications for mortgage money, in substantial amounts, on high-grade Boston properties will be acted upon promptly—call at the bank and talk over the details.

John Hancock Bldg.
Cor. Federal & Franklin Sts.

MASSACHUSETTS
BOSTON
TRUST COMPANY

Special Rates of Interest Paid on Time Deposits
In our commercial department special rates are paid on time deposits. Interest paid on average daily balance of \$300—credited monthly.

Uptown Office
232 Huntington Ave.
Near Northwesterline St.

Savings Department
One dollar opens a savings account—no limit to amount of deposit—interest begins monthly—last rate paid, 4 1/2%.

Trust Department
Acts as Trustee and Executor under wills—As Agent or Attorney for care and management of invested properties.

Corporation Department
Acts as Trustee under corporation mortgages—As Registrar and Transfer Agents—As Fiscal Agent for municipalities and corporations.

TOTAL ASSETS OVER TWELVE MILLION DOLLARS

A unique piece of newspaper advertising from Boston, where the banks seldom depart from conventional advertising form

reached and stirred our souls to the sublimest sacrifices.

"It matters not that this power resulted from the most intense emotional period in the world's history and that it was due chiefly to patriotic fervor, for advertising was largely instrumental in creating the very emotion and patriotism from which it gained its greatest strength of appeal. Each reacted upon the others; each developed the others. And for the first time, advertising sounded the depths of human nature. It penetrated to the elemental in human nature.

"That is the paramount lesson, as it was the paramount achievement, of advertising during the war. That is the foundation upon which advertising must work in building the business of the future. That is the basic truth of which we must not lose sight."—Francis H. Sison.



"'Cheerfulness in our ketchin', but hit looks like some folks is been vax'nated 'ginst de infection.'"—Cally Ryland, American National Bank, Richmond.

FROM CURRENT ADVERTISING

FIRST NATIONAL BANK, Haverhill, Mass.:

If you have money, we want it; if you want money, we have it.

NATIONAL BANK OF COMMERCE in New York:

THE SCIENCE OF BEING RIGHT

Business judgments involving millions must be founded on facts.

The National Bank of Commerce in New York gathers the facts of business from original sources which are not always open to smaller banks or to individuals.

Exact information on subjects related to intelligent, conservative and courageous business policy is at the disposal of our friends.

HOME SAVINGS BANK, Boston:

A "HOME" BANK FOR FIFTY YEARS!

For fifty years we have carefully studied the interests of our depositors and encouraged them to save regularly and systematically. In the growth of this institution they have been active partners.

We wish to increase our circle of friends. Help us, by encouraging your friends to open an account here. Speak a good word for this, your bank, at every opportunity. We welcome deposits of any size.



A GOOD SAFE DEPOSIT LETTER

A Washington, D. C., bank sent out this safe deposit letter recently:

To Our Depositors:

I want to call your attention to something which you have probably not seriously thought of before—something which costs so little and yet will afford you so much protection and ease of mind.

Right here in Washington, less than a week ago, there was a big fire in an apartment house situated within ten blocks of this bank, which spread so rapidly that a great many of the tenants lost absolutely everything they owned—valuable papers which can never be replaced and other articles of value.

FOR LESS THAN ONE CENT A DAY you can place your jewelry, Liberty Bonds, and valuable papers where they will be absolutely safe from loss by fire or theft and yet be easily accessible to you for examination or withdrawal as often as you wish.

Here at this bank, surrounded by every protective appliance and safeguard against fire, theft or destruction of any cause, our Safe Deposit Boxes provide you with insurance against losses that might run into the thousands of dollars—and all **FOR LESS THAN ONE CENT A DAY.**



Seattle's First Transportation System

"SEATTLE" went wild with excitement," says an historian, when Thomas Mercer arrived here in the spring of 1853, with the first team of horses and a wagon.

Mercer arrived on Puget Sound in the winter of 1852-53 from Salem, Or. He was so impressed with the possibilities that he returned the following spring with a party of friends, among whom was Dexter Horton, one of the founders of the present Dexter Horton National Bank.

And with them came the horses! They were the motive power of Seattle's first transportation system.

The Mercer conveyance played an important part in the growth and development of Seattle's industries. Just as the present intricate systems of transportation are a vital factor in the city's industry, so the little wagon of Mercer's must be given credit for aiding in the upbuilding of the community.

Transportation is one of the essential factors in the expansion of any city's industries. Systems that may seem adequate now probably will appear just as ridiculous a few years hence as does Mercer's enterprise.

Officers of the Dexter Horton National Bank feel they have a vital part to play in the upbuilding of this city and in so doing wish to aid, in every way possible the development of Seattle's transportation and other facilities.

Dexter Horton National Bank

Second Ave. and Cherry St.

Combined resources Dexter Horton National Bank and Dexter Horton Trust and Savings Bank over \$24,526,287.52.

Another excellent example of the use of the historical in bank advertising

We installed these Safe Deposit Boxes at an expense of a good many thousands of dollars, for **YOUR CONVENIENCE and PROTECTION**, and you can enjoy them for a sum so small that **NOT** to do so is an open invitation to thieves, a hazard of fire and a mark of indifference or carelessness that may cost you dearly in the long run.

AND ALL FOR LESS THAN ONE CENT A DAY.

Won't you come in and give us the pleasure of showing you our Safe Deposit Boxes?

To the letter was attached a clipping from the Washington Post calling attention to the many housebreakings, thefts, assaults and robberies of a single day. Commenting on this advertising, "The Schoolmaster," in *Printers' Ink*, says:

Banks aren't so formidable as they used to be. Neither are bankers.

Time was, for example, when a descent into the old-fashioned safe deposit vault used to chill the genial spirit of the Schoolmaster like an excursion through the Tombs, and the grand high warden who stood at the door and twirled his keys used to threaten him mentally with all the terrors of the Donjon.

But times have changed, and bankers more and more are taking on the cheery attributes of advertising men.



INTELLIGENT BUSINESS BUILDING

THE financial institution's operations can be divided under five heads—administrative, finance,

Come to Stockton On Dollar Day



Participate in the
Stockton Merchants'
Big Bargain Event.

TUESDAY

June 3rd

THE FARMERS AND MERCHANTS
BANK
STOCKTON, CALIFORNIA
The Bank of Good Service—Member Federal Reserve
Frank A. Guernsey, President

A little unsolicited support of the merchants on their big day

executive, clerical, and business building.

Just as surely as no chain is stronger than its weakest link, so in the bank when anyone of these sections represents a relative weakness, the entire structure fails to stand the test.

The success of every financial institution is dependent upon establishing and maintaining relative efficiency in each one of these factors.

It is well recognized that no financial institution is ever at a standstill. It is either going ahead or going back. While it would appear that some financial institutions have gone ahead without defined plans and publicity for business building, increasing competition, which is everywhere being evidenced, indicates clearly that the time for what is described by some as undeserved and unwarranted growth is rapidly passing, if not already gone.

The active head of a banking organization to-day clearly discerns the necessity for the most intelligent business-building ef-

fort and that it be continuously administered.—*Collins Publicity Service.*



**A BANK THAT REALLY
MEANS "SERVICE" TALK**

(Continued from page 1)

who try to help themselves. No time is wasted on those who do not.

One of the first statements made in the bank's advertising was:

Our road to success will have to be built with stepping stones of the success of our customers.

And that slogan has been often repeated since; and, as can be seen, religiously followed.

Coöperation with retailers has been carried on along the same lines as coöperation with the farmers. Mr. Earnest is qualified to help this class in the community, also. He once took charge of a hardware store that was not making money. He applied good business methods. One department after another was checked up until the one

that was failing to return profits was located. Then the methods of conduct were revolutionized. The store began to make money.

Local business men come in just as do the farmers. They are encouraged to analyze their businesses and to learn where the leaks are. Sometimes it is top-heavy expense, sometimes carrying an expensive "pet" that eats up the profits, or extensions of credit all out of reason, or ignoring of overhead in making prices. A case of the last was seen in the case of a restaurant man who was serving meals 35 cents that should have been priced at 40 cents. After a talk with the banker these men get a new light on their businesses which years of close contact have failed to bring them. And the bank gets new friends.

"Dollars and cents," said Mr. Earnest, "are the last consideration now. We are looking ahead five years. We are building a firm foundation of prestige for the future. We wish to have a line-up of the successful and of men with ability.

"The average individual, if properly placed, encouraged and financed, will succeed. A pat on the back at the right time, money loaned at the right time or advice given at the right time will help wonderfully, as will be shown by future results.

"Often the cold dollars and cents bank will cold-bloodedly turn down a proposition that loses much money for the client. It may even refuse a man money that he needs to handle a crop. He tries to handle it with his own folks or inferior machinery—he loses part of the crop. There's just that much production lost."

The bank has recently been furnished with new fixtures, and one of the most important features is the railing before the office of the president and cashier. It is low and the smallest child can walk right up and talk. It is purposely built thus in order to be a contrast to the

usual high partitions and gratings. It is the "welcome" on the doormat that backs up on the promises of the advertising.

One day in March a young man came in to tell his troubles. He had read in the bank's advertising that he was invited to come in, and that brought him in to see the banker. He was \$700 in the hole. He had gotten himself entangled by mortgaging the same property twice. He was a whipped man. As far as he was concerned it was hands down. Mr. Earnest talked to him straight from the shoulder. He pointed out to the young man that he had his life ahead and that the future would be just what he would make it. If he would straighten up, face his creditors, promise them to make good, and let them see evidence that he was going to make good, he would come out all right. At first the young fellow cried, but at the end he seemed to have lost a burden from his shoulders. He said he was going to make good. Two weeks later the young man came in. "Well," said he, "I've got my coat off to make good—and I'm doing it."

Such cases come up every month, sometimes once a week. The young man mentioned may some day be one of the wealthiest men about Montrose—and it is safe to say that he will not forget his start.

Another source of friends is in the school. Mr. Earnest has made talks to the high school pupils. His aim was not only to teach them the qualifications of a banker, but the offices of a bank. After he had given one talk the superintendent said to him: "After that talk of yours I have got a different view of a bank than I ever had before. You have never once mentioned interest." This adult as well as his pupils has seen a new light.

A series of booklets covering 18 vocations is going to the pupils as a service from the bank to those who are interested in

ARE YOU SUCCEEDING?

You are a person whom you do best for your country and your best interests. You are the one who will get the most out of your money and the most out of your life. You are the one who will get the most out of your business and the most out of your family. You are the one who will get the most out of your country and the most out of your life.

The Home State Bank
 A. G. GARRETT, Pres. A. B. HALL, Cashier
 J. P. KEENE, Vice Pres. W. L. CLARK, Asst. Cash.
 H. A. CRESLEY, Asst. Cash.

The War is Over Let's Go

Do not worry over the readjustment of prices. They are bound to go down and you will get the most out of your money and the most out of your life.

The Home State Bank
 A. G. GARRETT, Pres. A. B. HALL, Cashier
 J. P. KEENE, Vice Pres. W. L. CLARK, Asst. Cash.
 H. A. CRESLEY, Asst. Cash.

Some of the newspaper ads that point to Home State Bank service

their future work. This will be of help to the young folks.

In 1918 the bank spent \$2000 for advertising. It was not spent in a hit-or-miss fashion or because some newspaper solicitor has tied the bank to a contract—but with the same idea as the bank urges on the farmer, productiveness. As the writer said in the first paragraph, these small advertisements are well planned and have a message. That is why they get results. Results, not in dollar savings accounts, but results in better financing by individuals and firms who are so thankful to the Home State Bank that they increase the business of that bank.

The bank has a mailing list that is used more than once a month. This list includes the customers and a certain quantity of live prospects taken as fillers each mailing from some list such as the telephone directory. The names in the prospect list are selected by those who know the individuals.

And the message these folks read is not a mere bid for business, but a real service message.

Any bank can talk service and advertise it, but too often the word is used merely out of habit.



"A MAN says, 'Well, I am going to do this the next six months, I am going in for a course of reading in law, or a course of reading in economics, or a course of reading in some business science.' He begins and then a neighbor comes in, or an opportunity to play a game of cards, or his wife wants to go out and visit, or the movies are there, or there is some other diversion, and oh! it is so easy to put the book off until the next night."—*Ex-President William H. Taft.*

Books on Bank Advertising

Bank Window Advertising. By W. R. Morehouse. Illustrates and describes many displays which can be adopted by enterprising banks to an endless variety of subjects. Price, \$1.50, postpaid.

Bank Deposit Building. By W. R. Morehouse. Contains practical and proved methods of increasing your business and holding it. Copiously illustrated. 350 pages. Price, \$3.00, postpaid.

Bank Letters. By W. R. Morehouse. Contains 33 actual letters reproduced by multigraph, designed to meet every need of ordinary bank correspondence. Price, \$5.00, postpaid.

The New Business Department. By T. D. MacGregor. Describes how a bank can systematically cultivate and secure new business from various sources. Illustrated with forms, etc. Price, \$1.00, delivered.

2000 Points for Financial Advertising. By T. D. MacGregor. Contains 2,000 suggestions for the wording of many bank ads. Adapted to the use of commercial banks, trust companies, safe deposit companies and savings banks. 170 pages. Price, \$1.75, postpaid.

Pushing Your Business. By T. D. MacGregor. Explains the principles and practice of financial advertising, illustrating various methods and showing mechanical detail of writing copy. 300 pages. Price, \$1.50, postpaid.

Bank Advertising Plans. By T. D. MacGregor. Describes hundreds of plans, other than newspaper advertising, which banks have successfully used in building business. 300 pages. Price, \$2.50, postpaid.

Banking Publicity

Special Section of The Bankers Magazine

AUGUST 1919

THE F. A. A. CONVENTION

As NOTED elsewhere in this issue, the annual convention of the Financial Advertisers' Association will be held in New Orleans September 21 to 25, and no effort is being spared to make it the most successful convention yet held. W. R. Morehouse, president of the association, has sent out the following appeal for advertising exhibits, which ought to meet with a hearty response:

The Financial Advertisers' Association is now the largest departmental in the Associated Advertising Clubs of the World. Because of this fact, the ten thousand or more delegates who will attend the big convention will expect to find our exhibit also the largest and most complete of them all.

This places a great responsibility upon every member of our association. Regardless of whether you have but a single piece of literature or a hundred, contribute what you have. Under no circumstances fall us this year, for our reputation as the largest and most influential of the departmentals of the A. A. C. of W. is at stake.

NO CHARGE FOR SPACE THIS YEAR

It will be an easy matter for you to enter an exhibit this year. Arrange it on either beaverboard or heavy white or colored cardboard, 30 x 40 inches, and express it to Mr. Bruce Baird, care Hibernia Bank & Trust Co., New Orleans, La., expressage prepaid, and Mr. Baird will do the rest. If possible, make your shipment not later than August 15. If you cannot obtain boards of this size, use the size nearest to the figures given. **NO LIMIT TO THE NUMBER OF BOARDS USED—YOU PROVIDE THE BOARDS AND WE WILL PROVIDE THE SPACE IN THE EXHIBITION ROOMS.**

NO RESTRICTIONS AS TO WHAT YOU MAY EXHIBIT. We want specimens of everything you have used to get new business or conserve the old. The date of publication or the time when you used the specimens submitted does not matter—send them on.

If you do not have sufficient number of pieces to cover one board, indicate that fact on the enclosed postal card, stating approximately how many pieces you will send, and space will be reserved for you in the Grand Group Exhibit, however, keeping your

The Season

When you are apt to be away for the week-end, or off on a vacation, is the season when the summer burglar thrives. And now is the time to entrust to our keeping the valuables that you have at home or have been keeping in the office safe—you'll be able to enjoy yourself the more without the worry about their safety, and you may be spared a costly lesson.

THE MERCANTILE Safe Deposit Company

Established 1870

115 BROADWAY, NEW YORK

A timely ad for the Safe Deposit Co.

contribution intact, so as to make a good showing.

Begin now and get your exhibit into shape for shipment before August 15. Write Mr. Baird the day your exhibit leaves your hands, and make known to him any special requests concerning your display.

ONE OR MORE SILVER CUPS AND OTHER AWARDS

A silver cup will be presented to the member having the best display, and there will be other awards. Complete information later.

I URGE YOU TO CO-OPERATE

As president of the association, I earnestly request you to contribute to the exhibit at New Orleans. With your help the Financial Departmental can carry off first prize as having the most interesting and instructive exhibit of advertising literature on display at the convention. Let us win first honors from the twenty or more departmentals that will compete for first place; let's make our exhibit by far the best.

Mail the enclosed card to-day, not only because Mr. Holderness is expecting to hear from you, but in order that Mr. Baird may be advised of your requirements for space.

After your report has been received by our secretary he will make a permanent record of your requirements and then forward your card to me so that I may know that you have responded.

If you wish your literature returned to you after the convention, so advise Mr. Baird at the time you notify him that your exhibit is on the way to New Orleans.

GOOD ADVERTISING MATERIAL FOR A TRUST COMPANY

You remember that the death of James Gordon Bennett, the wealthy owner of the New York "Herald," took place not very long ago. Here is a striking chain of incidents that followed:

Mr. Bennett appointed his personal friend, James Stillman, an executor. Unfortunately, Mr. Stillman died before any progress had been made in settling the Bennett estate.

But it was found that he had appointed John W. Sterling, the famous New York lawyer, an executor of his estate. Before Sterling could begin work, he died suddenly while fishing in Canada.

Sterling appointed James O. Bloss, the New York banker, executor of his estate. But within a few weeks the third death in the chain occurred. The estates of Bennett, Stillman and Sterling aggregated about \$75,000,000.

What a frightful illustration of how death topples over one rich man after another—despite all their financial independence and the utmost that medical science can do for the prolongation of human life.

The above, from the *New England Pilot*, is interesting as a news item, but it is full of advertising material for the Trust Department. The Old Colony Trust Co. (Boston) *News Letter* discovered this and comments as follows: "The long, interlocking complications that arise after a man's death, during which the families are left to shift as best they may, while the tedious grind of untangling his affairs drags through the probate court, gives irresistible force to the argument for a trust company as your executor—an executor who never dies or is sick and is forever 'on the job.' The remedy for the possible inconveniences, even hardships involved, is so simple, so easy and so direct that nothing can compete with it. If all this is true, how much greater is the value of this trust company service for moderate estates where delayed settlements may mean positive calamity to the heirs?"

Banking Publicity

Monthly Publicity Section
 THE BANKERS MAGAZINE
 253 Broadway, New York

AUGUST 1919

THE Fourth Annual Convention of the Associated Advertising Clubs of the World, including the Financial Advertisers' Association, will be held in New Orleans September 21 to 25. The mere announcement of this notable event should be sufficient to cause a remarkable gathering of progressive bank men on this occasion. The time has long past when there is any question of the value of advertising in the promotion of thrift and the building up of institutions which are the life blood of business. It is only a question now of the best methods, and there is no place where the best methods of the best students of bank advertising can be better studied at close range and where more real knowledge of resultful bank advertising can be obtained than at this convention. Get your reservation now.



ADVERTISING to bankers is becoming almost as common as advertising by bankers. The bankers attending the recent convention of the Tennessee Bankers Association were greeted by a newspaper advertisement inviting them to witness a demonstration of a tractor, and claiming that bankers should be interested because, "You are in-

terested in the proper development of the farms in your section and anxious to encourage better farming methods to overcome the existing shortage of man power and animal power on the farm."



IN URGING the use of the trade acceptance, bankers may well use the argument that by signing or endorsing trade acceptances a firm makes itself known in channels not usually reached by ordinary advertising. It helps credit to have your name well and favorably known. Frequently the course of a trade acceptance is something like this: The retailer accepts the wholesaler's draft on him. The wholesaler endorses it over to the jobber, who may use it to settle some of his indebtedness, and his endorsee may then discount the acceptance at a bank, which, in turn, may either hold, sell or rediscount it. All through this process the original signer is receiving silent but effective advertising in business circles.



KINDLY DISPOSED customers have frequently been known to send in quite usable advertising suggestions. One of the smaller New York trust companies recently received a letter from a depositor who was temporarily out of town. He enclosed a clipping from a New York newspaper containing a legal

The "Sucker List" Is Out

If you were a trade patriotic American during the war you have seen Liberty Bonds.

If you have been a wise and thrifty person you still own them.

Have you met the fellow who looks like a million dollars and talks 100% profit to you? Have you been Reddified and jolted by some else with a grin like a Cheshire cat and latched to his thinking apparatus of the wire mesh of machinery, or his greasy tale of a fortune to all over night?

If you can't get away you must certainly listen to him. But when he strikes his greasy eye, goes back, look up into the blue sky and greedily suggest that he take your name off his "sucker list."

The "sucker list" stock with the patent promoter is out of the cage. When he slides up to you with a greasy smiling sales, prepare to learn that plan.

When some one promises you large interest, that some one promises four annual bonuses he expects to make money for himself with it. The more he promises you the more he expects to make for himself. He is perfectly willing to gamble with your money.

Of course, it's your money. It's nobody's business what you do with it.

But it's our business to protect the savings of our friends. We have been to that business for over eighty (80) years. We think we know something about the business of safeguarding our depositors' money.

You make a good mechanic, a good clerk, a good teacher, a successful inventor, a good salesman. That's your specialty and you know more about it than we do. When we need a piece of corporate done we go to a carpenter—and a barn-downer.

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One 'of Charles D. Jarvis' good savings bank ads

news item in which the fact was stated that two executors of an estate had died within an hour of each other. The depositor thought that was a good text for a trust advertisement, and so did the trust company and its advertising agent, neither of which had seen the news item noticed by the lynx-eyed depositor.

THERE'S NOTHING like personal work on the part of officers and directors to secure really worthwhile accounts or to keep in the good graces of those already on the books. A bank in a good-sized Southern city



National prohibition will be a little more bearable if this is one of the results

makes a practice of having an officer go around once in a while and pick up one or two directors in his car to make a friendly call at the office of a customer or prospect. The plan works out very well, especially as it is in keeping with the cordial spirit manifested by the bank in all the dealings with customers and the public.



IF EVERY officer and employee of the bank had as good a nose for advertising news, so to speak, as the advertising man has, the problem of getting up interesting and compelling copy would be easier. But here's an idea which might be used to advantage: Have the tellers keep a record of the questions asked by customers insofar as those questions are such as might be forestalled if the information were brought out in the advertising.



THIS is an idea that no mere man would have thought of—probably. An advertising woman suggests that the Safe Deposit Department write a letter to brides pointing out the wisdom of put-

ting surplus wedding presents in storage, i. e., the larger silver pieces used only on special occasions. The custom is common enough, but it has never been extensively advertised.



FINANCIAL ADVERTISERS' ASSOCIATION CONVENTION

REMEMBER, there are two classes of bankers who are neither invited nor expected to attend this convention. First—those who know it all, but want to keep all their clever little methods to themselves—F. A. A. delegates go to conventions to teach and to learn. What great men learn they gladly give to others. Fools hide their lights under the bushels.

Second—the dead ones who neither think nor care. There are plenty of cemeteries where all such will find a far more congenial atmosphere.

You come to the convention. Put it on your programme right now. Let nothing swerve you from this purpose.—*M. E. Hol-derness.*

No banker or bank advertising man who is genuinely interested in bigger, better business can afford to miss the New Orleans convention.

The famous old "tombstone" type of bank advertising which was prevalent fifteen or twenty years ago has been largely replaced by the modern, up-to-date "good will" publicity

which the more progressive banking institutions are now employing.

In other words, bank advertising to-day talks to the public in real "human interest," "red-blooded" fashion, as though it really expected to receive some consideration.—*F. W. Ellsworth.*

With bank advertising coming into its own, it behooves every prudent banker to keep in close contact with the association. Every banker who can possibly go to the coming convention should do so by all means. Gathered there will be advertising experts of known ability—men and women who believe in helping each other—in giving of their experience as well as profiting by the experience of others.—*W. R. Morehouse.*



AN AUSTRALIAN HOUSE ORGAN

C. D. PATERSON, advertising manager, sends us copies of *Bank Notes*, the monthly staff magazine of the Commonwealth Bank of Australia. It is a newsy and altogether creditable bank publication, equal in all respects to the best in this country. A feature of one number is a *facsimile* of the reappointment of Denison Samuel King Miller, Esq., as governor of the bank, and a review of the remarkable progress of the institution since Mr. Miller entered on his duties as governor June 1, 1912.

Another interesting item shows the method adopted by the manager of the English, Scottish

and Australian Bank at Tweed Heads, N. S. W., to do business with its customers at Coolangatta, across the border in Queensland, when all traffic between the states was stopped during the influenza epidemic.

A cigar box, with a long string on either end, was used as a "carrier." The customer placed his notes, cheques, etc., in the box on the Queensland side, while the bank manager drew it across to N. S. W. side of the border, effected the necessary record, and returned the deposit slip receipt in the same way.



HOW BANKS ARE ADVERTISING

A USEFUL little booklet issued by the Trust Department of the National Bank of Commerce, St. Louis, is called "The Stockholder and His Bank." It cites the various ways a stockholder may help build up his bank, and concludes—

That is what a stockholder can do for his bank. There are many reasons why he should do it—first of all, because it is his bank. He would not fail to put the full force of his influence behind the business which is under his personal direction. He realizes the importance of patronage to that business; and he leaves no stone unturned in obtaining it. He loses no opportunity to give his friends and acquaintances a favorable impress of that business—because it is his own. Yet, in a lesser degree, the bank is his business too. He owns a part of it. If it profits, he profits.

A SERVICEABLE booklet by the Federal Title & Trust Co., Beaver Falls, Pa., is titled "Why You Should Make a Will," and besides reciting the usual arguments in favor of such procedure gives some useful forms for tabulating information to the lawyer preparing the will as to the disposal of various kinds of property, real and personal.

THE Farmers and Merchants Bank, Stockton, Cal., is a well-known community "booster." In a recent newspaper ad it features San Joaquin County's rec-



What Will Cotton Sell For After Peace Is Declared?

THIS question is of vital concern to every cotton grower, cotton dealer, cotton manufacturer, and cotton goods merchant. It involves consideration of the pre-war consumption of energy and neutral countries, of ocean freight rates and other phases of shipping conditions, of new crop prospects, and of the supply and demand for cotton in this country and among our Allies.

We have compiled a large amount of data which will be helpful to our clients in forming their opinions on future cotton prices. Our experienced investigators are always available for research into this or any other phase of the cotton industry. We welcome inquiries from our clients on any industrial or commercial subject.

SEND FOR OUR BOOKLET

"Your Bank as An Ally in the Conquest of Business"



INDUSTRIAL SERVICE DEPARTMENT

The Merchants  National Bank
28 State Street Boston, Mass.

Boston bank advertising copy rivals that of the Metropolis

ord as an asparagus producing county, and adds:

Now is the time to get behind all movements that mean a bigger and better city and county. A good way to be ready to take advantage of the opportunities this section will offer to the investor, is to start a savings account so you will have the necessary capital. Come in and talk this over with us.

THE American Exchange National Bank, New York, reproduces its recent series of "Young Men" ads, with an appropriate introduction, in an attractive pamphlet of 16 pages. These ads attracted a good deal of attention when run in the daily papers. Here is one of them:

THE ELEMENT OF TIME

A few years ago a young man went into a large national bank in New York City for the purpose of opening an account. He had \$750.

He was tritely informed that deposits of less than \$1,000 were not acceptable. He left crestfallen and deeply chagrined. The few years between that time and the present have passed rapidly. That same young man's account is now very desirable. He banks with another institution which accepted his business in a friendly and helpful spirit, and the officers of which have always been glad to be of service and assistance to him on the broad basis that he deserved such recognition from the standpoint of character and worth.

Our policy is in direct opposition to the experience of the young man when trying to make his initial deposit, as recited above. We recognize his growing importance and are glad to be of service in such ways as we consistently can.

A UNIQUE statement folder is that of the National Stock Yards (Ill.) National Bank, just issued. It is of unusual size, 11x14, and printed on heavy paper. Inside is tipped a really good reproduction of the

Stuart picture of George Washington, and a quotation is printed opposite appropriate to this reconstruction period. The latest statement of the bank appears on the back cover.

AN EXCELLENT new booklet by the Old Colony Trust Co., Boston, is "Your Financial Requirements and How We Can Meet Them." Following a short description of each department and the service rendered is given the personnel of the department, in order to make the handling of business more personal and direct.

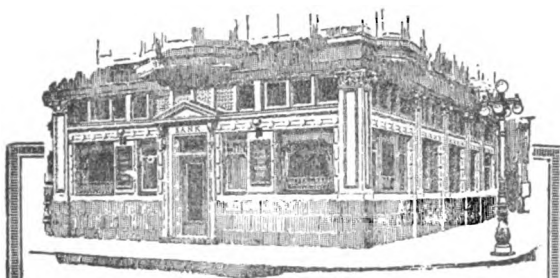
A NEW PAMPHLET by the Mellon National Bank, Pittsburgh, is entitled "Liberty Loans," and gives full particulars of all the Government bond issues, with their income tax features, tables of yields, and other provisions.

A NEW FEATURE of the publicity of the Irving National Bank is a "Mid-Month Review of Business" gotten up in this bank's usual good style, both editorially and typographically.

CALLY RYLAND, publicity manager, American National Bank, Richmond, has recently put out an excellent little "Household Budget for the Housewife," containing in compact form information on this more than ever vital subject.

A PRACTICAL series of booklets issued by the Pearl Street Savings and Trust Co. of Cleveland included "Sugar Saving Hints," "Milk and Its Uses," "Meat Saving Hints," and "The Nest Egg," the last mentioned being a text-book of poultry-raising.

AN EFFECTIVE street car card is being used by the People's Trust & Guaranty Co. of Hackensack, N. J. It is headed "Double Your Money at 4%" and it shows how any parent depositing a sum of money now for his young child will have it doubled by the time the child is ready to enter college, and the



The Home Woman's Financial Affairs

SINCE women are primarily occupied with home duties, many of them are inexperienced in regard to investments and the care of property. That is where an institution like the FIRST TRUST & SAVINGS BANK can help them. We are fully prepared to manage the property of persons who, on account of other interests, poor health, or inexperience, do not care to look after it themselves.

Come in and talk with our officers or write for fuller information concerning our services in managing property under the terms of a written agreement. This will place you under no obligation to employ us.

FIRST

TRUST & SAVINGS BANK
LOCUST—N. W. CORNER—SEVENTH

Women's financial affairs are now a matter of general interest

doubling will be done entirely by the four per cent. semi-annually compounded interest paid on savings accounts.

THERE IS no excuse for anybody being bothered by the care of securities, as since so many national banks have installed trust departments there is considerable competition in advertising the safe-keeping or custodian service. This is one of the features of fiduciary work where the institution does not have to wait until the client dies before making any money from him.

How new business is developed by the Metropolitan Trust Co. of New York is summarized by the *Business Digest and Investment Weekly*, as follows:

When the name of a prospect reaches the new business depart-

ment, it is turned over to one of the solicitors. He makes an investigation concerning the standing and business affiliations of the prospect. In much the same way as an investigator in the bank's credit department. All the information thus obtained is carefully noted. In this way the history of the prospect is accurately developed before active solicitation is commenced. The prospect advice, the new account advice and the filing card are constructed as nearly alike as possible in order to bring greater simplicity into the system. The tickler card plays an important part in that it provides automatically for the timely development of the prospect with no chance of anything being overlooked. If the investigation of the prospect indicates that he may be a desirable customer, his name is placed on the mailing list.

In order to check up on the solicitors, a report blank is used. This form helps to show the number of calls made by the solicitor and it tends also to avoid duplication of effort on a prospect.

It is a rather clever idea of the National Bank of Commerce in

St. Louis to advertise to out-of-town bankers this way:

TOO MUCH "WE"
SPOILS THE AD

Experts say "You" is a much better Advertising word than "We" or "Our"

But when WE say that OUR constant endeavor is to make OUR bank an institution of superior service, and when WE can point to more than two thousand pleased correspondents to-day—doesn't that strongly indicate, Mr. Banker, that Commerce Service would please YOU?

The Universal Savings Bank, New York, uses window displays successfully on the Liberty street side of the Singer Building. It also puts booklets on a stand just inside its door and a placard in the window saying, "Step inside and take a booklet."

A strong and interesting piece of advertising for its four per cent. coupon certificate of deposit was put out by the Guaranty Trust & Savings Bank, Los Angeles. It is a folder, part of which is in the form of a specimen certificate with the interest coupons attached.

SOME of the outstanding features of the Federal Reserve Act and what the average business man should know about it are explained in a Rotary Club address delivered by Cashier Grant J. Brown of the Industrial Savings Bank, of Flint, Mich., and put out by that institution in booklet form.

WITH its quarterly dividend check the Guaranty Trust Co., New York, sends a card reading:

CUSTODY OF SECURITIES

Among the many services rendered, this company—
Accepts the custody of securities against receipt.

Collects and credits or remits proceeds of coupons and dividends, and the principal of matured investments.

Renders periodical statements of securities held, when requested.

Buys, sells and receives or delivers securities for clients upon order, and attends to the transfer of stocks and registered bonds.

Prepares, and executes as agent, under power of attorney, all necessary declarations (certificates) of ownership required under the Federal Income Tax Law.



**Financing
Young Business Enterprises**

This bank is proud of the fact that it furnished the money necessary to "start" several of the now substantially successful mercantile and industrial enterprises in this city and state.

It was our belief in the character and integrity of the men who needed the financial help to launch these enterprises that prompted us to extend the assistance of this strong institution.

**We Have Confidence in
Men of Honor**

Our protection was not the usual collateral given to secure a bank against losses; it was the inherent honor, ability, ambition and resourcefulness of the men we "backed." Our confidence was wisely placed.

Of course, having received our financial assistance, these same gentlemen who have established profitable businesses, have always manifested a willingness to be guided by our judgment where it was needed in the conduct of their enterprises. Our advice has saved them much.

What we have done for young business enterprises in the past, we are continuing to do for new businesses now. We are always interested in and willing to help any worthy commercial undertaking.

National Bank of the Republic

E. A. CULBERTSON, Pres. Corner Main and 2nd South W. F. EARLS, Cashier
DE WITT KNOX, Vice-Pres. GEORGE KNOX, Asst. Cashier

Progressive bank advertising copy from Salt Lake City

Prepares for client's signature, return of annual income collected by it on securities deposited.

Reports upon condition of investments when requested, and endeavors to inform concerning called bonds; conversion and subscription rights; dividends; reorganizations; sinking funds; subscriptions to new issues of stocks and bonds.

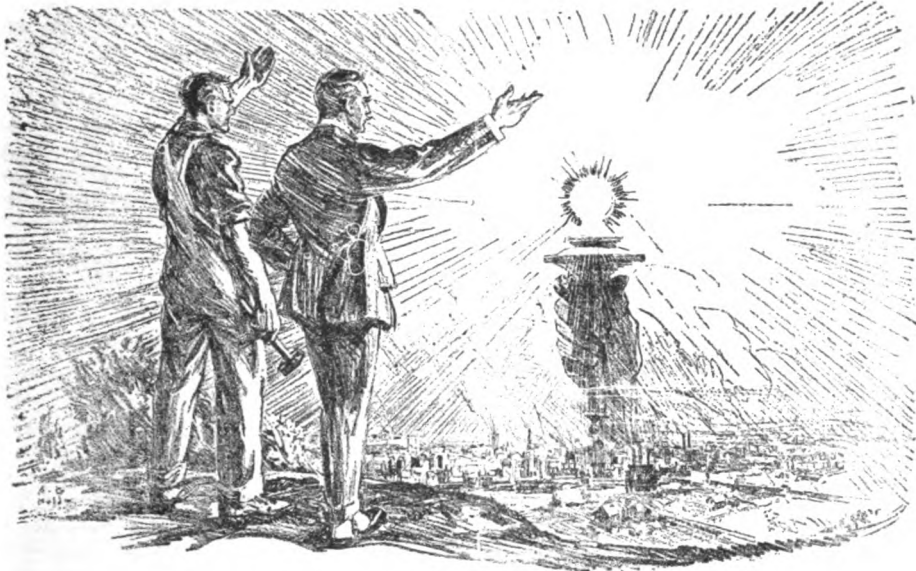
PERSONAL

Assistant Secretary Irwin G. Jennings, manager of the New Business Department of the Metropolitan Trust Co., New

York, has been awarded the degree of Doctor of Philosophy by Columbia University.

James S. Baley, formerly connected with the A. W. Shaw Co., has been appointed manager of the Department of Analysis and Statistics of the National Bank of the Republic, Chicago. The work will include new business and publicity.

Promptness, punctuality and promotion begin with the same letter.—H. K. Twitchell.



A Peace Vision of American Business

The War came. What happened?

Nearly 5,000,000 Americans were called to arms. More millions were called from the pursuits of Peace to the pursuits of military supply.

And yet the demands of War were met. Civilian needs were met. All this tremendous added production was drawn from a depleted labor body and existing resources.

New methods of manufacture conserved by-products which helped establish self-sufficiency in industries once dependent on imports.

New processes and the discovery of dormant wealth further established American economic independence.

Standardization proved from industry many things self-sufficient.

WE became a nation of co-operators. Competing manufacturers worked together in complete harmony. Private industry loaned to Government Service scores of its best brains.

Thrift took new root in American lives. Approximately 25,000,000 people brought over \$24,000,000,000 of Liberty Bonds.

Everybody pulled together—Go America. National need erased party lines and class lines. Hyphenates largely disappeared. Foreign-born Americans became real Americans. Polyglot peoples fought and died under one flag—the American flag.

The new spirit of national co-operation bred a new spirit of national unity.

Thus War wrote across the face of the nation a new record of high accomplishment.

Now is definite, terrible Peace to take us

As we await in the weeks of Peace the lessons taught us by the stress of War, let us not forget the one which, to America as a nation, perhaps means more than any other—the Lesson of Thrift.

The history of France—our friend and partner in Victory—records in a telling way the national value of the homely gift of saving.

Today, France, imposing war indemnity on Germany, needs the belief of Bonaparte that his 1871 indemnity of 5,000,000,000 francs would ruin French industry.

France survived to triumph over Germany largely because of the economic strength with which the nation was fortified by the individual saving habits of French men and French women.

As a result of the War we now possess the germ of what France already had—the gift of thrift. Let us not fail to cultivate it until it becomes a national habit.

‘We as individual American men and women may well expect to share knowledge in the fruits of American industry if we each make our own contribution to its soundness by the continued practice of thrifty saving.’

COLUMBIA TRUST COMPANY

In Residential District - 60 BROADWAY — In Shipping Center - FIFTH AVE. and 34th ST.

In Market - 12th ST. and LIBERTY AVE. — In South - 14th ST. and THIRD AVE.

This fine piece of advertising occupied an entire page in the New York newspapers

WARNING SAVINGS BANK ADS.

The Savings Bank Section of the American Bankers' Association recommends the idea of using advertisements to warn the public against unprincipled promoters who are going about seeking whose Liberty Bonds they may devour.

Such advertisements as the following are suggested:

WATCH YOUR LIBERTY BONDS

An Associated Press dispatch from Washington Saturday said that the best way to detect a stock promoting fake is to judge the promoters' willingness to take your Liberty Bonds in trade for their worthless securities.

If anyone asks you to make such a trade or advises you to sell your bonds to procure the cash, shun him and his plan.

He may have something good to offer, but it's a thousand to one you'll lose your bond and get nothing for it but a "scrap of paper."

Good investments are good and we encourage investing.

But consult someone who can judge before you take any step in this direction.

SECURITY TRUST CO.

BEWARE OF THE "STOCK" PROMOTER

If you wish to invest, first consult your banker or any reliable broker. But our advice to you is to let "get rich quick" schemes alone if you value your cash.

Don't let a cheap appeal to greed get the better of your judgment.

SECURITY TRUST CO.

The Savings Bank of Utica, in line with this policy, has published the ad reproduced in another column. This is one of many patriotic and inspiring ads printed by this progressive institution.



BUILDING BIGGER BUSINESS

Building present business into bigger business is one of the ways to insure permanence and healthy growth. The bank or the plant that is not increasing its length and breadth of branch and root is not growing healthily; it is in danger of decay. Every customer of your bank is a part of your bank, and if every customer's business has a healthy growth, your bank's growth will be healthy and inevitable. You can make your average customer's business grow by advertising your helpfulness to him and by being as helpful as you profess. If your bank has a varied service, you can increase your average customer's business by advertising to him the departments of service he is not now using, inducing him to broaden his custom to conform with your broader service. Some of the most successful city bank advertising has been of this sort—making acquainted the customers of one department with the services of another.—*Edwin Bird Wilson.*



HOW IT IS DONE

YOU WANT to know how business is secured for your bank?

Well, there are many factors that enter into prime salesmanship, but here are two of the most important:

1. Imagination.
2. Friendliness.

If your imagination is working at top speed, there are lots of things happening under your eyes every day that suggest possibilities of business.

Albert Wiggin, chairman of the Chase National Bank, who is said to have more friends than any other banker in New York, told the secret in a recent interview. He said in effect: "If you want to *have* friends, *be* a friend—and without selfish motive."—*"You," Cleveland Trust Co.*



THE BANK'S MAILING LIST

Every bank should build up a mailing list on which the names and addresses of all the best prospects for the bank's services are listed. Some officer of the bank should look personally after the compiling of the mailing list, or appoint some qualified subordinate with the duty.

The bank's mailing list is very important. With a good mailing list, house organs, letters, enclosures and other attractive advertising can be placed by mail each month before every prospect on the list, influencing new depositors and developing larger deposits.

In preparing the bank's mailing list the first list to be used is the list of depositors in the various departments of the bank. Lists should be so arranged that advertising for each department can be sent to the logical prospects only.

Go over the telephone directory, local blue book and the city or county directory. Check prospects and place the names on the list.

Secure lists of local labor, fraternal and social organizations. Watch the newspapers and secure prospects from news items.

The registration lists, which are kept in the county clerk's office, furnish names of registered voters, men and women.

Keep your stockholders on the list. Write them and ask for their influence in gaining new lists. Where possible get lists of employees of local business houses. Lists of municipal employees are splendid savings

material. Nurses, school teachers, railroad men—all are lists that should be compiled and reached systematically.

Have everybody in the bank always on the lookout for savings prospects. In a similar way work up lists of prospects for other departments of the bank.—*Selling Aid.*



NO LONGER A SPECULATION

TO-DAY Canadian bankers are awakening to the fact that advertising under proper conditions is not an experiment, is not a speculation, not a charity, but a most important part of their business machinery.—*A. G. Sclater, Publicity Manager, Union Bank of Canada.*

Books on Bank Advertising

Bank Window Advertising. By W. R. Morehouse. Illustrates and describes many displays which can be adopted by enterprising banks to an endless variety of subjects. Price, \$2.50, postpaid.

Bank Deposit Building. By W. R. Morehouse. Contains practical and proved methods of increasing your business and holding it. Copiously illustrated. 256 pages. Price, \$3.00, postpaid.

Bank Letters. By W. R. Morehouse. Contains 33 actual letters reproduced by multigraph, designed to meet every need of ordinary bank correspondence. Price, \$5.00, postpaid.

The New Business Department. By T. D. MacGregor. Describes how a bank can systematically cultivate and secure new business from various sources. Illustrated with forms, etc. Price, \$1.00, delivered.

2000 Points for Financial Advertising. By T. D. MacGregor. Contains 2,000 suggestions for the wording of as many bank ads. Adapted to the use of commercial banks, trust companies, safe deposit companies and savings banks. 170 pages. Price, \$1.75, postpaid.

Pushing Your Business. By T. D. MacGregor. Explains the principles and practice of financial advertising, illustrating various methods and showing mechanical detail of writing copy. 300 pages. Price, \$1.50, postpaid.

Bank Advertising Plans. By T. D. MacGregor. Describes hundreds of plans, other than newspaper advertising, which banks have successfully used in building business. 204 pages. Price, \$2.50, postpaid.

Banking Publicity

Special Section of The Bankers Magazine

SEPTEMBER 1919

A Talk on Bank Advertising

By W. R. SNODGRASS*

"The man who whispers down a well
About the goods he has to sell,
Won't reap the gleaming golden dollars
Like the man who climbs a tree
and hollers."

AND THAT GOES for the banker, too, although doubtless the banker should be more careful than the ordinary advertiser about the sort of a "tree" he climbs and the "holler" he puts up when he reaches the top.

Advertising is a tremendous power. Would you have an instance of it, allow me to cite you to the patriotic fervor of our Nation during the war. Do you think for a moment that it would have been aroused to the pitch it was without the most skillful and most profuse sort of advertising?

By advertising I refer to that term in its broadest sense. Not only the printed page, the billboard poster and matter of that sort, but all of the speakers—and there were 40,000 Four Minute Men alone—all of the district organizations with many of which you bankers are very familiar indeed and all of the thousands and thousands of men and women who went out and by personal work raised the quotas in the various great drives, for their district.

Mr. Banker, why not hitch this tremendous power—advertising—to your chariot and let

it carry you onward toward your goal? I have with me this bank advertising exhibit to which reference has been made. The big idea behind this exhibit is to make it useful to you. The matter in this exhibit can save you a great deal of money and furnish you with many new ideas. I am with it for the purpose of making it just as useful to you as possible and shall be very glad indeed to speak with you about any one of its 27 sections.

DEVELOP YOUR COMMUNITY

If there is any one thing this exhibit says, it shouts "MR. BANKER, SERVE AND DE-

VELOP YOUR COMMUNITY!" In it are many instances of banks that have just simply put their communities on the map by successful community development work; by pulling for good roads, by shipping thorough-bred stock into the community; by introducing modern methods of farming and by getting more cream checks into the hands of the people in their communities.

Second only to community development I would place the manner in which you treat the people who come into your bank. A grouchy teller is an advertisement for you, but he is a minus zero advertisement, for he is doing you more harm than he is good. He is advertising you, all right, but he is

(Continued on page 67)

A Savings Account to the Rescue

THERE is a certain Macon woman who has had an account in our Savings Department for several years. She built it up from her household allowance without her husband's knowledge.

But he found out about it when he had an accident and was laid up for three months. It came in handy then, not only for living expenses but to meet the husband's life insurance premium which fell due while he was still unable to work and earn.

*Now he is "back on the job" again
and so is the savings account.*

Fourth National Bank

Cherry and Third Streets
MACON, GA.

* Mr. Snodgrass is manager of the Department of Publicity and New Business, Fidelity National Bank and Trust Co., Kansas City, Mo. This talk was scheduled on the program of the Sixteen Bankers' Group Meetings in Kansas and Missouri. The exhibit referred to accompanied the speaker and contained matter from 800 banks in various parts of the United States, not in reserve centers.

An old idea put in new and appealing form

Banking Publicity

Monthly Publicity Section
THE BANKERS MAGAZINE
253 Broadway, New York

SEPTEMBER 1919

ONE of the most interesting and valuable features of the meeting of the Financial Advertisers Association in connection with the convention of the Associated Advertising Clubs of the World at New Orleans the latter part of this month undoubtedly will be the report of the Vigilance Committee which has to do with the running down of fraudulent advertisers. Bankers ought to be interested in this, especially as one of the enemies of real thrift is the fraudulent investment advertiser.



It is NOT a bad idea to encourage the publication in your local newspapers of such items as that an eminent and wealthy citizen of Philadelphia has created by will a trust fund of a million dollars, the interest of which shall be devoted to "improving governmental conditions" in that city. The point is that there are a thousand and one objects and purposes for which a trust fund may be created, and the subtle suggestion of another's example may cause some local philanthropist to go and do likewise, appointing your trust company the trustee, to the great benefit of all concerned.



THE OPPORTUNITY for banks to be patriotic in their ad-

vertising still exists even if the war is over. The spirit of unrest which is manifest everywhere should be combatted in bank advertising. Real thrift has nothing in common with Bolshevism and kindred radicalisms. The man with a savings account or checking account in the bank has a certain stake in the community and is not likely to lend a listening ear to the voices of those who would upset our well ordered economic system. If the high cost of living makes it hard to save, it is not sufficient reason for people to give up their efforts along that line. The banker can readily point out in his advertising that it is doing the character, and that if it is

hard things that develops difficult to save now, the rewards of saving are all the greater.



IF YOU believe that your bank is different from the ordinary run of banks, that it has a character that is distinctive among the institutions of your community, that it has the indefinable but real thing known as personality—if you believe this and can afford to back up your belief, then an individual distinctive plan of advertising based upon an intimate study of your bank and designed to represent to the public its personality and character is the best plan for you to adopt.



Everyone is Welcome Every Day During

Charter Member Week

Wednesday, July 9 is Checking Account Day

While everyone is welcome every day at the First National Bank, we have set aside Wednesday especially for those who have personal checking accounts here, as well as those who wish to become Charter Members by opening a checking account during their visit to the new bank.

A handsome certificate showing Charter Membership will be sent to each patron of the First National Bank who registers here during Charter Member Week. The register of names will be preserved by the Missouri Historical Society.

The Executive Managers, officers and employees will take pleasure in greeting you. Their deep pride in their bank is reflected in a whole-hearted desire to serve.

Program for Charter Member Week:

Monday, July 7—Executive's Day	Thursday, July 10—Savings Depositors' Day
Tuesday, July 8—Commercial Account Day	Friday, July 11—Stockholders' Day
Wednesday, July 9—Checking Account Day	Saturday, July 12—Country Bankers and Employers' Day

FIRST NATIONAL BANK

IN ST. LOUIS

"A Greater National Bank for Greater Saint Louis"

BROADWAY and LOCUST FOUR ENTRANCES: 506 Locust St., 321 N. Broadway, 309 N. Broadway, 517 Olive St. (After August 1st)

The "Charter Member Week" idea was so successful a Supplementary Registration Day was necessary. The names of the registrants are to be preserved by the Missouri Historical Society

A Talk on Bank Advertising

(Continued from page 1)

advertising you backwards, crab fashion as it were.

It would be impossible to cover the material contained in this exhibit in a talk of hours. In the few moments at my disposal I would just like to get you to visualize your bank. Go across the street from it and stand upon the opposite curb and look at your bank as the outsider does. What do the people in your community say about your bank? What are they thinking about it, and here is a good way to find out what they say and think about your institution.

Hold morning meetings at which you talk over with everyone in your bank your various problems. You will find that in this way you will find that in this way you will secure a great deal of information that would not otherwise come to you, for the people in your community talk to the people of your organization more freely than they will to you. If successfully handled, this morning meeting can be made to help you materially with your internal management problems, as well; for if Susie Jones, your bookkeeper, notices that Bill Smith, your teller, is not making out his deposit tickets as clearly as he should, she will have little hesitancy in mentioning it at this family gathering, but she would not come to your desk and tell you about it, for that would be tattling. Enlist the full cooperation of your directors, your stockholders and your employees.

MAKE FRIENDS WITH THE CHILDREN

Mr. Banker, make friends with the "kiddies" in your community. You will not only thereby renew your own youth, but you will find it most enjoyable work and some of the best advertising you can do, for when you make friends with the youngsters you make friends



Fifty Thousand Visitors Greet New Bank

The fifty thousand visitors who thronged the new First National Bank during Charter Member Week expressed the approval of St. Louis and vicinity of the "Greater National Bank for Greater St. Louis."

The Executive Managers, Officers and Employees appreciate the many expressions of good wishes, the floral tributes and the personal visits of the many friends of the First National Bank. They will endeavor to show their appreciation through careful and considerate banking service.

Many thousands of patrons indicated their pride in being a part of the new bank by registering for Charter Member Certificates. In order to accommodate patrons who were unable to register during Charter Member Week, Monday, July 14 has been designated as a Supplementary Registration Day and patrons may register until 6:30 p. m.

FIRST NATIONAL BANK

IN ST. LOUIS

Capital and Surplus \$15,000,000.00

BROADWAY and LOCUST FOUR ENTRANCES: 506 Locust St., 321 N. Broadway, 309 N. Broadway, 311 Olive St. (After August 1st)

Registration for Charter Membership Certificates continues on Monday until 6:30 p. m.

Part of a week's campaign to introduce "A Greater National Bank for Greater St. Louis"

with dad and mother, big sister and big brother, and all of the uncles and aunts and cousins, for you can have no better advertising than kindly comment about your bank around the supper tables and the Sunday dinner tables of your community.

One of the women in our organization stopped at my desk not long since and, talking about this bank advertising exhibit, told me that the recollection she carries with her to this day about the bank in the little town in which she was born and reared is one of awe. She is a married woman about 30 years of age, but she recalls distinctly to-day that she and the other youngsters in her community were almost afraid even to look in at the windows

in the bank in their town as they passed by; they held it in such reverence and awe.

IS YOUR BANK THAT KIND OF A BANK?

There are many ways to make friends with the youngsters—none of them especially expensive. One way is to arrange for visits to your bank by small groups of the children in your schools. Take them in behind the counters, show them how you lock money up in your safe; let them hold in their hands a bundle of bills or a sack of coin; show them how the adding machines work or the posting machine, if you have one. Give them an idea of what a bank means to a community—what it stands for, and impress upon their tender receptive

minds a few ideas of thrift and the value of saving. Continue this work until all of the children in your schools down to a certain grade have visited your bank.

Mr. J. R. Edwards, cashier of the First National Bank of Centralia, Mo., has a fountain pen prize writing contest proposition that is a hummer. He offers as a prize a fountain pen in each school in his community. The students practice the entire school year upon a verse or paragraph which it is perhaps unnecessary to state has something to say about the First National Bank of Centralia.

When it comes time to award the prizes, Mr. Edwards takes with him one or two of the directors and makes the circuit of the schools. A program is held and a big event is made of the affair, the parents of the children being invited to attend.

Mr. Bert Hudson, formerly of Temple, Oklahoma, now of El Reno, was at my desk not long ago and talked about some of the things he does. He explained his conference plan. He holds a 30-minute conference each week with the students in the high school of his town. He has enlisted with him in this work three of his directors, so that each one of them is on duty only about once each month, yet

a conference is held every week. Both the students and the men who conduct the conference look forward with pleasure to these meetings. They talk over financial affairs, or anything of interest that happens to come up. Mr. Hudson goes even a little farther than this. If he has a vacancy in his bank he fills it with someone from the graduating class. He does not even stop there, but tries to secure positions for all of the members in the high school class who wish them, either in his own town or in the county seat.

VALUE OF CLUB WORK

Club work is one of the most valuable means you have of getting in touch with the youngsters of your community and through them with their parents. By clubs I mean Corn Clubs, Canning Clubs, Garden Clubs, Poultry Clubs, and others, but especially the animal clubs—Pig Clubs, Calf Clubs and Sheep Clubs. By fostering this kind of work you not only make friends with the youngsters, but you are bringing into your community a better grade of stock. You are teaching the farmers of the future better farming methods and through them you are teaching dad; for if a youngster can take a pig and by care, proper feeding and scientific methods make him show a very great increase in weight over the other pigs of the same litter, cared for by dad, you have made dad see the light.

You are also helping to retain the boys and girls on the farm by causing them to see the profit that can be made by modern methods in care of animals. One reason for boys leaving the farm is the fact that they work hard for dad, but do not share in the profits of the farm.

If you wish to start a club, the first thing you should do is to get in touch with the state club leader. He will cooperate

with you to the fullest extent. He will advise with you about the selection of animals for your club, the plan for it, will help you with the distribution, will furnish you with official bulletins or will send them direct to your club from time to time.

Especially necessary is the official record book. Each club member should have this book, for without it you will have the greatest difficulty in awarding your prizes. The state club leader will send men to talk with your little gatherings and occasionally, as he can spare them, men to come and go over your community to talk to the club members upon their own ground, pointing out to them errors in care of the animals, helping them in every way.

If you start a club you should avail yourself to the fullest of the advertising obtained therefrom. Our exhibit contains a large number of plans for clubs and methods of advertising that you will find helpful.

PERSONAL CONTACT

There is just one more section of our exhibit that I wish to touch upon. It is, I believe, my favorite. I call it PERSONAL CONTACT and I consider it the most valuable form of "advertising" a banker can do.

On Sundays, if you care to do it, and on the long summer days when the boys and girls of your bank are balancing the cash and the curtains have been pulled down for the evening, step out into the street hitch up your Ford or your Packard and call upon the people in your community. Get some of the soil of the farmers' field on your boots. You will see his viewpoint and he will see yours and you will arrive at a spirit of mutual help and cooperation that you could secure in no other way.

If your wife is a good listener take her along. Let her stay at the farmhouse and get the viewpoint of the farmer's

**Business that Calls for
Expert Knowledge**

THE settling of one estate often demands an intimate knowledge of several different kinds of business—a knowledge that no one person is likely to have

Our Board of Directors are men of wide and varied business experience and the benefit of this knowledge is given to every trust or estate that comes into our care.

—and yet our charges are no more than those of the most inexperienced person.



**BOSTON SAFE DEPOSIT
& TRUST COMPANY**
100 Franklin, at Arch and Devonshire Streets

Well put and well displayed

wife but you go right out to the field, to the hog lot or where you will find the farmer. You will also secure some valuable information in this way that you could get in no other way—information in regard to the manner in which the farmer is feeding his cattle, how he keeps his premises, and a great many other things that have a bearing upon his credit.

When you return note this information all down upon a card, which you can file in a drawer of your desk for later use. If you can, also note down much personal information about the farmer and his family; about Billy, who is off at the agricultural college; about Sue, who goes into high school in town next fall, etc. Then, when the farmer or any of his family comes in you can reach secretly into your desk, withdraw this card and surprise them with the line of information you have about them. You will find they like it.

Now that the war is over and that we can see in the east the first faint rays of the rising sun, ushering in the new day of peace conditions, you as bankers face great opportunities. There is a paragraph that illustrates my meaning. It goes something like this:

"There's a fount about to stream,
There's a light about to gleam,
There's a warmth about to glow,
There's a flower about to blow,
There's a midnight darkness
Changing into grey;
Men of thought and men of action,
Clear the way!"

You have great responsibilities in standing for the things that will upbuild your community and that will thus help build your institution. In working out these problems and enlarging into your proper spheres of growth you should use every effective form of advertising that you can afford. Make people when they think bank think **YOUR BANK**. Make your bank stand for all that is good, make it human, friendly and

A Depositor's Opinion

A DEPOSITOR who closely follows our advertising asked us the other day why we did not tell more about our particular service. He said that in collecting drafts and notes we had saved him many days' time as compared with a much larger institution with which he formerly did business. He felt that the saving of time in this as well as in other forms of our service ought to be made known.



ATLANTIC
National Bank
Broadway—Opposite City Hall

A modest, dignified ad displayed in pleasing typographical arrangement. The indirect method of quoting a depositor rather than "blowing your own horn" lends force to the argument

knowable. Your reward will be the supreme confidence and regard of your community. Take

the people into your confidence through your advertising and inform them through it.

Putting Meat in Bank Advertising Copy

By A. G. SCLATER,

Manager Statistical Dept., Union Bank of Canada

THE other day the advertising manager of one of New York's most progressive banks hazarded the opinion to the writer that of the 30,000 banks and trust companies advertising in the United States and Canada thirty per cent had no clear conception of what they were advertising. At the time I thought this a rather startling statement, and said so. I still am inclined to feel that he erred on the side of exaggeration. Yet in view of his experience and standing as an advertising man, one cannot help but respect his opinion. And further, after one has run through the pages of the advertising mediums most used by the banks, one is very much inclined to believe that there is a great deal in what he says. After such an inspection it is apparent that a very large percentage of the men who write bank advertisements either do not know what

they are advertising about, or they are determined not to let you know that they do.

There is a monotonous sameness about the majority of the advertisements, an apparent unwillingness to adopt anything which can be suspected of being the least bit new, that perhaps helps to indicate the origin of most of this ineffectual advertising. Possibly the fault lies not with the man who writes the copy, but with the "man higher up" who determines the bank's advertising policy.

In most cases a banker, not an advertising man, he possesses in a large degree the cardinal virtue of bankers, conservatism, and is inclined perhaps to look too suspiciously upon anything that gives promise of leaving the beaten path. Banks have advertised in the past in such and such a way, why should a change of method be made? Besides, the average banker still

looks somewhat askance at advertising, in any form, in spite of the change of spirit which has come over the profession since the war showed them what advertising could do in promoting all forms of financial business.

Advertising, they still suspect, can do little or nothing for a bank, yet every bank worthy of the name must do a certain amount, because most of the others do. This indifferent attitude is reflected more or less clearly in the advertising copy which appears in the financial journals and newspapers, in spite of the change of spirit which has obviously occurred in the case of some of the banks.

And this is the stranger, because the war should have taught not only a few bankers,

but every banker, both in the United States and Canada, the possibilities of advertising in various forms as a means of building bank business. Through Government and the banks during the last two years, almost entirely by the use of advertising of various kinds, a hitherto undreamed of thrift was injected into the lives of hundreds of people in all parts of the United States and Canada, and the total number of security holders in both countries was almost trebled.

Possibly the cause of the conservatism of bankers generally in regard to the advertising copy they use is to be found in the fact that for years banks have been interested in advertising to other banks, rather than advertising to the man in the street; most of the copy

was and still is, in most cases, written from the banker's standpoint.

And this, perhaps, accounts for the typical bank advertisement—a statement of resources. To a banker figures talk; consequently he believes that they talk to everyone who chances to read his advertisement with equal clearness.

But do they? I doubt it. While no one will doubt for a moment that were all bank advertising directed at bankers and accountants, there would be no need for going beyond statistics, it is open to question whether the general public possesses the banker's ability to visualize the advertiser's institution, its condition past and present, from a collection of figures.

Mathematics are anathema to the man in the street, and is it to be expected that the man or woman who is glancing through the pages of a newspaper or even a financial journal will stop to read the columns of neatly arranged figures many banks consider good advertising copy? Statistics, no matter how tastefully arranged from a typographical standpoint, have a forbidding appearance to most people and they fight shy of reading them. Thus, if it is your desire to reach the public, as a bank advertisement copy writer, why rely entirely on figures. They may say much to you, but how much do they say to the man who reads them?

And this is only one way in which many banks waste money by refusing to plan their advertising and to construct their advertisements with the commodity they have to offer and their prospective reader clearly in mind. There is reason to suspect that the greater part of this waste of money and energy that is the direct result of carelessly written copy will not be eliminated until the men who write many of the advertisements have a different outlook, and know a little more about

Day-light Savings in Effect for Eighty Years

Not only daylight but twenty-four hours a day, for over two hundred thousand people have practised savings in this strong, safe savings bank.

For more than half a century it was the only legal depository for "savings" in Central New York and through its investments thousands of homes in Central New York have been built or improved.

So, truly, "daylight savings" is no new thing for Uticans.

In order that those who are busy during the day earning something to save, may save conveniently, we make it a rule to remain open every Monday night for the accommodation of our 34,000 depositors. \$1.00 to \$3,000.00 accepted.

Do you believe in this kind of daylight saving?

OPEN TO NIGHT
6:30 TO 8 O'CLOCK

THE SAVINGS BANK OF UTICA

The Bank With the Gold Dome

This kind of daylight saving does not depend upon Act of Congress

the fundamentals of advertising practice.

So far as the change of outlook is concerned, it must be remembered that after all a bank is a very necessary part of our economic structure. If it were not, there would not be many banks. Essentially the thing most banks have to offer, either other bankers or the public, is service of some kind. And this being the case, the banker who is persuaded of the value of advertising, if he is to make effective use of advertising, must look at his own business through the eyes of the man or the woman who is expected to read his advertisements.

Your bank may have a hundred million dollars of deposits and be two hundred years old, but if you do not point out in your advertisement, in whatever form it may appear, the way in which these two facts touch the individual interests of the reader of the advertisement, what likelihood is there of your "getting your message across"? While to a banker statements of assets and liabilities are all important, to the man in the street what a bank can do for him personally is a great deal more.

Consequently it would seem reasonable to suggest that the outlook of the man who forms a bank's advertising policy should involve first of all a broader conception of the part his bank is playing and should play in the life of the community in which it is located, and a keener realization of the fact that it is not only good business but a duty to use every resource of advertising science to place the services of his organization at the disposal of the commercial public. The more clearly he appreciates the needs of the community financially and commercially the more aptly and the more forcibly he will be able to reflect this desire to

Bakes 40,000 to 50,000 Loaves of Bread Every Day

SEATTLE BAKING COMPANY MAIN-
TAINS LARGEST BAKERY IN THE
NORTHWEST — TAKES 28
TRUCKS TO DELIVER
ITS PRODUCTS

Producing 40,000 to 50,000 wholesome loaves of bread per day—and a large number of cakes, pies, cookies and doughnuts—the Seattle Baking Co., located at 19th Ave. South and Main, is another one of the growing institutions that are adding to the wealth and importance of Seattle as a manufacturing and commercial center.

The plant of the Seattle Baking Company is the largest of its kind in the Pacific Northwest. It employs 75 persons, and is equipped with the most modern machinery developed for the art of baking. All dough is mixed, weighed, kneaded and proofed by machinery, and then baked to a nicety in one of the nine great ovens that the company operates.

The bread is wrapped in sanitary waxed paper by wonderful wrapping machines, one of which has a capacity of one loaf per second or 3,500 loaves per hour.

It requires a fleet of 28 trucks to deliver the delicious products of the Seattle Baking Company, which are sold in hundreds of grocery stores in Seattle and in many other towns of this territory. The brands favored by this company are Butter-Nut and Holsum Bread, which are



The Famous Butter-Nut Boy trademark figure of the Seattle Baking Company, producers of

**Butter-Nut
and
HOLSUM
Bread.**

household words in many thousand homes. The company also makes several other kinds of breads and pastries.

The company is headed by Gust E. Rasmussen, as president. Mr. Rasmussen is a master baker who served many years' apprenticeship, and is well known for his keen grasp of the business.

In recognition of his ability, he has been elected president of the Master Bakers' Association of Washington, and is also president of the Seattle Master Bakers' Association. Mrs. Frances Ogden

serves the company efficiently in the capacity of vice president and secretary. It is gratifying to the National Bank of Commerce to list this company among the many clients of this 30-year-old, time-tested bank because of the value of the Seattle Baking Company to Seattle and the Northwest, from an industrial standpoint.

SEATTLE BAKING CO.
Yearly Payroll
Is Approximately
\$150,000.00

We specialize in large commercial accounts—but whether your account be large or small we solicit the opportunity to serve you. Advice on financial matters is yours for the asking.



**THE NATIONAL BANK
OF COMMERCE**
OF SEATTLE
Second Avenue At Madison



Plant and Big Fleet of Delivery Trucks of Seattle Baking Co.

Evidently one of a series of ads in which this bank features its business depositors. The idea is a good one, but the arrangement and copy might give the casual reader the impression that it was a bakery rather than a bank ad

serve in the advertising copy he prints.

If this new and broader outlook is attained, even partially, the appeal of his advertising

and the results it will bring will increase inevitably. His copy will have "meat" in it, and advertisements with "meat" in them usually "get across."

FINANCIAL ADVERTISING IN ST. LOUIS

FINANCIAL ADVERTISING took a forward stride in the Mississippi Valley last month coincident with the launching of the new First National Bank in St. Louis, which is at present the biggest bank in the United States west of Chicago.

History was linked with the formal consolidation of the St. Louis Union, Mechanics-American National and Third National Banks, three old institutions with time-honored traditions and vast resources. The advertising and publicity department grasped the opportunity and designated the opening week as "Charter Member Week," granting a handsome charter membership certificate to patrons, and the names of all who registered will be preserved by the Missouri Historical Society.

Each day during the opening week was set aside for a certain class of patrons. For instance, Monday was "Executives' Day" and Tuesday "Commercial Account Day." "While all of our friends are welcome every day," said one of the advertisements, "we suggest particularly that you come on the day which the program indicates for you. This will enable us to give everyone closer and more personal attention."

More than 50,000 persons visited the bank during the week, and so popular did the interest of the public become that Monday of the following week was set aside as "Supplementary Registration Day," and the institution was kept open until 6:30 p. m. to allow a final opportunity for those who wanted to avail themselves of the privilege.

Large display advertisements were carried in newspapers in 16 of the largest cities in the Mississippi Valley. In addition to the paid space, the St. Louis newspapers alone used more than 10,000 lines of news and pictorial space to tell their

readers about the importance of the opening of the big bank and what it means for commerce and finance in the Middle West.



HOW BANKS ARE ADVERTISING

THE WHITNEY-CENTRAL BANKS of New Orleans were right on the job in welcoming the advertising men to their fair city. Following is the wording of an ad the bank published in *Associated Advertising*:

The
WHITNEY-CENTRAL BANKS
extend a welcome to all
"Pilots of Commerce"
who attend the Convention of the
Associated Advertising Clubs
of the World
September 21-25
in New Orleans

The Officers and Directors of the South's largest bank invite you to make use of their banking rooms and facilities during your visit to New Orleans

A BUFFALO institution said in a form letter to customers:

We feel so sure that we can the pride some of our customers are taking in the constructive increase of their bank deposits—a process in which, by encouragement, we have in certain instances been pleased to have some part.

We feel so strongly that we can be of help to you that we are writing you this second letter. We assure you our support in every effort you may make to accomplish the result.

We shall watch your ledger sheet with interest—and with a confidence that it will tell a story of consistent progress and success.

CHARLES D. JARVIS of the Savings Bank of Utica, N. Y., never misses an advertising opportunity. As a guest of a prominent flyer Mr. Jarvis went to Ilion for a new account and returning the pilot located the gold dome of the bank and dropped the deposit on the grass plot behind the building. Mr. Jarvis is a man of progress and believes that bank accounts by aeroplane may become a commonplace of business life.



HOUSE ORGANS

Hibernia Bank & Trust Co., New Orleans, is publishing a series of bulletins on the Agri-

cultural and Industrial South Bulletin No. 4, for instance, contains many important and useful facts about sugar. Citizens Bank & Trust Co., Everett, Wash., has a new house organ called *Safety Service*.

The Security News, published by the Security National Bank, Dallas, is in good form and excellently gotten up.

Among the advertising activities of the Liberty National Bank, New York, is a new series of bulletins, No. 1 being on The Wool Market. It has been carefully prepared and illustrated with various charts of production, etc.

Our Thrift Letter, by the American National Bank, Richmond, is a very readable publication.

Books on Bank Advertising

Bank Window Advertising. By W. R. Morehouse. Illustrates and describes many displays which can be adopted by enterprising banks to an endless variety of subjects. Price, \$2.50, postpaid.

Bank Deposit Building. By W. R. Morehouse. Contains practical and proved methods of increasing your business and holding it. Copiously illustrated. 250 pages. Price, \$2.00, postpaid.

Bank Letters. By W. R. Morehouse. Contains 82 actual letters reproduced by multigraph designed to meet every need of ordinary bank correspondence. Price, \$5.00, postpaid.

The New Business Department. By T. D. MacGregor. Describes how a bank can systematically cultivate and secure new business from various sources. Illustrated with forms, etc. Price, \$1.00, delivered.

2000 Points for Financial Advertising. By T. D. MacGregor. Contains 3,000 suggestions for the wording of as many bank ads. Adapted to the use of commercial banks, trust companies, safe deposit companies and savings banks. 170 pages. Price, \$1.75, postpaid.

Pushing Your Business. By T. D. MacGregor. Explains the principles and practice of financial advertising, illustrating various methods and showing mechanical detail of writing copy. 200 pages. Price, \$1.50, postpaid.

Bank Advertising Plans. By T. D. MacGregor. Describes hundreds of plans, other than newspaper advertising, which banks have successfully used in building business. 200 pages. Price, \$2.50, postpaid.

Banking Publicity

Special Section of The Bankers Magazine

OCTOBER 1919

COMBINATION PUBLICITY

EIGHT of Cleveland's leading banks combined recently in a publicity campaign which will include thirteen newspaper advertisements.

The copy is largely civic in character, giving the public new view-points on the question of saving money.

"Keep Cleveland Dollars Turning Cleveland Wheels" is the title of the first advertisement, which calls attention to the fact that "the prosperity of Cleveland depends largely upon the turning of Cleveland wheels and the turning of Cleveland wheels depends largely upon Cleveland banks." It shows how "the funds in Cleveland banks are loaned to Cleveland interests to develop home enterprises."

The second advertisement, entitled "Where Do Your Savings Go?" impresses the fact that the bank loans part of its deposits to those who wish to build homes and buy real estate, and part of it to help advance the interests of the city's business enterprises. It further points out the fact that "savings account money goes into the salaries of the workers."

Number three of the series of advertisements is entitled, "Get Rich Quick—Get Wise Quick," and it points the moral that "if those who foolishly invest in wild-cat schemes or place their money in irresponsible companies offering high rates of interest do not get rich quick, they at least get wise quick."

This series of advertisements, which is attracting wide-spread attention, was written by William Ganson Rose, vice-president

(Continued on page 75)

A NEW IDEA IN CO-OPERATIVE BANK BUILDING

FORTUNATE, INDEED, is the bank executive whose board of directors can be induced to take an active part in the management of the institution and to apply themselves like hired men to the problems of its growth. Most fortunate is he who has not only his directors but each of his stockholders full organized and actively at work solving the daily problems of the bank.

When subscription books closed on the offering of the \$3,600,000 capital and surplus of the Great Lakes Trust Co. of Chicago the other day it was found that shares had been awarded to 1,228 individuals.

This regiment of partners promptly set aside the well-known precedents of bank organization by giving a dinner to the directors and officers of the bank and proceeding to take a hand in the formulation of the general policies of the new institution.

They organized themselves into forty-six committees, each representing a particular business or profession. Some of these committees have a membership of but three or four, and others are made up of a score or more, some stockholders being members of two or more committees. Each of its committees will meet once a month to make recommendations to the officers of the bank, as to how it can serve that particular clientele better and at greater profit.

The idea grew out of the divisional organization of the Chicago Association of Commerce. The president of the association is Harry H. Merrick, also president of the new Great Lakes Trust Co. The scheme is

already bringing results beyond the hopes of its sponsors. Many of the committees have already held their meetings and others will meet within the month. Rivalry has sprung up among the groups as to which can bring in the largest number of new clients, make the most valuable suggestions to the management and in other ways prove itself most efficacious of the stockholder teams.

Among the suggestions made by one of the committees was that a careful record be kept of the work of each group in producing new business and cooperating with the management, and that competition for a year result in the giving of prizes to the winners and the payment of penalties by the losers. The immediate problem before the bank is how far this spirit of competition can be allowed to develop in the best interests of the bank. Insofar as is known, the experiment is entirely new in Chicago. Bankers are watching it with more than casual interest.



THE West Virginia War Savings Committee is putting out some good W.S.S. copy. Here is a timely advertisement being used by some of the banks:

EVERY PERSON WANTS BETTER WAGES

It's the incentive that drives us to better things.

Everybody wants to earn more in order to buy more.

NEARLY EVERYBODY CAN BUY MORE WITH HIS PRESENT EARNINGS.

THE ANSWER IS INTELLIGENT SAVING AND WISE BUYING.

The thrifty live cheaper and better than those who spend recklessly, but with their savings they make wise investments. These investments net them a return in interest. The next year they have their salary and this additional income to spend.

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possible to secure some assistance in getting his bank back into the lead from which it had been displaced by neighboring institutions. He told me that the president of his bank had for nearly thirty years opposed the use of advertising on the grounds that it would be unbecoming for his bank to advertise for new business. It was while this bank president was disregarding advertising that three other banks had been organized in the same locality. They were consistent advertisers and soon displaced this old bank in point of deposits, pushing it down into fourth place.

If you will but scan the field you will find that there are hundreds of banks which up until the war maintained a "watchful waiting" attitude, indifferent to the value of advertising, that are now rapidly coming out in favor of its use as a business-builder. Note the hundreds of banks that are today advertising their bond departments which prior to the war were seldom, if ever, seen in the daily newspapers. It won't be long before these same banks will be advertising other departments, and in time they will become full-fledged advertisers.

If I read the signs of the times correctly, financial advertising is rapidly coming into its own as the greatest medium in determining the future growth of our financial institutions. Today it has the right of way as at no time in history. It is on the main line—success is certain for financial advertising.

Woman and the Bank

Mrs. Eleanor Germo the enterprising advertising manager of the Los Angeles Trust and Savings Bank, spoke of the place women were taking in the business and profession of advertising. Her subject was "Adam and Eve in the Garden of Advertising" and among other things she said:

Needless to say, Eve wouldn't be working by Adam's side in the Garden of Advertising today unless Adam himself were perfectly willing that she should. But advertising men—the ones who make advertising history—are broad minded, generous men. Without desiring to compliment even so splendid a representation as the FAA contains, I do want to say that you men in the advertising field are partly responsible for the fact that Woman has won success here without first having to break down the strong barriers of sex prejudice which she has encountered in other professions.

In spite of the great progress that has been made, however, bank advertising today is not 100 per cent productive because it is not yet 100 per cent human. Yet today, more than ever before, there surely is the strongest reason for injecting humanness into every piece of copy that we write. The world is being humanized. The peoples of the world, drawn to-

gether by their common tragedies of war, are beginning to understand each other better. True, his greater understanding has not yet produced harmony. We are still in the transition period. But however keen our international commercial competition, however serious the problems which threaten our national lives, it nevertheless is true that we know more about each other, and this better understanding will eventually bring greater harmony and happiness to the peoples of the world.

Likewise, the more people know about the human side of a bank, the greater will be the harvest of business benefits to that bank. Successful merchandising today is built upon the personality of the establishment. The more human a store is, the more successful it is, provided good merchandising principles are behind the business.

Since banking is merely financial merchandising, is there any reason why a bank shouldn't be just as human as a dry goods store? Why shouldn't financial copy reflect the humanness of the people behind the institution? Isn't it time for us to break away altogether from the moth-eaten traditions of so-called bank "dignity" and for that much abused word, substitute, through our advertising, the stronger more meaningful one of "humanness"?

Don't be afraid to let people know that your bank is a living, breathing personality, with sympathies and activities that are adding vitally to the welfare of your community. Don't be afraid to show the humanness of the men behind your institution. To inspire the ordinary person with a conviction that your bank has a service to offer which will contribute to his personal well-being, you must show him that behind your marble pillars stands a human organization, whose business it is to help him to a more successful, broader and a happier life.

Since actual experience is responsible for my theories on human bank advertising, I hope you will pardon me for speaking of what such advertising has done for our bank. Briefly, on January 1, 1910, when the merger of the Los Angeles Trust Company and the Metropolitan Trust Company was effected, our deposits amounted, in round figures, to \$6,500,000. On August 15, 1919, they totaled \$36,518,960.63. This was accomplished in a city where competition among savings banks is keener than almost anything in the country.

In humanizing bank advertising, one of the most helpful elements is the series idea. Such advertising produces continuity of interest that cannot be developed through copy without a binding tie. We have just concluded a timely series of advertisements under the caption "Progress-o-grams by Los Angeles City Executives". Publication of this series was begun immediately after our new set of city officials took office, and for the presentation of our message we chose the mayor, president of the city council, chief of the fire department, chief of police and heads of four of the principal commissions.

But to go back to Adam and Eve. In this work of humanizing bank

advertising Eve surely can play her part with Adam. In the up-building of the world she has the stellar role. She rocks the cradle of infancy, she creates the ideals of youth, she inspired the successes of manhood. All of these experiences give to Woman an intimate knowledge of human nature. The ability to apply that knowledge practically is one reason why today Eve is appearing more and more often by Adam's side in the advertising field. And as Man and Woman were put out of the garden together, so they will return hand in hand.

"Human Interest"

"The Human Nature Element" was the subject of F. D. Conner's interesting talk. Mr. Conner is manager of the publicity department of the Illinois Trust and Savings Bank, Chicago. He strongly advocated "newsy" bank copy. There is, he thought, enough happening every day in each institution. The newspapers are publishing live subjects out of which "human interest" advertisements can be written. The experience of others are great guide posts, showing what is right or what is wrong. The fact of being the oldest or the largest institution in the city, county or State is no longer an argument for patronizing the bank.

I remember some time ago an old farmer was killed in a railroad accident. Among other things, the papers stated that he had made a will many years ago and after a diligent search it was found. However, many things had happened in the meantime which complicated matters greatly.

I got an inspiration from that story to run an advertisement in behalf of our trust department. The headline was "He Made a Will—But" and went on and related the circumstances about the will that was hidden away and was not up-to-date. A few days afterwards an old gentleman came into the trust department with this advertisement in his hand. He said "This strikes me very forcibly; I am guilty". The result was that his will was re-written and our institution was named as executor of the estate which involved about \$500,000.

Mr. Conner also gave his hearers some very valuable pointers upon the manner in which his company encourages close cooperation of everybody—all, from the president to the porter, working together toward the building of business. On this subject, he said:

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One of my great hobbies is "put your house in order". Why spend money advertising satisfactory service, congenial officers, accommodating employes, when you are not prepared to deliver the goods? Therefore, it is more essential that "first things should come first." If the advertising manager does not have the cooperation of the entire staff—president to porter—his job is doubly hard.

Some officials believe in ruling by the "big stick method". True, results can be had that way, but is it the right kind? The pick-handle on the back of a mule will get action—with both hind feet. The wielder of the club is usually mad; likewise the four-legged animal shows the same attributes.

A word of appreciation spoken when and where necessary is appreciated, and whole-hearted cooperation is forthcoming. To illustrate: One of our savings book-keepers succeeded in securing a very good savings account. The matter was brought to the attention of our president, who, being one of those kind-hearted and real human individuals, invited the young man to his desk and taking him by the hand thanked him for the personal efforts which he was showing in behalf of the institution. This same young man returned to his desk feeling highly complimented by his visit to the president's office, and said "that was worth more to me than money". Furthermore, he took occasion to speak of this happy occurrence to his associates. I mention this little incident because the transaction was indulged in as an experiment and it worked beautifully.

A daily publication, for inside circulation, is a very helpful medium. Through the "Inoitrust Clearings" we are able to keep the entire force posted on all matters of general interest—when an officer is out of town, all personals relating to vacations, sickness, as well as the publishing of general propaganda.

Another very beneficial thing is a buying committee or a "company store". Through such an arrangement dollars can be saved to the employe, especially during the present H. C. L. Through our store we are able to supply our employes with almost anything required at a very large saving.

The Trust Department in the National Bank

In the opinion of Virgil M. Harris, trust officer of the National Bank of Commerce, St. Louis, there is no department of financial advertising which requires so much care as that of advertising the trust department of a national bank. Mr. Harris considers the most profitable business of a trust department as that pertaining to wills and trusts—that all other business was likely to be on the red-ink side of the ledger.

Prudent advertising, designed to get the kind of

business such a department needs, followed up through the right kind of personal contact, will build such business for a bank, though he believed that five years was a reasonable time to put a trust department of a national bank on a paying basis.

He urged that lawyers were the best trained men to head such departments, and that the greatest caution must be exercised to see that the business accepted is of a profitable character—that such a department should operate upon the idea that one bad lobster is likely to spoil a carload.

Of the entry of national banks into this new field of service he said:

It is well at this early date for bank officials to realize the marked difference between the time-honored usages of commercial banking and the principles which obtain in the operation of a trust department. Commercial banking, in an abstract sense, is largely a question of arithmetic. Safe banking depends upon loans amply secured; the interest takes care of itself; on the other hand, the assumption of fiduciary relations means the undertaking of grave responsibilities which are entirely new to national banks, and which can be successfully discharged only by experts and trained officials who have a thorough knowledge of the intricacies incident to all fiduciary matters. Nothing short of technical knowledge, coupled with years of training, will serve to avoid the pitfalls which beset those who undertake the administration of trusts and kindred matters. At a recent meeting of trust officers, the president of one of the leading trust companies of the United States said that not more than 2 per cent of commercial banking gave cause for solicitude, but that he had found that 75 per cent of the business which naturally falls into a trust department is fraught with complications and perplexities, and subject at all times to litigation; and I am free to say that after twenty years of experience, I heartily concur in his statement.

Let no national bank assume that the addition of the new line of work is a sinecure, for it requires more than a permit from the Federal Reserve Board to accomplish the desired results. It will be found that competition is keen, and rivalry will be encountered.

Whether or not national banks in towns and in the smaller cities will be enabled successfully to avail themselves of the benefits of the new law is an untried problem, and one which only experience will demonstrate. Some trust companies have flourished under these conditions, but the great wealth acquired has chiefly come to those institutions which are located in metropolitan centers. My own opinion is that a national bank situated in a county seat or in a

city having a population of 10,000 inhabitants may accept the certificate from the Federal Reserve Board with reasonable assurance of success.

The advertising necessary and incident to a trust department should always be of a dignified nature. On this subject Mr. Harris said:

The business of the trust department itself is of a serious and dignified nature. Pamphlets and brochures, if well conceived and if penned by hands trained in the work, have their advantages, when properly distributed. Newspaper advertisements which point out the capital and surplus of the Bank and pointedly suggest the advantages offered by it serve to keep the name of the Bank before the world; but, for the most part, the paying business of a trust department, that part of it which brings the best returns, comes from the personal touch, by reason of acquaintanceship and of family connections. A man puts into his will his well-reflected intentions. The execution of the will is probably the most serious act of his life, and he no more selects from the pamphlet or the newspaper his executor than he does therefrom get his religion. It is said that 91 per cent. of all American business is conducted through the mails. Letter-writing is useful and has become a finished art. Unusual expressions in letters or in advertising, so far as the trust department is concerned, should be avoided, but appropriate advertising through intelligent channels will accomplish great purposes and break down apparently impassable barriers.

Standardizing an Advertising Campaign

A plea to banks to use a part of their advertising space to teach good citizenship and patriotism, was one interesting feature of the address of F. W. Gehle, advertising manager of the Mechanics & Metals National Bank, New York City.

He spoke of the necessity for standardizing the advertising program of a bank—the necessity for continuity of action and a real program. In part he said:

To define just what is meant by standardizing an advertising program, I will say that we mean, in effect, the setting of a definite ideal before us, the planning of our campaigns in accordance with that ideal and the living up to our plans. To standardize an advertising program, we must determine upon a definite system of seeking business for our institutions and a definite going about our tasks. When we invest in advertising we expect to receive a certain per cent of new business as return on our investment. Just what per cent that will be depends upon the manner in which we invest.

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In a word, then, we want to standardize the idea of advertising, and the ideal as well.

Time has changed this. The conservative banker no longer fails to advertise and follow new business leads. The trend has been uncontestedly away from old standards, to new ones. There are banks and trust companies that now spend more money in gaining publicity and new business than they distributed, ten years ago, in the form of dividends. Their number is increasing daily.

We must preach—all the time, every day and every hour, in the literature we put out—common, hard-headed, loyal, American sense. The steps that led our nation into the war were plainly defined; the steps that will lead us out into the broad daylight of prosperity and world leadership have still to be positively defined. That is where, gentlemen, you who are giving expression to the nation's banking thought can utilize your position directly to the immeasurable benefit of the United States. And if you do this, do you not see what it will mean to your institution?

Of course, I do not say that every bank and trust company in the United States shall replace its copy which tells of its service with copy that cries aloud against Bolshevism, I. W. W.ism, socialism, the throttling of industry, the elevation of the masses and the rending asunder of capital. But I do say that every bank and trust company, in its advertising campaign, can do its share to guide the people in the way of right thinking, and I am willing to stake my reputation on this statement; if such a form of service as I have outlined is rightly conducted—and what form of service is higher than to guide men and women in the way of right thinking?—it will give your institution a prestige in the community that will draw business to it as surely as vapor is drawn toward the sun.

(Mr. Gehle's address was printed in the Bankers Magazine for October.)

Backing up Newspaper Advertising

W. A. Schulte, advertising manager of the Cleveland Trust Co., told of the effective use that he had made of a small space in front of his bank building, where he uses poster boards. "If you do not have such a front yard at your bank, you cannot make one," he said, "but if you do not now have windows for displays, you can make them, and they will pay."

Mr. Schulte believes strongly in window displays and considers that they can be made the "dessert" while newspaper space and printed matter mailed directly to the prospective customer are the bread and butter, of bank advertising.

He showed that bank advertising in the newspapers should be backed by other methods to make it pay best. He asked why bank advertising is for the most part dry and uninteresting, and declared that the problems of bank advertising were the same as in other advertising. The advertisements of a bank must "sell" the service which the bank has to offer, just as a progressive merchant must sell his goods through advertising. Some banks in the past failed to grasp their full opportunity, he said, because they did not regard progressive advertising methods as "dignified" enough for a bank. Continuing, he said in part:

I have no quarrel with the phrase "dignity in advertising". Personally, I am for a reasonable degree of dignity in anything. My quarrel is with the phrase "dignity in bank advertising". Frankly, I believe that the widespread acceptance of the terms "bank advertising" and "financial advertising" has been a retarding influence against the logical and consistent expansion of advertising as a power in the banking field.

These terms have set up various inhibitions of one sort or another; have implied the creation of something that isn't, or never can be, a definitely specialized sort of advertising. You don't hear of shoe advertising or hotel advertising or food advertising as specialized forms. There is just plain, everyday, honest-to-goodness advertising with its common-sense application to any line of merchandising.

But there's the rub—merchandising. Until any bank realizes that it has a merchandising proposition on its hands, that it has commodities to sell, even though they consist of intangible services—until it realizes that it has got to sell its goods to the public through advertising mediums of the same general character, and with the same sort of live, human, interesting appeal to which the public has already been educated, until such a time will the advertising policies of that bank be afflicted with "dry rot" and its growth be retarded accordingly.

Outdoor Advertising

In his talk on "Outdoor Advertising" John Ring, Jr., emphasized the necessity of billboards in cities of 25,000 as well as in the great metropolis; along the country lane, as well as by the boulevards; for the banker, as well as for the shoe man. The Poster Association, Mr. Ring remarked, had at last made the billboard respectable and intended to keep up with the

public spirit on it. On this subject he added:

The illuminated board, created by an artist, colored with taste and raised from the ground, standing alone and in a neighborhood that is good, is valuable to that neighborhood as well as to its user.

The banking industry that wishes to sell its merchandise must utilize this form of advertising in conjunction with its other publicity, if it wishes to put its message over. There are places where the billboard should not be used; but they are few, and as an adjunct to country advertising Uncle Sam put his victorious Liberty Loan over with such smashing effect that to the majority of the people today, the Liberty Loan was only advertised on the billboard. Where Uncle Sam went with success we can reasonably follow. I hold no brief for the billboard, but the business that does not utilize them today is either too small to do so or it is a failure.

Cultivating Old Business

Harvey W. Blodgett's subject was "Wanted: An Old Business Department" and he believes this as great a necessity as a "New Business Department," the former making sure that every present customer is taking fullest possible advantage of all the services a bank can render. On this subject Mr. Blodgett said:

My conception of an "Old Business Department" is one dedicated to the purpose of aiding the depositor rear a substantial success upon the foundation of his present status with the bank, whatever his status may be. It will make bank service a real, tangible thing to him. It will organize methods for translating that service and applying it to the affairs of many, rather than of the few. It will establish closer contacts with those to whom, as yet, bank service has little significance.

Not long ago I consulted at length with a bank officer concerning an analysis of his checking accounts. To his astonishment he found but 15 per cent were actually profitable. A case was recently discovered where but 80 per cent of a certain bank's savings accounts were satisfactory. One going about much among banks finds similar conditions in abundance. In their eagerness for new accounts banks pay too little attention to the development of old ones.

Modern bank cost systems uncover facts which interest, often astonish; for they demonstrate that many accounts which, on their face, show fair average balances, are actually entertained at a loss. Just what method the banker takes to appraise such a customer that his account is unprofitable, and what steps he takes to help the customer come on a sounder footing, indicate, perhaps, how much his bank stands in need of an "Old Business Department," governed by constructive policies.

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The publicity policies, if there are such, should be thoroughly explained. Too many banks have publicity policies which, like a circus ticket, are good for one day only. Every bank should have a publicity policy good enough to reduce to writing and to last a long time. There couldn't be a better test for a publicity policy than to challenge its strength by reducing it to the cold logic of written words.

I wonder how many banks represented here have their publicity policies reduced to writing. Is it not a fact, gentlemen, that, with the 30,000 banks of the nation the plan of the majority of advertising expenditures could only be written in the past tense? And isn't it a fact, too, that a deplorably small portion of advertising outlay is used for the education and inspiration of present depositors?

A bank's advertising is a statement of what it can do for people who give it their business. Those who formulate the policies of a bank can promise; but it requires every last officer and employe to fulfil. How important, then, that every one connected with the bank have a thorough understanding of its advertising plans and purposes. How necessary to start off the "Old Business Department" with this understanding.

Direct Advertising

Printed matter, mailed directly to the prospective customer of a bank, has powers which no other kind of advertising possesses, declared Edward A. Kendrick, of New York, in his address. But he said, too, that general mediums (such as newspapers, for example) should be used by a bank because the boy or girl of today is the important citizen of tomorrow, and the workman who today drives a spike in a railroad tie, may within a few years become the president of the road.

Mr. Kendrick stressed the opportunity which financial institutions now have to help solve the great problems of the day through educational advertising, adding:

Under our democratic form of Government the ultimate solution of all great questions affecting the public welfare is dependent upon public opinion. The American mind is an inquiring mind, but when the American people are shown the way—the right way—to meet their problems, they are very likely to find the solution. In the adjustment of our future tax burdens to meet our war expenditures and other needs; in the solution of railroad problems to save the transportation system from being throttled in the interest of political expediency; in settling the labor problem, to give labor its right and save capital unimpaired, the voice of the people will be heard, but the people must be "shown".

It is all a question of education and advertising can be one of the chief instrumentalities in forwarding such practical educational processes.

Gaining New Savings Accounts

"Gingering up the Savings Department" was the promising subject of the address by D. McEachern, Secretary of the Huron & Erie Mortgage Corporation, the Canada Trust Company, London, Canada. He confined himself chiefly to the conditions and methods prevailing in Canada and hoped that his suggestions would at least prove helpful to some of the audience by reminding them of available and perhaps hitherto untried methods of building a savings department.

Starting with the problem of the dormant account, he said:

Advertising—like charity—should begin at home. In every savings ledger there are numerous accounts which for many months, perhaps for years, have been undisturbed by the addition of a deposit. The owner of the account may now be unable to save or he may have fallen into extravagant habits, and it is also quite possible that for some reason he now deposits in a rival institution around the corner.

The first step in winning back this customer is to make certain of his correct address. This question of depositors' addresses in these days of changes is of prime importance, and it is worth time and expense to keep them up to date.

Good results in winning back old customers have been obtained by:

- (1) Securing correct address;
- (2) Mailing a well-worded letter of invitation to revive the account;
- (3) Mailing more well worded letters containing "reasons why" until the end is gained or some good cause for ceasing the follow-up presents itself.

One letter that pulled told the depositor that his balance on the date of last deposit was \$187.53 and if \$20.00 each month had since been added he would now be the possessor of \$540.22, including compound interest.

Wherever the Joint Account system has been used it has been found a success. It is a convenience to depositors and causes but little additional work to the savings department staff. Institutions which extensively advertise the Joint Account find they are combining a much appreciated service feature with a business-getting and a business-holding force.

Women are no longer content to allow the family purse or the family savings account to wholly remain in the possession of the nominal head of the household. The Joint Account steps into the breach and amicably solves this financial problem in many households.

A growing tendency has been noticed to use this Joint Savings Account privilege to dispose of funds after death—in this way saving much inconvenience, together with the delay and expense attendant upon the probating of a will.

Speaking of women depositors, have you ever analyzed the new accounts opened in your savings department during say a twelve months period? If so, you will have noted the large and growing proportion of women depositors. This is, I believe, a general condition and it is leading financial advertisers into broader fields of endeavor. The majority of the urban male population cannot call at the savings wicket during office hours. The mechanic's wife is therefore not only responsible for the household expenditure but is also entrusted with the maintenance of the family savings account. Likewise to a large extent this is true in the case of the farmer's wife. A goodly portion of the farm income is actually earned by her in the dairy, poultry yard, garden and field. Why then should the bulk of financial advertising be aimed at the male population? Should not a substantial portion be expressed in the language that would best appeal to the good sense and thriftiness of women?

A somewhat neglected feature of savings department operation is the pass book. It is the connecting link between the depositor and the department, and a neat and well-printed book will repay an extra price per thousand. A badly soiled or torn pass book should be replaced by a new one after the ledger keeper has secured the depositor's permission.

When a savings account is wholly withdrawn, what does your ledger keeper do with the pass book?

The wide-spread practice of retaining the book at the wicket because of some musty regulation is open to criticism. If the depositor is allowed to surrender his pass book simply because he is temporarily in need of funds, his connection with the Savings Department is completely severed. He should be told to keep the book as doubtless it would be found of use at a future date when he has further funds to deposit.

It has been truly said that the Savings Department is the nursery for the other Departments of a financial institution. Since, therefore, this department furnishes prospects who may be readily persuaded to use other branches of the institution's activities there should be reciprocation.

In the Investment, Trust, Safe Deposit, Real Estate and other Departments will be found hundreds of good customers who for no particular reason keep their savings accounts elsewhere.

The personal invitation of officers, tellers and clerks to customers of these departments with whom they come in contact will accomplish good results at no additional expense to the institution. Oftentimes the mere suggestion that maturing interest coupons, rentals and other income be deposited at the Savings wicket secures a choice and profitable business and this form of co-operation supplies in many cases the missing link between general savings advertising and the actual opening of accounts.

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Personal enthusiasm on the part of every person connected with the institution is an important consideration when laying plans for a greater savings department. With this aid, carefully prepared programs will attain their goal with a minimum of expense and effort.

It has been amply proved that the interest of employees in the forward progress of any business is best secured when a system of reward for well-doing is worked out which will include all on the pay-roll in a fair and equitable manner.

Freak advertising of any kind has never been very successful in Canada. Financial advertising of a sensational nature in the accepted sense of the term is regarded as a grave error and seldom has it pulled satisfactorily.

The 1919 high cost of both necessities and luxuries imperils the onward progress of the savings account in many households. Any encouragement, incentive or even any argument that can be supplied to aid struggling savers should be gladly given. A ray of hope and incidentally a good argument to bring to the attention of depositors will be found in the recent government assurance that many articles of every-day use will fall in price during 1920. Every dollar therefore that can be saved this year will later on have a greater buying power.

The Public as Bond Buyers

John Milton McMillin, of the bond department of Henry L. Doherty & Co., New York, in his important address on "Selling Bonds," suggested that whatever can be done to give people an interest in corporation management by getting them to invest in securities will have a strong tendency to create a less biased point of view in discussions of corporation affairs.

The working man, the farmer, the shopkeeper—all of us, in fact—are inclined to consider lightly, the needs of the railroad or other corporation which finds it necessary to increase its rates though each of us would have a different point of view if we were directly interested. In that event, we would want to see justice done.

Many of the gas and electric companies are now fully alive to the value of security holders among the customers of their service. The organization of which I am a member has on more than one occasion put aside an opportunity to sell securities involving very considerable sums to well-to-do investors, able and willing to pay promptly in cash, choosing instead, the more tedious process of selling the issue in question, a few shares at a time, on extended terms of payment, to a large number of people of moder-

ate means. Their aggregate good will was deemed to be a consideration of equal importance to that of raising the necessary capital for the program of physical improvements.

He showed that the ordinary formal announcement of an issue of stocks or bonds was of little value in obtaining such results, as they attract only the professional investor, and gave specific examples of methods employed to reach the smaller investor.

Except for the few investors who are actually students of securities, the average man is more interested in being given some reason why he should like to have the issue mentioned in an advertisement, than in any formidable schedule of facts arrayed by lawyers and statisticians. He wants to know how it will work out in his case. He can be inspired to action by a message which reads like that of one human being to another.

Selling corporation securities to new investors is not only of direct advantage to all corporations by distributing friends of business all over the land, but the valuable service is performed for the individual in teaching him to become an investor.

There are a great many people who gladly listen to a discussion of investments because they learn how to solve the universal problem of getting ahead. Call it thrift, if you prefer the word. A desire to get ahead—to learn how to get ahead—exists in a much greater degree than one might believe until he examines the facts at first hand.

Millions of people have learned the pleasure of clipping coupons, as the result of purchasing Liberty Bonds.

The new discovery that one may buy an income just as one buys anything else, will add a great impetus to the distribution of corporation securities.

Mr. McMillin believes that advertising is going to play an important role in preserving and forwarding habits of thrift and conservative investment which were established during the war.

Advertising the Small Town Bank

H. B. Grimm, manager of the New Business Department of the St. Joseph Valley Bank, Elkhart, Ind., had for his subject "Establishing a New Business Department in a Small Town Bank." To the bank in the large city, with its great resources, the establishment of a new business department on an effective basis, is a comparatively simple matter, but to the

small town bank it is a more serious problem.

Through the use of "newsy" newspaper advertisements, backed up by advertising in the street cars, on billboards, through the mails, etc., and with all departments of the bank working together toward the building of business, Mr. Grimm accomplished this object, however, and the St. Joseph Valley Bank increased the number of its savings accounts from 4500 to 7000 in one year.

A good deal of this business came through the use of a small savings bank, offered for use in the home, but the new accounts also included many larger ones.

One especially interesting plan was to accept Liberty Bonds at their face value in exchange for three-year 4 per cent certificates of deposit. In such cases the customers made money, of course, and the bank did not lose anything.

In this and other ways the bank is constantly increasing its business with its present customers, for it is getting them to use more of its departments.

Mr. Grimm showed how all the efforts that the bank puts forth, both in advertising and through personal contact, are made to dovetail.

"Bankers must keep out of ruts," he said, "for after all, a rut is in reality a small-sized grave."

The Advertising of Tomorrow

"What of the night?" was asked of the watchman on the wall in days long past, and ever we hear the echo of that question. We advertising men are watchmen on the walls of business and we should recognize the right of business men to ask us "What of the night?"—"What of the morrow?"

This was the subject of Edwin Bird Wilson's address and to look ahead into financial advertising, he said, we have only to learn what has happened and is happening in that field of history.

In reviewing the advertising of yesterday Mr. Wilson spoke at length of the part

THE BANKERS MAGAZINE—BANKING PUBLICITY

played in the great war. He said:

Brotherhood feelings for humanity at large were engendered as never before in human history. Humanity's heart beats were examined by experts and found to be about the same all over the world with the sad exception of that part of humanity that had lost its humanity. It came home to men all over the world that all men are kin and children of the same All-Father. Financial Advertising quickly discovered that he could touch the heartstrings of all branches of the human race and get the same harmonious sounds of money, zeal, help, cooperation and love for a great cause.

I repeat that to understand the history of Financial Advertising we need understand only the past few years, because those crucial years have made a full-powered man of him, a giant in power, vision and purpose, who can never turn back. We have seen the motives working with and within Financial Advertising that have made of him the fully-developed creature of might and service he is today.

Of to-day's Financial Advertising he said:

Financial advertisements today are full of interest and vitality. Many of them are beautifully illustrated and compete in interest with the advertisements of enterprising manufacturers and merchants. You will agree with me, I believe, that Financial Advertising can never go back to the old innocuous days of swaddling clothes, of sackcloth and ashes, to the old days of unimaginative, inarticulate and unproductive utterances like those of "an infant crying in the night".

Today is a new day for Financial Advertising and tomorrow will be a better day.

Continuing on the subject of Financial Advertising of the morrow, he said that Financial Advertising must raise the money, must have zeal for the cause, must have help for the cause, must have cooperation for the cause, must have love for the cause, affection for fellow-workers, the feeling of brotherhood for humanity. In conclusion he said:

In conclusion let me say that I believe the Brotherhood of Humanity Idea must underlie all future business efforts that will or can have permanent success. To be eminently successful financial advertising men we have got to understand human nature and know how to appeal to the nobler side of human nature. If we know humanity really, we will have a feeling of brotherhood for it, and if we have that feeling highly developed as a foundation for our thought and writing, we will be able to talk to men and women in human-heart language that they can understand and that will move

them to do the right thing in this great world crisis.

If this talk has seemed too much like a sermon and lacking in practical, concrete suggestions, please forgive me on the ground that I am a member of the Brotherhood of Financial Advertising Men—the Financial Advertisers Association.

(Mr. Wilson's address appears in full in another part of this issue.)

The Foundation of Publicity

Publicity for American corporations is legitimate only when it is based on public interest in the information it contains, it was declared by James I. Clarke, Manager of the Service Department of the National Bank of Commerce in New York, in his address on "Legitimate Publicity." When built upon this principle it is not only a gude-post to clear thinking set up for the public, but a contribution to the success of the newspaper that publishes it. The benefit to the institution whose name becomes an essential part of the news value should rightly be incidental, although for that very reason more certain, lasting and dignified. Mr. Clarke said in part:

Publicity should be built from the viewpoint of the newspapers to which it goes rather than of the corporation from which it comes. Publicity that is not based on public interest is not worth getting; on the other hand, the publicity that really grips the public's attention because it interests them is beyond price. The publicity man, when he has something to release, should, so to speak, get up from his desk, walk out of the building, shake all atmosphere of his job out of his system and then come back in the attitude of a keen-nosed reporter looking for news. Then he can sit down and write his story with the proper perspective.

Legitimate publicity seeks to inform the public, not to sell them. If your company is not doing things big enough and important enough to have a legitimate claim

on the news interest of the public, the corporation doesn't deserve publicity. It should advertise and pay for it. The ideal piece of publicity is one containing matter of such great public interest and importance that no live editor will dare turn it down for fear of being placed in the position of having been beaten. The least a release can do is to contain a news germ of interest to a special field. In the long run, the publicity man who keeps his publicity clean, who himself submits it to as drastic and searching a news judgment as a disinterested editor who sees only

his public, will profit by his own rigorouaness. It will result both in raising the tone of his output and in improving the receptivity felt toward it on editors' desks.

"Free publicity", so called, should be founded on a bed-rock of paid advertising, but the hand that signs the advertising contracts should not follow the hand that deals out the news. I have enough faith in American journalism to believe firmly that our worth-while periodicals print news because it is news and advertising because it is paid for. In so doing they give true service to both advertiser and reader. Free publicity is not free in the sense that it does not cost money. It has been my own experience that the overhead charge on an item of free publicity usually runs higher than the overhead charge on an advertisement even though art work, plates and electroypes are included in the overhead for the latter.

Publicity, if followed scientifically, courageously, tenaciously, is no game of chance. Publicity is the application of a science and the results of legitimate publicity will be manifest in the progress of our own institutions and in the healthy business development of America.

Preparation of Copy

On the important subject of "Preparation of Newspaper and other Copy," George E. Lees of Cleveland, described the "raw materials" and the "architecture" of a piece of bank advertising copy. He said in part:

If you were going to build a house you would be face to face with four major considerations: 1st, the site; 2nd, the raw materials; 3rd, the design; 4th, the actual construction.

You may reply that these considerations are out of order and that you would begin with design. I assure you that you would not, because subconsciously you would perforce have in mind both the site and the raw materials of construction without which your design could not be definite. Therefore, I repeat that the essential factors of your house building problem would be in the order given. This analogy holds precisely true in the development of copy, whether it is for banks or soap factories.

To discuss the design and construction of advertising copy without previously discussing the exact location and the raw materials of copy, is therefore, putting the cart before the horse, and before we can take up the "how" of publicity we are obliged to take up the "what."

Personality in Advertising

A bank's advertising cannot profitably omit consideration of the personality of the officers and others who come in contact with the public, said W. W. Douglas, in charge of advertising for the Bank of Italy, San Francisco, in addressing the Con-

THE BANKERS MAGAZINE--BANKING PUBLICITY

vention on the subject, "The advertisement and the subject Behind It." He said, among other things:

The corn contests, fruit exhibits and pig clubs initiated by many country banks are admirable examples of this type of publicity. So also are the fascinating "Life Stories" printed in leaflet form by the Detroit Trust Co.; or the agricultural and trade bulletins published by such institutions as the Hibernia Bank & Trust Co. of New Orleans and by the National City Bank of New York. They suggest eloquently that understanding of the individual and that co-operation with the community which should be among the fundamental purposes of every bank. The advertising man who can convince the public of the existence of these qualities in his institution and can then inspire a whole organization with enthusiasm for carrying them out, is a genius in his way. But the second factor is too generally neglected and is decidedly the more important of the two.

No advertising man for a bank or trust company can afford to ignore the human element in his task. Because, after all, that indeterminate quantity, the "personality" of his institution, supplies the only material he can claim as his own. He is not advertising things. He is advertising men.

It is very different with flashlights, for instance, or with soap. The manager of the soap factory may be a grouch or a bonehead; but if his product will really wash woollens with less shrinkage, or make a better lather in hard water, or deal more gently with a newly shaven cheek, the advertising man has all he needs—his own individual superiority over competitors.

But the financial advertiser has no such clear cut task.

Vote of Thanks

At its final session the Financial Advertisers Association adopted a resolution thanking the city of New Orleans, the banks, trust companies, and investment bankers of the city for their generous hospitality, and particularly expressed its thanks to Fred W. Ellsworth, R. S. Hecht, Bruce Baird, and Fred Hamlin for their efforts in arranging exhibits, program, and local details.

Election of Officers

The following officers were elected for the coming year:

President, F. W. Ellsworth, New Orleans.

First vice-president, H. A. Marsland, New York.

Second vice-president, Lloyd H. Mattson, Omaha.

Third vice-president, H. B. Grimm, Elkhart, Ind.

Chairman, W. R. Morehouse, Los Angeles.

Secretary, W. J. Bramman, St. Louis.

Assistant secretary, Anita Moore, central office, St. Louis.

Treasurer, Carl A. Gode, Chicago.

Directors: D. McEachern, London, Ont.; E. H. Kittredge, Boston; Dave S. Matthews, Stockton, Cal.; F. M. Staker, Kansas City, Mo.; George L. Hern, Dallas; Flavie C. Adams, Louisville; W. W. Douglas, San Francisco; J. W. Groves, Minneapolis; Frank Wilson, Tacoma; W. A. Schulte, Cleveland; F. D. Conner, Chicago; John Ring, Jr., St. Louis; Jessamine Hoagland, Chicago.

Award of the Prize Cup

The first prize for the best exhibit of advertising matter at the convention was awarded to the Irving National Bank of New York, also the recipient of the award for the past two years. Second place was awarded to the Guaranty Trust Co., New York, and third to the Cleveland Trust Co.

The contest was made more than usually interesting on account of the large number of competitors, the exhibits occupying more than half the entire space allotted to displays in the Grunewald Hotel, and every part of the country being represented.

In the second classification, for the best single advertising display, the Guaranty Trust and Savings Bank, Los Angeles, was given first place; the First National Bank, St. Louis, second place, and the Hibernia Bank and Trust Co., New Orleans, third place.

For the best individual piece of copy, the Bank of Italy, San Francisco, won first place; the Union National Bank, Newark, second place, and the Mercantile Trust Co., St. Louis, third place.

The cup won by the Irving National was offered by Melvin A. Traylor, president of First Trust and Savings Bank of Chicago. The award was the closing feature of the final session of the Financial Advertisers Association and was received with much applause. In explaining its decision the committee of award reported:

Carrying out our instructions, we have selected three exhibitors in each of three classes: First, the general exhibit taking up the display of each exhibitor as a whole; second, taking up each individual

campaign as outlined in the exhibit; and third, going over all the exhibits and choosing what we considered the best pieces of copy, thus naming three banks or trust companies whose general exhibit impressed us most of all, and three out of whose exhibits we chose what we considered the best campaigns, and three more from which we made choice of the best individual piece of copy.

It was difficult for the committee to distinguish between the exhibit which represented the greatest number of points of excellence as an exhibit of financial advertising and the exhibit which contained the greatest number of points of excellence as an advertising campaign; but we tried to separate the two into different classes so as to be able to include additional meritorious work on the part of members.

The Traylor Cup

The Traylor Cup was presented by Melvin A. Traylor, president of the First Trust & Savings Bank, Chicago, for the best financial advertising entered at the Convention of the Financial Advertisers Association, Sept. 21-25, 1919. In connection with the cup offer, Mr. Traylor said:

When the exhibit of the Financial Advertisers Association was brought to my attention, with information regarding the scope and character of the displays at the conventions held in Philadelphia, St. Louis and San Francisco during the last three years, it occurred to me that a cup to become the permanent possession of the winner would supplement the certificate of award by the association.

The tremendous volume of publicity which characterized the five Liberty Loan campaigns must have been some factor in their success. Just how much cannot be determined; but between advertising and sales organizations the number of investors in this country was increased and multiplied almost beyond belief. Such new investors have been considered prey by get-rich-quick promoters and are certainly entitled to every protection that law and publicity can afford. If through the Financial Advertisers Association and other organizations whose aim is to increase legitimate advertising and prevent the publication of that which is false or misleading those who have either money or investments can be protected, the end is certainly to be desired.

When advertising will sell furs in August and white goods in January, it would indeed be a skeptic who would question its power, but the comparative difficulty of tracing direct returns from financial copy makes it doubly desirable that space be used to the best advantage. This together with the fact that our bank has been a continuous advertiser since its incorporation, makes me keenly interested in seeing financial advertising both as meritorious and as productive as that in any other line of business.

Banking Publicity

Special Section of The Bankers Magazine

DECEMBER 1919

SOMETHING ABOUT COPY IN BANK ADS

By Russell E. Smith

IN LOOKING over the copy in many advertisements of banks over the country, one is struck in many instances by the utter lack of definiteness in the appeal. There is plenty of "Save Your Money" copy, and general appeals for thrift, but generalities are not enough, in the humble opinion of the writer.

Everybody knows in their heart that they should save money against the proverbial rainy day, but the average copy of the bank ads do not get under the skins of the particular people they want to reach; they do not talk their language.

For what they are worth, here are some ideas of what the writer believes the copy should consist of. For instance, if the appeal is to be to laboring men, the talk should be labor talk, and in terms of labor. How would copy something like this hit the man with the pick and shovel or the machine tool:

CONDENSE YOUR LABOR— STORE IT AWAY!

Every dollar that you save is so much "canned labor." Store it away in the bank against the day when you can no longer labor and earn money.

Wouldn't you be glad to know a way in which a part of the strength that you use each day could be stored up to use some other day? Wouldn't it be great if you could call on that stored-up energy and use it after other men of your age were too tired to labor longer?

Well, you can do just that, in a sense, by storing up the earnings of that work day by day, week by week; it will work for you; in fact, it will be working right along with you all the time and will never tire.

START CANNING YOUR LABOR TODAY WITH A BANK ACCOUNT.

The idea of conservation of labor ought to hit the laborer where he can feel it.

Then, suppose for argument the bank is aiming at the small business man or employe who,

ONE year ago we were rendering thanks for the coming of the dove of peace. The fighting and horrible destruction of war had ceased.

To-day we are grateful for the return of our boys to their homes.

As a Nation we rejoice in the blessings bestowed upon us during the past year, and though clouds have occasionally appeared we pray that the sky may soon be clear to remain permanently so—not only for our own country but for all the nations of the earth.

May the great resources and the more fortunate circumstances of our country be utilized for the relief and comfort of those not so favorably situated.

Lincoln National Bank

19 Main Street West

A Thanksgiving ad

as everybody knows, carries what little money he has around in his pockets, from which he is tempted to withdraw it every time something catches his eye that he wants, but doesn't really need. Wouldn't copy such as follows strike him where he lives?

YOU ARE CHEATING YOUR COMMUNITY—

When you carry more dollars around in your pockets every day than you really need.

If money doesn't get a chance to circulate in large amounts, the business of your community dries up. You are helping along that ruinous stagnation—you and other men like you who carry ten times what they really need around with them.

Put it in the bank and draw checks for what you need as you need it; let it earn money for you instead of wearing out your pants pockets!

You don't need it; the community does.

Don't let your dollars idle any more than your clerks in the office.

START A CHECKING ACCOUNT OR A SAVINGS ACCOUNT TODAY.

Then there are the vast number of persons who do not really understand what a bank is for anyhow, other than just a place to store away his surplus cash. A campaign to educate the people to make them realize what a bank can do for them might help. Something like this:

DO YOU KNOW WHAT A BANK IS FOR?

It is something else besides just a place to safely store your savings. Of course, if you have money, we want it; if you want any, we have

it; but that isn't all a bank means to a depositor.

A good bank advises you on investments, takes care of many financial matters at little cost and no risk to you, settles up estates, helps you to make your will, and in many other ways means service and satisfaction to the depositor.

Come in and see our officers.
LET US TELL YOU HOW YOU CAN BE HELPED BY A GOOD BANK.

There are also many people who think that a mere dollar or two is of no use to a bank. A bank means to them large sums of money and the banker a person who cannot be bothered with small people and small money. That is an error that can be corrected with copy something like the following, for example:

YOU THERE WITH THAT DOLLAR!

You are worth more to us than the man with a million of 'em. Why? Because there are very few with a million, but there are millions with a dollar.

WE WANT THE MAN WITH A DOLLAR.

He will get the same courteous, careful treatment as the millionaire.

Banks are built on the dollars of the small depositor; with those dollars we can help the big business man increase his business so that he can sell you goods cheaper.

He can't exist without the banks and the banks can't exist without you, the small depositor.

Start an account today.
BE ONE OF THE BUILDERS OF BIG BUSINESS.

An appeal to the spirit of shame at idleness, both of person and money, might have its effect. For instance, copy such as this:

THE WORLD HAS NO USE FOR IDLE HANDS NOR IDLE DOLLARS.

Neither are worth the powder to blow them out of the path of progress.

Put your dollars, or your dollar—doesn't matter how few there be, or if there be but one—to work.

The business of the world, the business that makes it possible for you to earn any money, stands firmly upon the earning power of money.

Your future rests upon the same basis. The thought of where he may be twenty years from now doesn't worry the man who makes a practice of saving something every week of his life.

START IN TODAY TO SAVE FOR TOMORROW.

(Continued on page 8)

Banking Publicity

Monthly Publicity Section
 THE BANKERS MAGAZINE
 253 Broadway, New York

DECEMBER 1919

THESE are holiday times and holiday advertising is quite apt to be effective. The point about any holiday advertising is that you get additional attention and interest because the thoughts of the people are already turning in that direction.

A BANK in Brooklyn has a New Business Department which is pretty good on statistics. In the past six months 624 new accounts have been opened. Of these 20 per cent. have been secured as the result of direct solicitation, 53 per cent. have been introduced by present customers of the institution, and 27 per cent. have come in apparently entirely of their own accord, presumably as a result of newspaper advertising. We are inclined to believe, however, that the bank's consistent advertising has a good deal to do with getting all of these accounts.

BANKS are paying much more attention than they used to pay to the form of their call statement folders. These things used to be very ordinary pieces of printing, but now the finest printing and engraving is none too good for the statement. And this is as it should be, for these folders are really advertisements

or at least representatives of the institution.

THE average lawyer seems to feel that the trust company is an actual or potential competitor of his. To offset this feeling some trust companies are making special efforts to cultivate attorneys and point out to them by means of letters and advertisements that co-operation with the legal profession is one of the planks of their platform. It does seem as if lawyers and trust companies have more to gain from co-operation than by competition. We commend the spirit of the "attorney" advertisement of the Hackensack institution, the text matter of which is reproduced in another column.

No apology is necessary for devoting the entire issue of *Banking Publicity* last month to the report of the Convention of the Financial Advertisers Association at New Orleans. Oldtimers, if such an expression may be used in connection with an organization so comparatively young, said that it was the best convention the Association has yet held. Some even went so far as to say that this department by the quality of its program and the attendance at its sessions had demonstrated its right to be called the most important department in the Associated Advertising Clubs of the World. The names on the program were all headlines and represent the

wisdom and experience of the financial advertising of today.

THE old question of courtesy or the lack of it in connection with a large bank's handling of small accounts which comes up from time to time is really an advertising matter because there's no getting around the fact that a pleased customer is the best advertisement. Those familiar with financial conditions on the New York East Side claim that many of the merchants in that section keep thousands of dollars in cash tucked away in their rooms, not because they are "afraid of banks" but because of the lack of courtesy their shabby clothes and broken English receive at some of the big banks.

BANKERS go to an architect for building plans, to a printer for printing, and so on, but when it comes to advertising many of them be-

**Greater Production—
the Need of the Hour**



We are ready to co-operate with both capital and labor to increase production.

To help the manufacturer, wholesaler and merchant, we offer complete banking service, information and advice, including credit co-operation.

To help the wage-earner and salaried person, we afford safety and compound interest for savings, and dependable counsel in financial matters.

FIRST NATIONAL BANK
 43 Church Street, Corner Cross
 Savings Department open Saturday
 mornings from 7.00 to 8.30 o'clock

Greater production—the need of the hour—can be greatly stimulated by bank co-operation

THE BANKERS MAGAZINE—BANKING PUBLICITY

lieve that they can look after it personally, regardless of experience. This is wrong. In this connection, a business publication suits it succinctly as follows:

An advertising manager should be secured to study conditions at short range, and carry out in type the spirit, policies and methods of the advertiser, and all the technical details, and an advertising agency should be selected to co-operate and carry out the important functions of placing, checking, and relations with publishers that require an organization too costly for any single concern to properly maintain.



NOTWITHSTANDING strikes and rumors of strikes, the unrest and the turmoil which still exists in the industrial world, there is still some peace on earth and good will to men, and there is no reason why banks cannot put some of the Christmas spirit into their advertising at this season.



AN AMBITIOUS assistant cashier of a certain New England bank shocked some of the directors of his institution by putting up a painted oilcloth sign near the front entrance of the building, advertising the Foreign Exchange department. The president told the junior officer that the sign would have to come down as not being dignified enough, but when the assistant cashier told the president that he could trace profits of almost \$500 directly to the sign, the president said: "Let it stay up for a while."

NATIONAL BANK OF COMMERCE COMMERCE TRUST COMPANY

"13"

In Scotland, 13 is called "the devil's dozen."
In Florence and Rome 13 is omitted in numbering houses.
In Italy 13 is not used on theater boxes nor in lottery bets.
In Paris and Turkey people refrain from pronouncing 13.

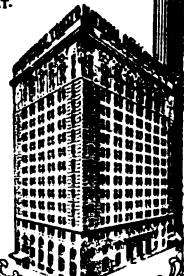
- ☛ But the ancient inhabitants of Yonkers used 13 to denote GREATNESS and SUPREME EXCELLENCE.
- ☛ Today is the 13th anniversary of Commerce Trust Company.
- ☛ We do not accept state deposits, in a material way, the quantities which stood for the 13 of ancient Yonkers—although our resources have reached beyond forty millions of dollars.
- ☛ Today we prefer to consider "Genetians" and "Supreme Excellence" as synonyms of "willing service" and "Sound Banking." These words DO qualify our slogan "EVERY BANKING SERVICE."

**National Bank
of Commerce**

W. T. KEMPER, Chairman of Board
J. W. PERRY, President

**Commerce Trust
Company**

W. S. McJUGAL, President



The figure "13" has no terrors for these banks and the 13th anniversary means good luck rather than misfortune

SOME of the more progressive and aggressive banks make it a practice to pay the dues of some of their officers and New Business Department workers as members of one or more local clubs. This seems only right, and a legitimate charge in view of the important part that social entertainment plays in the landing of accounts.



You can't beat courtesy as an advertising asset. A large Chicago bank recently received a letter from a depositor containing this paragraph: "May I express to you my appreciation of the never-failing courtesy I have received at your hands? As a small depositor, I have found this somewhat unusual in large city banks, but it certainly has always been a pleasure to deal with the Continental and Commercial."



HOUSE ORGANS

Fort Dearborn Magazine, published by the Fort Dear-

born Banks, Chicago, is not a cut-and-dried publication. Besides an artistic, historical cover in colors, a recent issue contained such constructive articles as "Solving a Problem in Household Economics," describing the Evanston community kitchen; "Chicago, Lumber Yard of America," and many notable illustrations.

The Hibernia Rabbit issued a special Financial Advertisers Association Number in September, in which were reproduced many specimens of the recent excellent advertising of the Hibernia Bank and Trust Co., New Orleans.



GOOD WILL

There is no surer way of building good will than the friendly advertisement—the frank, personal message appearing regularly from time to time in the local newspaper—for example, telling how friendly and cordial the bank is in its attitude and how eager it is to serve the best interests of the community.—Edwin Bird Wilson.

HOW BANKS ARE ADVERTISING.

"THE largest reservoir of capital in Los Angeles" is the expression used in an ad of the Security Trust & Savings Bank of that city, and it suggests, "In re-financing, why not try the biggest bank first?"

IT IS A very interesting series of illustrated historical advertisements which the Merchants National Bank of New York is using in the newspapers. A bank founded in 1803 has a right to feature its age in this way.

"THE Pyramids of Egypt were the first deposit vaults," advertises the Bank of Montclair, N. J., "but only the nobility enjoyed their security." For the word "nobility" substitute "mummies," and the statement would be equally correct.

COOPERATION with attorneys is the theme of an advertisement of the Peoples Trust & Guaranty Co. of Hackensack, N. J., reading as follows:

This company is constantly co-operating with members of the bar of Bergen County. We frequently refer our clients to their own attorneys for legal advice and services. We do not draw wills, but invariably recommend that the prospective testator consult his own lawyer and have the will drawn in due legal form. If legal matters come up in connection with estates or trusts we are handling, whenever possible we employ the services of the attorney who has been associated with the interests concerned.

A REGULAR depositor of the bank was a winner in a slogan contest conducted by the State Banking Co. of Akron, O., after the consolidation of that institution with the Summit County Bank. The contest began on July 7 last and ended on August 1. A prize of \$100 was offered and 2,500 suggestions were received. The directors chose this slogan as the best: "Bank at the Big Crossing, Main and Market."

WHAT might be called a "class appeal" is contained in this newspaper advertisement of a Chicago bank:

Big Bank Merger Effective Today

The Cleveland Trust Company
CAPITAL AND SURPLUS \$1,000,000.00
CLEVELAND, O.

TO THE STOCKHOLDERS AND DEPOSITORS OF THE PEOPLES SAVINGS BANK COMPANY AND THE EAST CLEVELAND TRUST COMPANY:

The merger of The Cleveland Trust Company and Peoples Savings Bank Company and The East Cleveland Trust Company, effective today, makes you depositors of one bank with all the modern banking facilities and the most complete list of the national institutions in Ohio.

The Cleveland Trust Company prides itself, just as the Peoples Bank did, on being a bank for the people, not merely a bank for the people's money, but the people's bank. The directors and officers feel the same responsibility in seeing that you are available to equal service to every worthy business enterprise, however large or small.

I am pleased to extend a cordial welcome to you in behalf of myself and my associates, and to assure you that every available service and facility will be accorded to you, and that we may count on your continued support and cooperation.

Yours very truly,
F. W. Johnson
President

Facts About Your Bank

- 1 It has total resources over \$85,000,000.00.
- 2 It has an authorized capital and surplus of \$8,000,000.00.
- 3 It has total deposits over \$70,400,000.00.
- 4 Its savings deposits are in excess of \$43,567,000.00.
- 5 Its commercial deposits are in excess of \$20,180,000.00.
- 6 It has over 200 other deposits over \$470,000.00.
- 7 Its depositor number over 175,000—more than any other Ohio bank.
- 8 It is Trustee of The Cleveland Foundation.
- 9 It is a member of The Federal Reserve System.
- 10 It has 102 branches, all trying to give 100% service.
- 11 It has 20 offices, ready to serve you in every way, commercial and trust equally.

Main Office—Euclid at East Ninth

South Ave. at E. 11th	Euclid Ave. at E. 11th	East Ave. at E. 45th	Madison, Ohio
South Ave. at E. 10th	Euclid Ave. at E. 10th	East Ave. at E. 44th	Madison, Ohio
147th Street at E. C.	Euclid Ave. at E. 9th	East Ave. at E. 43th	Madison, Ohio
147th Street at E. C.	Euclid Ave. at E. 8th	East Ave. at E. 42th	Madison, Ohio
E. 110th St. at Euclid	Euclid Ave. at E. 7th	East Ave. at E. 41st	Madison, Ohio
	Euclid Ave. at E. 6th	East Ave. at E. 40th	Madison, Ohio
	Euclid Ave. at E. 5th	East Ave. at E. 39th	Madison, Ohio
	Euclid Ave. at E. 4th	East Ave. at E. 38th	Madison, Ohio
	Euclid Ave. at E. 3rd	East Ave. at E. 37th	Madison, Ohio
	Euclid Ave. at E. 2nd	East Ave. at E. 36th	Madison, Ohio
	Euclid Ave. at E. 1st	East Ave. at E. 35th	Madison, Ohio

Peoples Trust & Guaranty Bank Co.
*Formerly First National Bank Co.

This is the way the Cleveland Trust Co. announced its big merger recently. The ad occupied six columns in a local newspaper

Officed by bankers of experience and directed by representative business men, this bank has always appealed to the better class of bank depositors.

An account here gives to its possessor a definite standing in the business world. It implies integrity and desirability—for before we accept an account we satisfy ourselves that the prospective depositor possesses favorable qualifications.

"Your Will—or Another's" is the title of a good trust department booklet sent out by the National Exchange Bank of Roanoke, Va. Accompanying it was a card with this message:

Here is a reminder that you have individuality; that you have desires and purposes and plans of your own.

Here, too, is a reminder of a duty—a duty that you may not honorably neglect.

"Your Will—or Another's" is a call to prompt action in a vital matter. We earnestly ask that you heed it.

The Illinois Trust & Savings Bank uses the 2-cent street car fare increase in Chicago as a text for an advertisement, as follows:

Every citizen of Chicago who rides on the surface or elevated cars is paying a 2-cent increase in fare. What are two pennies? Practically

nothing to the individual these days, but to the transportation companies it means an increase in income of about \$39,000 each day of the week.

After all, it's the little things in life that count. So, what are you doing with your pennies, nickles and dimes? You had better start a savings account now and get ready for the time when your earning power is not so good—when sickness or accident has stopped your income entirely.

Money is the cheapest thing in the market today. It's good business to "lay up" as much as possible now, for your dollar will buy a great deal more in the future. "Buy when the market is low; sell when the market get rich."

You may start a savings account here with ten dimes—\$1.00. The ability to save is largely in the doing. Come in today.

"WHAT OF THE FUTURE?" is the title of a little pamphlet by the American National Bank, Nashville. It is mainly a personal message from Chas. H. Wetterau, assistant cashier, ending with:

As a member of our official family, I assure you that it will give us all great pleasure, if, when you desire some special service, you will think of the American National first, for we are happy when called on by our friends for those unusual services.

The New Business and Service Department of the Continental and Commercial Banks of Chicago seeks the cooperation of employees through this notice in the daily bank bulletin:

The New Business and Service Department would welcome and appreciate suggestions and leads to new business. In the rush of the routine, opportunities for the development of new business may be overlooked. Not infrequently what is superficially unpromising develops, under analysis, into the most promising. Eternal vigilance is also the price of progress.

A great many members of the staff are very alert in this respect. Many leads have been developed into new deposits. The New Business and Service Department can, however, handle more "prospects."

The NATIONAL EXCHANGE BANK of Carthage, N. Y., on August 7, opened a finely furnished and commodious rest room in the basement of its building. It contains more than the ordinary features of such a room, as provision has been made for taking care of children or persons suddenly taken ill. The room probably will be much used as a waiting room and meeting place for the women of Carthage and the surround-

NO THRILL IN COST OF BUTTER AND EGGS FOR OPULENT TOILER WHO BUYS FURS AND DIAMONDS

The Banker Investment and Finance Co., Inc., 11, 13th St., New York, N. Y., has just issued a pamphlet, "No Thrill in Cost of Butter and Eggs for Opuulent Toiler Who Buys Furs and Diamonds." It is in the form of a letter to the "Toiler" and is a most interesting and timely contribution to the problem of the cost of living. It is a most interesting and timely contribution to the problem of the cost of living. It is a most interesting and timely contribution to the problem of the cost of living.

—riotous spending

has given most of us a wrong idea of values. We think nothing good that is not expensive.

We shall incline toward normal prices only when we begin to spend wisely and for necessities.

Be dollarwise. SAVE and deposit regularly. We invite your account.

UNION TRUST Co.

Rochester, N. Y.

Capital and Surplus over \$1,500,000

More of the constructive advertising which is now gaining friends and patrons for the banks

ing country. Mrs. A. B. Carter, wife of the president of the bank, and her daughter have had much to do with the preparation of this very practical advertisement for the institution. The rest room will be in charge of a tactful young woman who is competent to help women customers in banking and financial matters.

The PUBLICITY DEPARTMENT of the Guaranty Trust Co. of New York has been dignified by being accorded a place with the other departments as listed in the financial statement folder of the company. The paragraph concerning that department reads:

Prepares, for the benefit of customers and others, digests of State and Federal laws relating to taxation, governmental requirements, etc.; issues pamphlets on financial and economic subjects of timely interest, and furnishes information on business questions.

A NATIONAL BANK which recently established a Trust Department, as permitted by the amended Federal Reserve Act, wrote a letter to attorneys who were already customers of the bank asking their cooperation. One of the specific things requested was that the lawyers should put the bank in touch with the real directors of new

corporations being formed in the offices of the attorneys, so that a representative of the bank could take up with them the matter of banking relations. On the strictly trust features this bank endeavored to point out to attorneys that the interests of the bank, the attorneys, and the clients of both were all mutual.

FROM CURRENT ADVERTISING

IRVING NATIONAL BANK, New York:

A world-wide policy of friendly co-operation with well established banking correspondents provides for Irving customers reliable and responsive sources of information and facilities of service in all the important market centers of the world.

MERCANTILE SAFE DEPOSIT Co., New York:

TAKING CHANCES

Perhaps you are willing to "take a chance" with your own valuables. You have no right to take a chance with the property of others left in your care. That is why so many lawyers, for instance, rent safe deposit boxes from us for the security of their clients' property.

GARFIELD NATIONAL BANK, New York:

TEAMWORK

between banking and business is a vital need of the times. A friendly banking service can aid materially in building for the future.

THE BANKERS MAGAZINE—BANKING PUBLICITY

SEATTLE NATIONAL BANK:

DURING THE NEXT DECADE

Where will you stand, commercially speaking, ten years from now? Will you occupy a dominant position in your industry or will you be one of the bigger merchants of the city?

That depends largely on your enterprise and business sagacity. It also depends to a very considerable extent on your banking affiliations.

Let your financial connections contribute to the logical development of your business. And—look to your bankers for accurate information.

KANSAS CITY (Mo.) TERMINAL TRUST CO.:

In serving your country by purchasing Liberty Bonds YOU HAVE SERVED YOURSELF better than you perhaps realize. You have demonstrated YOUR ABILITY TO SAVE. You have proved IT CAN BE DONE.

Now that the war is over and you have FINISHED THE JOB by helping to make the last Victory Liberty Loan a big success, why not continue the good work you have started and make it pay you dividends—by SERVING YOURSELF?

A SAVINGS ACCOUNT with us will do the work. It is A SELF-STARTER, your Liberty Bond interest coupon providing the means. We furnish the interest. Your bond pays you four and one-quarter per cent. We pay you three per cent. on the interest on your bond. That sounds pretty good, does it not?



WHAT ADVERTISING IS

The U. S. Department of Labor defines advertising as follows:

Advertising is telling somebody else something about yourself.

Modern business has capitalized this idea through the medium of the printed page and called it commercial advertising.

To-day it is possible to tell the public in a dignified, forceful manner who, where and what you are.

Advertising is a dynamic force working for you at all times. It multiplies the power of your sales arguments by the circulation of your newspaper. It adds daily to your net profits.



WHAT GOOD WILL CAN DO

WHAT accumulation of good will can do for a banking institution was shown by the opening of the Liberty National Bank of Oklahoma City, in the midst of Liberty Loan, Red Cross, and Y. M. C. A. drives, and at a time of severe drought in the community. According

to an article by J. M. Dawson in *Printers' Ink*, with a dozen banks ahead of the Liberty National in the field, the deposits on the first day totaled more than \$750,000, over \$500,000 of it from 475 firms and individuals, the rest from country banks.

Three hundred and thirty-six-line copy was used six weeks before the opening date, running in the local dailies and in class papers. This told of the organization of the bank and of its officers and directors, and was followed each day with the photograph of an officer or director, and a brief biographical sketch. Stress was laid on the fact that the directors came from varied lines of industry, and that the bank was therefore in a position to benefit the depositors unusually well because of the directors' knowledge of individual needs. The introduction was concluded a week prior to the opening. Space was increased to 910 lines, copy alternating in morning and afternoon papers. Then began a frank appeal for deposits on the opening day, the copy carrying an illustration of an engraved certificate to be given each depositor on the initial day, depositors receiving such certificates to become "charter member depositors." Finally, on the day preceding the opening, page copy was used in the three local papers. The results given above in figures proved eminently satisfactory, and the bank is to be congratulated on its enterprise in a field that will support intensive cultivation, that of thoughtful advertising.



CONFIDENCE

Confidence can be strengthened where it exists, or created where it is lacking, by effective advertising. The sharks that prey on the public have been quicker to realize the truth than have the bankers whose business it is to protect the public. Also

many great commercial and manufacturing concerns have first created, then strengthened and maintained widespread public confidence by means of advertising which they have backed up by the high quality of their goods. The country as well as the city banker can create, strengthen and maintain confidence by similar intelligent methods of advertising.—*Edwin Bird Wilson.*



STARTING A NEW BUSINESS DEPARTMENT

Among the banks which have recently installed a New Business Department is the Chemical National Bank of New York. S. L. Jenkinson, writing in the *Chemical Bulletin*, explains the workings of the Department as follows:

The New Business Department, as such, is comparatively speaking, an innovation in our institution, but is destined to be one of the most important departments.

To this department devolves the duty of promoting the growth and prestige of the bank and to cultivate the personal acquaintance of its customers and secure for them such service as their particular business requires.

The personnel of the New Business Department is of utmost importance, and each representative should be of strong personality and in sympathy with the principles for which this institution stands.

Our solicitors are ever on the alert for desirable accounts, and new prospects are checked up and approved by the Credit Department before being interviewed. Various are the avenues of approach and every legitimate and ethical method is used in soliciting accounts.

Cards are prepared giving the name and address of accounts solicited, nature of business, capital, credit line, net worth, etc., and any other information obtainable. If the account is solicited, the result of the interview is recorded. Those cards are filed under the different headings: i. e., "active," "dormant," and "no prospects."

Files are also kept of all our accounts, subdivided according to our ledgers and, in addition, a geographical file sorted according to States.

This Department also looks after the details of the opening and closing of accounts, attends to matters pertaining to changes in authorized signatures, powers of attorney, and in cases of death, the securing of surrogate's certificate and comptroller's waiver.

Upon opening an account, an in-

Third of a Series of Thirteen Advertisements

Get Rich Quick— Get Wise Quick!

IT'S HUMANNATURE to want to get rich quick. That's why thousands of people lose in the aggregate hundreds of millions of dollars yearly through some scheme labeled, "Get rich quick!" which later bears the epithaph, "Smashed up quick!"

If those who foolishly invest in wildcat schemes or who place their money in irresponsible companies offering high rates of interest, do not get rich quick, they at least get wise quick!

Profit by their experience. Build up your savings fund systematically, remembering the fools with their money who tried to get rich quick and brought disaster to themselves and their dependents.

Keep your money in a strong Cleveland bank, earn 4% interest and be assured of safety.

The First Trust and Savings Co.
The Garfield Savings Bank
The Guardian Savings and Trust Co.
The Society for Savings
The Superior Savings and Trust Co.
The United Banking and Savings Co.
The Citizens Savings and Trust Co.
The Cleveland Trust Co.

Fourth of a Series of Thirteen Advertisements

To Foreign-born Clevelanders

IF YOU are interested in foreign exchange, the eight banks listed below will assure you of a low rate and absolute safety.

If you want advice on any matter pertaining to banking, these banks will gladly aid you.

If you want to save your money where you know it will be safe, where you can get it at any time you want it, where it will earn 4% interest for you, then come to one of these banks, organized and operated under the banking laws.

Take no chances where your money is concerned.

People who start small accounts are as welcome at the banks listed below as those who start large accounts.

One dollar opens an account in just a few moments.

Keep your money in a strong Cleveland bank where you can get it when you need it.

The Garfield Savings Bank
The Guardian Savings and Trust Co.
The Society for Savings
The Superior Savings and Trust Co.
The United Banking and Savings Co.
The Citizens Savings and Trust Co.
The Cleveland Trust Co.
The First Trust and Savings Co.

Two more of the community ads published by these Cleveland banks and referred to in our October issue

dividual, if unknown, is required to give satisfactory references, and leave specimen signature in duplicate, one for our permanent record and one for the convenience of our signature clerk. Firms must give references and leave duplicate set of signatures of all partners authorized to sign. Those conducting business under a trade name must, in addition to the above, file a County Clerk's certificate of conducting business under a trade name. Corporations must file a certified copy of resolutions passed by their Board of Directors authorizing the opening of the account, in which is designated who shall sign checks, drafts, etc., together with a copy of their by-laws, and signatures in duplicate of all officers authorized to sign. Upon making an additional deposit, city accounts are given a receipt book in which is entered the amount of the deposit, initialed by an officer. Those making deposits are required to make out their own deposit ticket. Accounts opened are entered in

a record book of new accounts, giving the date opened, title of account, address, amount of initial deposit, and name of person introducing the account.

Closed accounts are also entered in a similar book in which is recorded the date closed, title of account, average balance last year, balance at time of closing, and reason for closing.

Notification to the officers and different departments of the opening and closing of accounts is by means of slips prepared for the purpose.

All powers of attorney and surrogates' certificates are recorded for ready reference.

At present all matters pertaining to income tax are referred to this department.



SOME BOOKS are to be tasted, others to be swallowed, and some few to be chewed and digested.—Bacon.

A SUGGESTION FROM ENGLAND

Lever Brothers, the great soap-makers of Port Sunlight, England, who are well known for the welfare work they do for their employees, have substituted a checking account in the bank for the weekly pay envelope. Every workman opens a checking account in a bank near his home. Lever Brothers' banker credits his bank with the man's pay. The man goes home on Saturday and draws a check for the house-keeping money. The rest stays in the bank and earns interest when the balance is large enough. Lever Brothers

believe that a worker with money saved is a better producer because of it. A member of the firm said:

Instead of the money lying at home earning no interest, it will earn interest. Further than that, the tendency will be always to leave a little more each week in the bank; and I feel confident that if we can get this system universally adopted it will not only raise the working man's position, but will add to his dignity, because, instead of crowding round a little pay office, he will be led to invest in the business he is engaged in, or other businesses. We are taking no undue risks in making this departure.



HOW TO CHOOSE YOUR BANK

It must be that the "essay" style of advertising used by the Harriman National Bank of New York is successful, as it has continued for a long time now. There is no doubt but that they are very "meaty" advertisements. Following is the copy of a recent one.

In establishing banking relations, one should look for the same things and in the same order as if purchasing goods of any description—quality, price, terms, convenience of location, and personality behind the salesman.

It is astonishing, however, how many people seek first usually the bank nearest to them. This is, of course, a compliment to the entire banking system, but a merchant from Kansas City coming to New York to buy goods might on the same principle walk into the nearest manufacturer's or jobber's, order his goods, and go back home, trusting to luck that he had bought well.

Admittedly, it is desirable to deal with a nearby bank. This is a matter of economy in time and therefore a saving in money, but the other factors combined are of greater importance, possibly nothing more so than the personality behind the bank. After that, the special service that the bank may be able to render, and in this connection, it is worth while to say that a bank that has no special and particular feature of service has really no reason for existence.

The chemical composition of the human body may be divided into so many cubic centimeters of gas, so many kilos of solids, so many litres of liquid, the range covering nearly if not quite the entire category of elements, except the human element. But in spite of our wonderful scientific progress, we have not yet been able to assemble these various constituents into the shape and form of a man. So it is with a bank.

ABOUT COPY-WRITING

PROFESSOR E. E. TROXELL, of the Department of Journalism, University of Washington, gives the following good points concerning the preparation of advertisements:

1. Copy should be well written; should be about one thing, as unity.
2. Should be clear and logical, as coherence.
3. Should have emphasis, as the first and last facts should be convincing.
4. Should have variety.
5. Copy should be adapted to the audience.
6. Copy should be adapted to the product you are selling, first—human interest; second—reason why.
7. Copy should be readable, but not at the expense of the selling power of the advertisement.
8. Copy should not depend upon the mechanical expression in the statement of an unexplained fact.
9. Copy should make use of illustrations and color.
10. When possible, all copy should have a news interest.

Things to be avoided in preparing copy are:

1. Exaggeration.
2. Freak statements.
3. Untrue statements.
4. Statements that arouse prejudice or antagonism.
5. Statements that make people laugh at you or disrespect you.
6. Weak statements or meaningless statements.
7. Avoid generalities, always being specific in stating some fact that can be proven.

In addition it should be remembered that the publisher of the advertising medium is interested in the success or pulling power of your advertisement and if his help is sought he will try hard to render expert assistance.



Copy in Bank's Ads.

(Continued from page 1)

The man who has lost an opportunity for investment may be reached with copy designed to fit his particular case. It would help a man to feel that the bank may be his friend in need if he is known as a saver. The following copy is planned to take care of this class of worker and saver:

WILL YOU BE ABLE TO ANSWER WHEN OPPORTUNITY KNOCKS ON YOUR DOOR?

A bank account will make your

answer clear and the right one.

How many men have lost their one chance of increasing their business or to take advantage of a good opportunity of profitable investment because they had saved nothing?

Their bankers would not loan them any money. Why?

Because they had not shown a thrifty, saving disposition—because therefore the banker did not consider them a good risk.

BE A GOOD RISK! START AN ACCOUNT TODAY.

While this copy is not put forward as perfect copy, it is believed that the ideas therein are the things needed; that the average bank advertisement does not reach the people intended, and does not give them an argument they can readily understand. Some banks, of course, are onto their jobs in these particulars, but the writer aims at those who are not, and they are legion. The copy above has never been used, and is offered for what it may be worth to any banker who may believe he is not using the right sort of copy for his purposes.

Books on Bank Advertising

Bank Window Advertising. By W. R. Morehouse. Illustrates and describes many displays which can be adopted by enterprising banks to an endless variety of subjects. Price, \$2.50, postpaid.

Bank Deposit Building. By W. R. Morehouse. Contains practical and proved methods of increasing your business and holding it. Copiously illustrated. 250 pages. Price, \$3.00, postpaid.

Bank Letters. By W. R. Morehouse. Contains 82 actual letters reproduced by multigraph, designed to meet every need of ordinary bank correspondence. Price, \$5.00, postpaid.

The New Business Department. By T. D. MacGregor. Describes how a bank can systematically cultivate and secure new business from various sources. Illustrated with forms, etc. Price, \$1.00, delivered.

2000 Points for Financial Advertising. By T. D. MacGregor. Contains 2,000 suggestions for the wording of as many bank ads. Adapted to the use of commercial banks, trust companies, safe deposit companies and savings banks. 170 pages. Price, \$1.75, postpaid.

Pushing Your Business. By T. D. MacGregor. Explains the principles and practice of financial advertising, illustrating various methods and showing mechanical detail of writing copy. 100 pages. Price, \$1.50, postpaid.

BOOK TALKS

Special Section of The Bankers Magazine

JULY 1919

THE LIBRARY OF THE OLD COLONY TRUST CO.

The library of the Old Colony Trust Co., Boston, furnishes an excellent example of an up-to-date trust company library of to-day. In the accompanying illustration one may see a part of the large, well-lighted room at the main office that serves as a clearing house for information and a receiver of reference. It is constantly used both by customers of the bank and by its employees.

In the Statistical Department two libraries are maintained, a law library and a financial library. The former is a collection of over 1000 volumes and the latter of over 2000 volumes, supplemented by fully 150,000 pamphlets and booklets.

The law library maintains a complete file of Massachusetts law, New England and miscellaneous law texts, and various reports of legal and other matters, ably supplementing this special law library.

In the Statistical Department a vast amount of material is vertically filed which is of importance to both the Credit and Statistical Departments. Thirty or forty cabinets suffice to hold the annual and financial reports of railroads, filed alphabetically. Reports of industrial companies and publications of business houses are also kept.

The files are numerous and have presented a peculiar problem. One lists entries of investments and bond circulars of companies, another the current quotations on securities. The book shelves contain all the well-known financial reference books, manuals and directories, together with bound copies of magazines and current numbers.

To facilitate the latter work special services are subscribed to, including daily and weekly



Library of the Old Colony Trust Co., Boston

sheets on financial matters, with monthly and quarterly cumulations. These services supply a complete work that is impossible to compile in any one financial firm. Indexes of the usual card catalogue nature give immediate reference to the pamphlet or report desired, and a large part of the work is keeping these indexes complete and up to date.

The library is especially well equipped on railroad matters, whether it be on lines, equipment or their financial standing, and it is specializing in steel and railroad literature. Most of the work of the library lies in the Trust and Bond Departments, but its services are freely given to all the departments and customers of the bank.

A trained staff of statisticians compile this material daily under the direction of Miss Anne Crafts, head of the department.



"I met Ikey coming out of the bank just now."

"Buyin' War Loan Bonds, I s'pose?"

"No; he'd been in to fill 'is fountain pen."—*Tatler*.

BEECHER'S SUGGESTIONS TO READERS

JOHN WANAMAKER, who was the pioneer of the department store advertisement introduced by an editorial, recently published this part of a conversation with Henry Ward Beecher:

Question: "What plan would you recommend to a young man for preserving the results of his reading? Have you yourself pursued any method to develop the power of retaining the subject matter you read—which is a very important thing? Have you any plan for marking books, journalizing, or copying the pith of what you read?"

Mr. Beecher's answer: "No, but I think a *Commonplace Book* a very good thing, indeed. I would advise every young man to get into the habit of keeping something of that sort. The great point is to read nothing without reflection. Dr. Macaulay, who used to preach in New York, told me that when he was a boy at college he began to read enthusiastically, but that, at the foot of every page, he stopped and obliged himself to give an account of what he had read on that page. At first, he had to read it three or four times before he got his mind firmly fixed. But he rigorously compelled himself to conform to the process, until now, he said, after he read a book through once, he could almost recite it from the beginning to the end.

"It is a very simple habit to form early in life and is invaluable in acquiring accuracy and thorough knowledge of the material with which a man has to deal."

BOOK TALKS

KEITH F. WARREN, Editor

Monthly Book Section

THE BANKERS MAGAZINE

252 Broadway, New York

JULY 1919

IN the opinion of Nicholas Murray Butler, president of Columbia University, the sure mark of the reactionary is unwillingness to make use of the teachings of past experience or to read the lessons of history and apply them to the problems of to-day.

Consider if Dr. Butler's ideas do not apply to the study of banking problems as explained in such practical books on that subject as are published by this company. He says:

"The true progressive is he who carefully reads history and carefully examines the experience of mankind in order to see what lessons have already been learned, what mistakes need not be repeated, and what principles of organization and conduct have established themselves as sound and beneficent. Upon all this the progressive builds a new and consistent structure to meet the needs of to-day in the light of the experience of yesterday. He does not find it necessary to burn his own fingers in order to ascertain whether fire is hot."



ONE OF the greatest benefits to be derived from reading business publications, in the opinion of R. L. Rutter, president of the Spokane and Eastern Trust Co., is that it induces a man to think for himself along original lines and to create original methods for handling business.



A CERTAIN Southern bank compels all of its employes to join the American Institute of Banking, and pays for all the books used by its clerks. You can drive a horse to water, but you

can't make him drink. Still where would we be without compulsory school education? That is, where would the boys be the fine early summer days? We hope that Southern bank will go a step further and install our library of 100 books on financial and banking subjects, even if it doesn't make reading them mandatory.



BRAINS in the business office is the surest and straightest road to dividends. So says Sherwin Cody, whose books have helped many business men to develop their brains and the brains of those who work for them. Of course, it is a stock retort of the schoolteacher to the parent complaining of the non-progress of her young hopeful, "Well, madam, we can't furnish your child with brains. That is up to you." But the school furnishes opportunity for development, and so does the bank library.



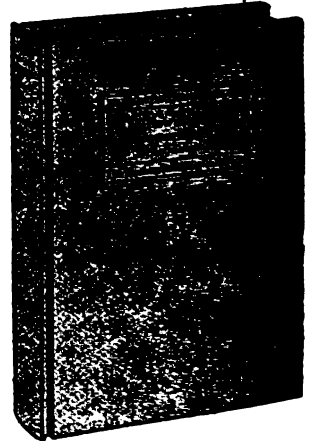
A LARGE Chicago bank which has a bank library keeps its officers and staff constantly informed concerning the new acquisitions and urges the use of books by a paragraph in the daily office bulletin.



"How to Make Your Public Library a Business Asset" is the title of an interesting article in the May issue of the *American Magazine*. It is an interview with Adelaide R. Hasse, who has done a great work in the New York Public Library by showing business men how to get out of the library information worth money to them. She says:

"Business men just don't realize what a vast amount of time and trouble an efficient library can save them. Often they hire experts to make analyses of things, when these subjects have already been analyzed and summed up in government publications.

"It is true that up to now the



The New Business Department

By T. D. MACGREGOR

Author of "Pushing Your Business," "2000 Points for Financial Advertisers," "Bank Advertising Plans," "The Book of Thrift."

THE "intensive" cultivation of present customers of a bank and the systematizing of efforts to secure new ones are the keynotes of this book by T. D. MacGregor, the well-known writer on financial advertising.

This handy volume, the fourth of the "Bank Department Series," is largely the fruit of the author's having been for some time an important member of the Department of Publicity and New Business of the Guaranty Trust Co.

While some of the ideas and methods suitable for use in pushing the business of the largest trust company in the world—with resources of over \$500,000,000—undoubtedly would not be adaptable to the requirements of the average bank or trust company, still the principles and practice in general are the same no matter what the present size of the institution to be developed.

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libraries themselves have been mostly to blame. In every business the fundamental principle is the creation of a market. The library, instead of going after its market, has always waited for the market to come to it. This is all wrong, of course. The library should be the business man's annex, and if the business man does not realize this fact, he must be made to see it.

"Every library has a certain appropriation to spend on books. If business men will create a demand for information which will aid them in their work, part of that appropriation will inevitably swing toward purchasing the kind of books required.

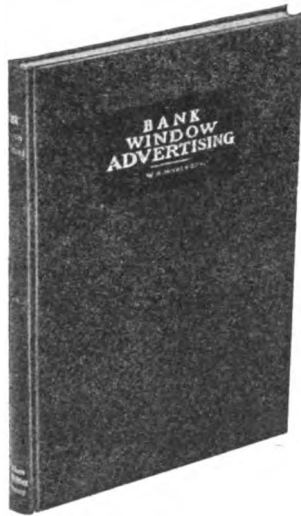
"Go to your librarian and say: 'I want to know what this library has for me that will aid me in my business. Has it this or that directory? Does it take these trade papers each week or month? Where are the government reports kept? I am paying my share toward maintaining this library, and I want some real service.' If business men would do this they would find out that they would get back the value of their library tax many times over."



A "ROUND TABLE"

At the Montgomery Street office of the Bank of Italy, San Francisco, there has just been organized what is to be known as the "Round Table," with which every officer and employee may affiliate. The purpose of this little society is to encourage its members to improve their spare time by reading banking literature and to discuss financial and economic questions. This laudable undertaking will supplement the activities of the San Francisco Chapter A. I. B. and insure a more intelligent interest in that great organization's most important work.

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By **W. R. Morehouse**

Assistant Cashier Guaranty Trust & Savings Bank, Los Angeles; President Financial Advertisers Association.

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Mr. Morehouse's book is based, as was his "Bank Deposit Building," on practical experience in result-getting methods, and the displays described are those which have been tried and found successful.

Full instructions are given for preparing the displays and many photographs of windows are reproduced, as well as a great variety of specimen cards for window use.

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equipment necessary at present being a table supplied with a few carefully selected reference books as well as magazines on banking and kindred subjects. A live executive secretary at each branch should be appointed to look after the society's affairs, and later on a general secretary could be selected, under whose guidance the work at the branches would be systematized, its scope enlarged and a practical scheme of cooperation evolved with the various city chapters of the American Institute of Banking.



"LET'S MAKE USE OF THEM"

PERUSAL of the five volumes enumerated elsewhere in this issue ("Elements of Foreign Exchange," Escher; "The Clearing House," Thralls; "Credits and Collections," Skinner, White and Cramer; "Chats on Old Coins," Burgess; "Productive Advertising," Hess), says the *Mettco Meteor*, which were selected in what might be called a careful random manner from the shelves of our library, will give the reader some knowledge of subjects about which he may be rather uninformed. But it will do more than this. It will broaden his acquaintance with the practice of banking, by furnishing him with an insight into phases of the business outside the scope of his particular department. There are many other books in the library of equal value, so that those mentioned are merely suggestions in order that a start may be made.

That one should make a detailed study of the work of a department other than his own is not necessary, continues the *Meteor*. But that he acquire at least a superficial familiarity with what others in the same institution are doing is, indeed, highly desirable. Such an appreciation of the other fellow's job will point out the need for effective interdepartmental cooperation, and may possibly aid



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in the discovery of the means by which this can be perfected. In any event it is safe to say that the widening of knowledge along banking and financial lines which will result from the indicated reading will sooner or later redound to the mutual benefit of the employee and the company. These books were placed there for us. Let's make use of them.



GROWTH OF THE NATIONAL CITY LIBRARY

THE library of the National City Bank, which during the past few years has grown to be the largest collection of books and pamphlets in the possession of any financial institution in New York City, has moved from its old quarters at No. 43 Exchange Place to a more roomy and convenient suite of rooms on the seventh floor of No. 60 Wall Street.

Under a new plan of organization worked out by Miss Rose, librarian, the library henceforth will render its service from two separate bases of operation—one located in its new home and the other on the seventh floor of the bank building, in the quarters formerly occupied by the National City Company's library.

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WHILE addressed primarily to farmers, these paragraphs from *Successful Farming* ought to be

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Secretary Savings Bank Section American Bankers Association, Assistant Educational Director American Institute of Banking

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Part I is arranged in chart form, with parallel columns, so that the laws of the various states on any subject may be easily compared. The commercial laws covered are those a knowledge of which is required by most bankers in their every-day business.

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Part III is an unusually valuable contribution to the discussion of bank taxation in the various states, which will be useful alike to the student and to the banker.

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of interest and value to the bankers as well:

Within the last few years libraries have been multiplied and extended until the advantages and service of such an institution are within comparatively easy reach of a large percentage of people, including those who live on farms. There are more than 4,000 libraries in the United States, many of them in towns and villages in agricultural districts. In these libraries are the best story books, works on history, travel, art, the sciences, etc. Furthermore, the modern library is so well organized and classified that the information contained in it is readily available to those who seek it. The librarian of to-day does not confine himself to checking out books and checking them in again. He knows how to locate all the material in the library on a given subject. If a person is seeking information on a certain subject, it is not necessary to ask for a specific book or periodical; all that is required is to ask the librarian for information upon the subject in question, and he can quickly produce all the material in his library bearing upon that subject.

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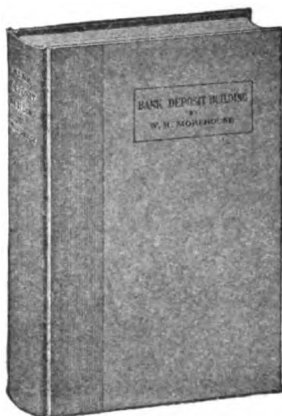
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THIS book, as its name implies, deals with building bank deposits—not in the sense of a spectacular increase by forced methods—here to-day and gone to-morrow—but building for permanent growth. This is the keynote of Mr. Morehouse's book and attention is paid to holding old business as well as to winning it in the first place.

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At this time when strong and united efforts are being made far and wide to promote thrift and saving, the study of a book like "Bank Deposit Building" will not only stimulate the banker's patriotic duty, but will add to his legitimate profits as well—a combination of "doing good and making money," as Benjamin Franklin once put it.

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Trust Companies; Their Organization, Growth and Management. By Clay Herrick. Describes in detail the actual organization and operation of every department of a modern trust company. Contains a variety of tables and charts which make it indispensable for every trust company officer. The author was for many years connected with the Cleveland Trust Company in important capacities and speaks with authority. 500 pages. Price, \$4.00, postpaid.

The Law of Bank Checks. By John Edson Brady. A complete explanation of the rules of law applicable to the issuance, delivery, transfer, collection, payment, etc., of bank checks and the rights and responsibilities of banks in dealing with these instruments. Full text of the Negotiable Instruments Law, now in force in 46 states, showing the changes made in the statute by the different states. Carefully indexed. 460 pages. Price, \$4.00, postpaid.

Bank Letters. By W. R. Morehouse, Publicity Manager of the Guaranty Trust and Savings Bank of Los Angeles. 53 actual letters, reproduced by multigraph, designed to meet every need of ordinary bank correspondence. Special attention given to letters which build business for banks, create good will, and increase deposits. All the letters have actually been used and tested by the author and are the result of a long study of this important subject. Price, \$5.00, postpaid.

Commercial Paper, Acceptances, and the Analysis of Credit Statements. By William H. Kniffin, Jr. This is a thoroughly practical book, understandable alike by the banking student as well as the man higher up. Contains seventy pages of actual financial statements, some favorable, some unfavorable, with complete analyses printed on facing pages, explaining in detail why it is safe or unsafe to invest in the paper. 162 pages. Price, \$2.50, postpaid.

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BOOK TALKS

Special Section of The Bankers Magazine

SEPTEMBER 1919

The Reference Library of the Guaranty Trust Company

IN THESE DAYS of rapidly moving events, it is of the utmost importance that the modern bank or trust company not only keep pace with the times, but have ready access to information on current subjects of a commercial, financial, and economic nature, as well as problems of an international character. With a well-selected reference library and a staff of well-informed and efficient librarians, it is possible to have at hand a fund of material of this kind, which can be gathered on very short notice.

The Reference Library of the Guaranty Trust Co., of New York, as described in a recent issue of the *Guaranty News*, in its new and spacious quarters, occupies almost an entire floor of the building, and with its broad aisles and its rows upon rows of book-shelves is a constant source of interest to visitors.

Four main divisions of the library handle the work which is necessary to make this branch of Guaranty service a source of value both to the company and to its customers. These divisions are: Statistical Files, Cataloguing and Indexing, Clipping, and Order.

The Statistical Files Division collects material on the various bond issues, keeps up to date the annual reports of railway, public utilities, and industrial companies, and has access to mortgages, deposit agreements, and other documents of a similar nature. The important financial journals are scrutinized carefully for information regarding business concerns, and new material which would

seem to be of value is then sent for. This material is filed away, ready to be produced for the use of the statisticians or others who may have occasion to refer to it. Memorandums written by the statisticians on current economic and financial problems are also filed by this division, as are syndicate documents and similar papers.

To the Cataloguing and Analyzing Division falls the duty of recording and filing new books and periodicals. In performing this work a comprehensive system of classification has been devised, based upon the Dewey System, but modified to meet the needs of a special financial library. This system has made it possible for the librarians to locate information on any particular subject with the least possible delay.

Domestic and foreign publications of a selected list are analyzed for important items and articles which are of interest from the viewpoint of the company's business. Several

South American official papers are regularly clipped and indexed by the Clipping Division, and items on finance and foreign trade are clipped each day from ten newspapers. These items are mounted on cardboard and are carefully indexed for ready reference. The work of this division is important. Very often a person working on some particular subject will recall that he saw a certain article in a recent number of one of the daily papers, the exact date of which he does not remember. A call upon the Reference Library procures with very little delay the article in question.

The Order Division sends for books and subscribes for magazines. When the periodicals are received, they are checked up on cards, and both magazines and newspapers are read carefully for items of interest.

The Reference Library of the Guaranty Trust Company contains about twenty thousand books and pamphlets. In addition to these volumes, there are about 40,000 reports contained in the Statistical Files, including railway and industrial re-

(Continued on page 4)



View of the Reference Library of the Guaranty Trust Company

BOOK TALKS

KEITH F. WARREN, Editor

Monthly Book Section

THE BANKERS MAGAZINE

253 Broadway, New York

NOVEMBER 1919

THE TRAINING OF THE BANKER

BANKING in the Antipodes does not differ in principle from our American banking practice. In Australia considerable attention is being paid to the study of banking by the young men in the profession. In a recent issue of *Bank Notes*, a house organ published by the Advertising Department of the Commonwealth Bank of Australia, Sydney, are suggestions along this line by D. C. Phillips, as follows:

The world is face to face with many problems, and the one which concerns us more directly as bankers is that dealing with financial and currency matters. And it is that our officers may be the more fitted to acquit themselves like men, and take a premier part in questions concerning our own profession, that the training of the banker is so essential.

Dr. Leaf, chairman of the London County and Westminster Bank, in his speech at a recent meeting of the Institute of Bankers, England, expressed the opinion that banking should be placed on a footing by which it would compare favorably with any of the learned or professional careers. The man we want in a bank is the type of man who goes to the bar because he means to be a judge.

We are reaching a stage in our profession when it will be necessary for a bank officer to be a man who by close study and training will be capable of holding his own with any of his peers. Modern equipment in an up-to-date office does away largely with the mere clerk, and we must see to it that our men are so trained and equipped that they can maintain with honor and dignity our great institution against all competition.

The governor has set a wise example that so far other institutions are slowly but surely following in insisting that probationers shall at least pass the Bankers' Institute examination. I look to the day when he will decide that all junior officers, three to five years after admittance to the staff, shall pass a further examination which would entail a certain amount of study and close atten-

tion to their work. A law clerk is article for so many years, and must finally pass his examinations before admittance—a medical student must pass examinations, and why not a banker?

For it is imperative that any bank officer who desires to rise in his profession should have a knowledge (apart from the mere round of routine duties) of certain laws, such as the Stamp Act, Company Law, Insolvency Law, and a reasonable knowledge of mercantile bookkeeping, and in the time mentioned of three to five years he should, if he is a fit and proper person to continue a banking career, be able and compelled to satisfy his employers by examination that he has acquired that knowledge. If not, then he should find before it is too late that he is not suited for his profession, and seek another means of livelihood.

It would be satisfactory if a final examination, not necessarily compulsory, in higher features of banking could be held; the reward being the distinct advantage to the officer gained through the additional study he would find necessary to enable him to complete his course.

We are all too prone to think that once in a bank we can muddle along somehow, and few recognize that a few short years of study in the earlier part of our career give that feeling of confidence and ability to accept responsibility so essential in a successful banker.

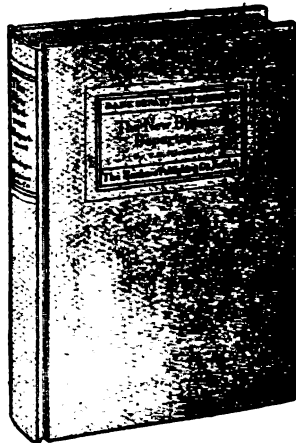
We must be forced to realize that our profession demands more than clerical labor, and to those of us who by our studies and exertions and our own endeavors rise beyond the position of mere drudges, the plums of our profession will fall.



THE A. B. A. LIBRARY.

THE LIBRARY of the American Bankers Association now contains 5208 substantially bound books, besides several hundred pamphlets and several thousand extracts from newspapers and magazines. The latter pertain largely to current subjects that have not yet reached the stage of crystallization and publication in book form.

George E. Allen, educational director of the American Institute of Banking, has been appointed librarian, not only on account of fitness, but also for the purpose of bringing the library and the institute, two important educational agencies of the association, into closer relationship.



The New Business Department

By T. D. MACGREGOR

Author of "Pushing Your Business," "2000 Points for Financial Advertisers," "Bank Advertising Plans," "The Book of Thrift."

THE "intensive" cultivation of present customers of a bank and the systematizing of efforts to secure new ones are the keynotes of this book by T. D. MacGregor, the well-known writer on financial advertising.

This handy volume, the fourth of the "Bank Department Series," is largely the fruit of the author's having been for some time an important member of the Department of Publicity and New Business of the Guaranty Trust Co.

While some of the ideas and methods suitable for use in pushing the business of the largest trust company in the world—with resources of over \$500,000,000—undoubtedly would not be adaptable to the requirements of the average bank or trust company, still the principles and practice in general are the same no matter what the present size of the institution to be developed.

"The New Business Department" is unique in its field. There is absolutely no other published work on this subject. If you want to have a concise yet complete idea of how to conduct a Department in your bank, large or small, you will need this book as an inspiration and guide. It is worth many times its price—one dollar—to any bank or trust company that wants to make the most of its opportunities of development.

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"RESOLVE to edge in a little reading every day, if it is but a single sentence. If you gain fifteen minutes a day it will make itself felt by the end of the year."—*Horace Mann.*



"THE DAY OF 'shirt-sleeve experience' is rapidly passing away in the field of business, as it has already passed away in the fields of law, medicine and engineering."—*Charles W. Eliot.*



"MEN GIVE ME credit for some genius. All the genius I have lies in this: When I have a subject in hand, I study it profoundly. Day and night it is before me. I explore it in all its bearings. My mind becomes pervaded with it. Then the effort which I have made is what people are pleased to call the fruit of genius. It is the fruit of labor and thought."—*Alexander Hamilton.*



"THE MAN who puts ten thousand dollars additional capital into an established business is pretty certain of increased returns; and, in the same way, the man who puts additional capital into his brains—information, well-directed thought and study of possibilities—will as surely—yes—more surely—get increased returns. There's no increase of capital safer and surer than that."—*Marshall Field.*



NOWHERE does the intelligence of mankind shine more brightly than in bookshops. Books are symbols to lift us out of our selfish little lives, that we may look out over the landscape of humanity and see what strange vegetations are growing there—that we may look upon this world, large as it is, including all of us, and see what it means. And to me a bookshop, second-hand or first-hand, and however large or small, is a holy place.—*Christopher Morley.*



Bank Deposit Building

Practical and Proved Methods of Increasing Your Business and Holding It

By W. R. MOREHOUSE

Assistant Cashier Guaranty Trust and Savings Bank, Los Angeles, Cal.; President Financial Advertisers Association

THIS book, as its name implies, deals with building bank deposits—not in the sense of a spectacular increase by forced methods—here to-day and gone to-morrow—but building for permanent growth. This is the keynote of Mr. Morehouse's book and attention is paid to holding old business as well as to winning it in the first place.

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BOOK TALKS

Special Section of The Bankers Magazine

DECEMBER 1919

Business Men and Business Books

Do business men like to use public libraries or do they prefer to own their own books on business subjects? That seems to be a mooted question. A certain Prof. Edgar James Swift says:

"For two years I have lectured to about one hundred sales managers on the psychology of business, and I have been impressed by their desire for books. More than this, they do not like to use libraries, they want to own their books."

On the other hand, Charles E. Rush, librarian of the Indianapolis Public Library, says that business men do like to use libraries and he proves it by the large number of business men who use the downtown business branch of his library.

It is quite possible for both of these men to be right if we concede that they are talking about two different kinds of books.

"There is a very great and growing class of literature written by and for business men about business practice and methods," says "The Sabeian." "Books of this sort are the kind that business men, if they are interested in them at all, like to own, to keep on their office desks or their shelves at home. They are not books to be read once and returned whence they came, but to be studied and kept at hand as one keeps his dictionary and Britannica. But there is ample evidence of the usefulness of the public library to business men who know how to use it, though the books they find most useful are seldom among those most of us would select for the shelves of a 'Business Man's Library.'"

And along this line the comment of Paul M. Paine, Librarian of the Syracuse Public Library, is interesting and apropos. Mr. Paine says:

"Men need as never before the light of history, of science, of poetry, of all that teaches how to live rather than how to make a living. More especially, in the stress and confusion of shifting social and political upheavals we all need to study the duty of the neighbor as between nations, as between employer and employe, as between society and the family, society and the child, society and the under dog. We must not be afraid of the conflict of ideas on these subjects. The shelves must be open to all honest and worthy books, so that the reader may choose for himself."



There are business men who boast that they never read a book but get all the reading they want from newspapers and magazines, principally for local information.

All the historical books of the world and the intellectual stimulus so profitable for the sharpening of faculties and cultivation of the mind for patriotic and business purposes is lost to

them not only in the family life but also in the duties of a greater citizenship in which the business men of America must necessarily take an important part.

We are men interested in all that concerns men and therefore must not starve our minds by becoming mere shopkeepers.

Being in touch with the minds of great writers changes the currents of thought and rests and refreshes us after the exhausting cares and responsibilities of the long days in our offices and mills and it tends towards fitting ourselves for the better work of a coming day.

We cannot keep on pumping up in ourselves the forces and inspiration for the mental capital required by these days of history making.

—John Wanamaker.



"If you are interested in your work, you will enjoy reading everything pertaining to it; if you would acquire the charm and poise of manner of the man of the world, you must read general literature."

—Roy Griffith.

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BOOK TALKS

KEITH F. WARREN, Editor

Monthly Book Section

THE BANKERS MAGAZINE

253 Broadway, New York

DECEMBER 1919

A MAN'S success is often assured by his ability to discern the probabilities of the future and to prepare for them. A knowledge of the present and past experience of others is a fine preparation for future contingencies. Read business books.



A man is not old till he refuses to admit new light, embrace fresh experiences, entertain thoughts that never occurred to him before, open the doors and windows of his mind to the morning.



That socialism is bankrupt as a practical working scheme in government is the opinion of Herbert Hoover, who has had a rare opportunity to study the disastrous experiments along that line in Europe. Apparently it is safe to assume that the forces of unrest will never triumph in enlightened and prosperous America, so that there seems to be no reason why bankers and business men should not go ahead in studying and planning for the future development of American business along the lines of our present economic and financial system.



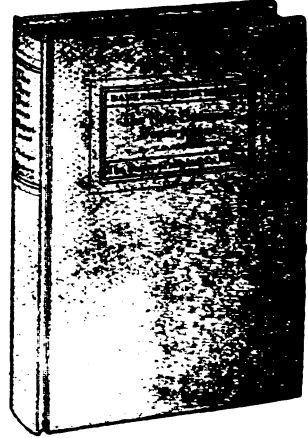
It has been said that business is an affair of men, money, methods and machinery. There is not one of these factors that the progressive banker and other business man cannot learn more about from books—business and technical books.

President Nicholas Murray Butler, of Columbia University, has recently been pleading for more instruction in the matter of international relations. Dr. Butler declared it to be essential that Americans should come to know and appreciate the points of view of other peoples, and recommended special emphasis on the study of foreign languages, mentioning French and Spanish in particular.



The Government is said to be making efforts to have twenty thousand of the largest factories and industrial plants adopt a system of industrial training of employees. This is somewhat analogous to what has been done by the American Institute of Banking.

"The Banking business is one long, deep study," says Secretary W. W. Bowman, of the Kansas Bankers' Association. "No one has ever learned it all. The best bankers are those who best understand the business—the science of it—the law of it—the economics of it. Too many bankers content themselves with a knowledge of the mere routine of it, unwilling to grapple with the profounder things on which it all rests. The lawyer who is familiar only with a few statutes, has learned how to fill out a few legal blanks, and follow a few prescribed court rules, and knows none of its philosophies, is no William Blackstone nor John Marshall, nor Rufus Choate. Banking literature abounds. No profession can boast of better. *Take time to read and study.* Subscribe for the financial journals that suit you best. Buy books, and then buy more books. It is the best time and money a banker can spend. Cut out a few bridge parties if necessary in order to have time to absorb the great thoughts of the big men of the banking profession. *Be a student.*" Amen, say we.



The New Business Department

By T. D. MACGREGOR

Author of "Pushing Your Business," "2000 Points for Financial Advertisers," "Bank Advertising Plans," "The Book of Thrift."

THE "intensive" cultivation of present customers of a bank and the systematizing of efforts to secure new ones are the keynote of this book by T. D. MacGregor, the well-known writer on financial advertising.

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While some of the ideas and methods suitable for use in pushing the business of the largest trust company in the world—with resources of over \$500,000,000—undoubtedly would not be adaptable to the requirements of the average bank or trust company, still the principles and practices in general are the same no matter what the present size of the institution to be developed.

"The New Business Department" is unique in its field. There is absolutely no other published work on this subject. If you want to have a concise yet complete idea of how to conduct a Department in your bank, large or small, you will need this book as an inspiration and guide. It is worth many times its price—one dollar—to any bank or trust company that wants to make the most of its opportunities of development.

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Please send for free examination Mr. MacGregor's "New Business Department." After five days' examination I will either return or remit the price, \$1.00.

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TABLES FOR CALCULATING DOLLARS INTO STERLING. Contains tables for calculating dollars into sterling at from \$4.10 to \$4.29 15/16 to the pound, in rates varying by 1/16. Also gives a table showing decimals of £ sterling. Price \$1 delivered.

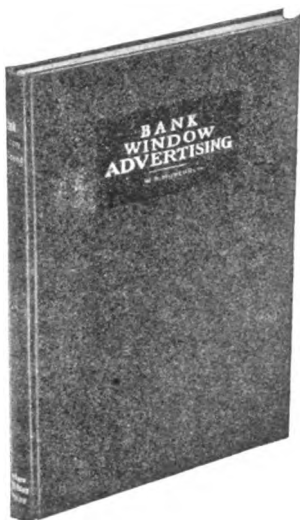
BANK ADVERTISING EXPERIENCE. By T. D. MacGregor. A practical guide of financial publicity for those seeking to learn by the experiences of others. Price \$2.00 delivered.

MODERN GERMANY; her political and economic problems. By J. Ellis Barker. This, the sixth edition of "Modern Germany" is in reality a new book. Seven chapters are entirely new and also it now contains sections on the outbreak of the war, the breakdown of the Triple Alliance, the ruin of Germany, by the army, Germany's war-aims, German plans for the domination of the world, the future of Germany and the problem of Austria. Price \$6.00.

PEACE AND BUSINESS. By Isaac F. Marcossou. Discusses business conditions in the various European countries after the war and points out America's new world trade opportunity. The book is the result of the author's first-hand economic investigations, both during and after the war. Price \$1.50.

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ELEMENTARY ECONOMICS. By Charles Manfred Thompson. Written for secondary school pupils. Discusses the prin-



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THE HIDE AND SKIN MARKET. Liberty National Bank, New York.

RUSSIANIZING THE RAILROADS. Guaranty Trust Company, New York.

THE PEACE TREATIES. Mellon National Bank, Pittsburgh.

THE FABRIC OF CIVILIZATION: A short survey of the Cotton Industry in the United States. Guaranty Trust Company, New York.

ANNUAL REPORT OF THE BANK COMMISSIONER OF THE STATE OF VERMONT. Vermont Public Documents, Rutland, Vt.

STAMP TAXES ON ISSUES, SALES AND TRANSFERS OF STOCK. Liberty National Bank, New York.

COMMUNITY TRUSTS. By F. H. Goff. Cleveland Trust Company, Cleveland.

RECORD OF FOREIGN GOVERNMENT BONDS ISSUED AND SOLD IN THE UNITED STATES OF AMERICA. C. F. Childs and Company, New York.

REPORT OF THE ACCEPTANCE COMMITTEE OF THE AMERICAN BANKERS ASSOCIATION, 1919. American Acceptance Council, New York.

ACCEPTANCE CORPORATIONS. By F. Abbot Goodhue. American Acceptance Council, New York.

TRADE ACCEPTANCES. By Robert H. Treman. American Acceptance Council, New York.

THE VALIDITY AND EXEMPTION FROM TAXATION OF JOINT STOCK LAND BANK BONDS. Equitable Trust Company, New York.

BANK REPORT, STATE OF NEW JERSEY, 1919. Department of Banking and Insurance, Trenton, N. J.

FEDERAL STAMP TAXES ON DRAFTS, CHECKS AND PROMISSORY NOTES. Guaranty Trust Company, New York.

WHAT IS WRONG WITH THE ELECTRIC RAILWAYS? No. 31 of a series of pamphlets upon questions relating to national prosperity. Irving National Bank, New York.

DIGEST OF RAILROAD BILLS AND PLANS. A summary of the Cummins Plan, the Plumb Plan, the Association of Railway Executives Plan, the National Association of Railroad Securities Plan, the Esch Pomerene Bill, the National Transportation Conference Plan, the Loree Plan, the Victor Morawetz Plan, the Citizens National Railroad League Plan, the Cook Plan, and the Railway Business Association Plan. American Exchange National Bank, New York.

NEW YORK STATE LABOR LAW, with amendments, additions and annotations to August 1, 1919. Bureau of Statistics and Information, State House. Albany, New York.

COURT DECISIONS ON NEW YORK STATE WORKMEN'S COMPENSATION LAW, August, 1916; June, 1919, Bureau of Statistics and Information, State House. Albany, New York.

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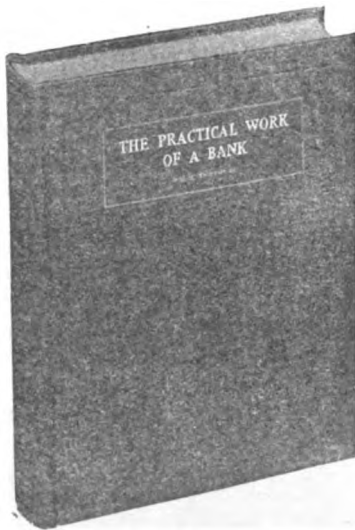
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—*Ruskin.*

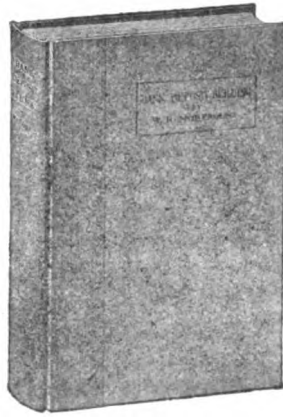


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By W. R. MOREHOUSE

Assistant Cashier Guaranty Trust and Savings Bank, Los Angeles, Cal.; President Financial Advertisers Association

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